



SHIVA INDUSTRIAL SECURITY AGENCY (GUJARAT) LIMITED

Corporate Identity Number: - U67120GJ1997PLC032649



Our Company was originally incorporated as “Shiva Industrial Security Agency (Gujarat) Private Limited” on July 11, 1997 vide Registration Certificate No. 02-32649/1997-1998 under the provisions of the Companies Act, 1956 with the Registrar of Companies, Gujarat, Dadra & Nagar Haveli. Subsequently, our Company was converted into a Public Limited Company pursuant to Special Resolution passed at the Extra Ordinary General Meeting of the Company held on February 27, 2018 and the name of our Company was changed from “Shiva Industrial Security Agency (Gujarat) Private Limited” to “Shiva Industrial Security Agency (Gujarat) Limited” vide a fresh Certificate of Incorporation dated March 10, 2018 having CIN U67120GJ1997PLC032649 issued by the Registrar of Companies, Gujarat, Ahmedabad. For further details of Incorporation, Change of Name and Registered Office of our company, please refer to chapter titled “General Information” and “Our History and Certain Other Corporate Matters” beginning on page 48 and page 114 of this Draft Prospectus.

Registered Office: Sameer Complex, R S No 71, Navsarjan Society, GIDC, Pandesara, Surat, Gujarat, India, 394221

Tel No: +91-0261-2892420; E-mail: [sisa@sisasecurity.com](mailto:sisa@sisasecurity.com); Website: [www.sisasecurity.com](http://www.sisasecurity.com);

CONTACT PERSON: MR. MOHMED PARVEZ AYAZ SHAIKH, (COMPANY SECRETARY AND COMPLIANCE OFFICER)

PROMOTERS OF OUR COMPANY: MR. SUSHIL PYARELAL SHARMA, SAMEER SUSHILKUMAR SHARMA, ANUBHA SAMEER SHARMA

THE ISSUE	
INITIAL PUBLIC ISSUE CONSISTING OF FRESH ISSUE OF UPTO 27,00,000 EQUITY SHARES OF FACE VALUE OF RS. 10/- EACH FULLY PAID FOR CASH AT A PRICE OF RS. [●] PER EQUITY SHARE (THE “ISSUE PRICE”) (INCLUDING A SHARE PREMIUM OF RS. [●] PER EQUITY SHARE) AGGREGATING UP TO RS. [●] LAKHS (THE “ISSUE”), OF WHICH [●] EQUITY SHARES OF FACE VALUE OF RS. 10/- EACH FOR CASH AT A PRICE OF RS. [●]/- PER EQUITY SHARE, AGGREGATING RS. [●] LAKHS WILL BE RESERVED FOR SUBSCRIPTION BY THE MARKET MAKER TO THE ISSUE (THE “MARKET MAKER RESERVATION PORTION”). THE ISSUE LESS MARKET MAKER RESERVATION PORTION I.E. ISSUE OF [●] EQUITY SHARES OF FACE VALUE OF RS. 10/- EACH FOR CASH AT A PRICE OF RS. [●]/- PER EQUITY SHARE, AGGREGATING RS. [●] LAKHS IS HEREINAFTER REFERED TO AS THE “NET ISSUE”. THE ISSUE AND THE NET ISSUE WILL CONSTITUTE [●] % AND [●] % RESPECTIVELY OF THE FULLY DILUTED POST ISSUE PAID UP EQUITY SHARE CAPITAL OF OUR COMPANY.	
THE FACE VALUE OF THE EQUITY SHARES IS RS. 10 EACH AND THE ISSUE PRICE IS [●] TIMES OF THE FACE VALUE.	
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. 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, 2009, AS AMENDED. FOR FURTHER DETAILS, PLEASE REFER TO SECTION TITLED "ISSUE PROCEDURE" BEGINNING ON PAGE 232 OF THIS DRAFT PROSPECTUS.	
All the investors applying in a public offer shall use only Application Supported by Blocked Amount (ASBA) facility for making payment providing details about the bank account which will be blocked by the Self Certified Syndicate Banks ("SCSBs") as per the SEBI circular CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015. For further details, please refer to section titled " <b>Issue Procedure</b> " beginning on page 232 of this Draft Prospectus.	
ELIGIBLE INVESTORS	
For details in relation to Eligible Investors, please refer to section titled " <b>Issue Procedure</b> " beginning on page 232 of this Draft Prospectus.	
RISK IN RELATION TO THE FIRST ISSUE	
This being the first public issue of the Equity Shares of our Company, there has been no formal market for the Equity Shares of our Company. The face value of the Equity Shares of the Company is ₹10.00 per equity share and the Issue Price is [●] times of the face value. The Issue Price (will be determined and justified by our Company in consultation with the Lead Manager as stated under the paragraph “ <b>Basis for Issue Price</b> ” on page 85 of this Draft Prospectus) should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active and/or sustained trading in the Equity Shares of our Company or regarding the price at which the Equity Shares will be traded after listing.	
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 our Company and the Issue including the risks involved. The Equity Shares offered in the Issue have not been recommended or approved by the Securities and Exchange Board of India (“SEBI”), nor does SEBI guarantee the accuracy or adequacy of this Draft Prospectus. <b>Specific attention of the investors is invited to the section titled “Risk Factors” beginning on page 16 of this Draft Prospectus.</b>	
COMPANY’S ABSOLUTE RESPONSIBILITY	
Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Prospectus contains all information with regard to our Company and the Issue, which is material in the context of the Issue; that the information contained in this Draft Prospectus is true and correct in all material aspects and is not misleading in any material respect; that the opinions and intentions expressed herein are honestly held; and that there are no other facts, the omission of which makes this Draft Prospectus as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.	
LISTING	
The Equity Shares of our Company issued through this Draft Prospectus are proposed to be listed on the EMERGE Platform of National Stock Exchange of India Limited (‘NSE EMERGE’), in terms of the Chapter XB of the SEBI (ICDR) Regulations, 2009 as amended from time to time. Our Company has received an In-Principle approval letter dated [●] from National Stock Exchange of India Limited for using its name in the Issue document for listing of our shares on the EMERGE Platform of National Stock Exchange of India Limited. For the purpose of this Issue, National Stock Exchange of India Limited shall be the Designated Stock Exchange.	
LEAD MANAGER	REGISTRAR TO THE ISSUE
 <b>Hem Securities Ltd</b>	
<b>HEM SECURITIES LIMITED</b> 904,A Wing, Naman Midtown, Senapati Bapat Marg, Elphinstone Road, Lower Parel, Mumbai-400013, India <b>Tel. No.:</b> +91- 022- 4906 0000 <b>Fax No.:</b> +91- 022- 2262 5991 <b>Website:</b> <a href="http://www.hemsecurities.com">www.hemsecurities.com</a> <b>Email:</b> <a href="mailto:jb@hemsecurities.com">jb@hemsecurities.com</a> <b>Investor Grievance Email:</b> <a href="mailto:redressal@hemsecurities.com">redressal@hemsecurities.com</a> <b>Contact Person :</b> Mr. Anil Bhargava <b>SEBI Regn. No.</b> INM000010981	<b>KARVY COMPUTERSHARE PRIVATE LIMITED</b> Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad-500 032, India. <b>Tel No.:</b> +91-40- 6716 2222 <b>Fax No.:</b> + 91-40-2343 1551 <b>Website:</b> <a href="http://www.karishma.karvy.com">www.karishma.karvy.com</a> <b>E-mail:</b> <a href="mailto:einward.ris@karvy.com">einward.ris@karvy.com</a> <b>Investor Grievance Email:</b> <a href="mailto:sisa.ipo@karvy.com">sisa.ipo@karvy.com</a> <b>Contact Person:</b> Mr. M. Murali Krishna <b>SEBI Registration :</b> INR000000221
ISSUE PROGRAMME	
ISSUE OPENS ON: [●]	ISSUE CLOSES ON: [●]

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## SECTION I - GENERAL

### DEFINITIONS & ABBREVIATIONS

*This Draft Prospectus uses certain definitions and abbreviations which, unless the context otherwise indicates or implies, shall have the meaning as provided below. References to any legislation, act, regulation, rule, guideline or policy shall be to such legislation, act, regulation, rule, guideline or policy, as amended, supplemented or re-enacted from time to time.*

*The words and expressions used in this Draft Prospectus but not defined herein, shall have, to the extent applicable, the meaning ascribed to such terms under the Companies Act, the SEBI ICDR Regulations, the SCRA, the Depositories Act or the rules and regulations made there under.*

*Notwithstanding the foregoing, terms used in of the sections “Statement of Tax Benefits”, “Financial Information of the Company” and “Main Provisions of Articles of Association” on pages 88, 144 and 273 respectively, shall have the meaning ascribed to such terms in such sections.*

*Unless the context otherwise indicates, all references to “SISA”, “the Company”, “our Company”, “the Issuer”, “we”, “us” and “our” are references to Shiva Industrial Security Agency (Gujarat) Limited, a company incorporated in India under the Companies Act 1956 having its Registered office at Sameer Complex, R.S. No. 71, Navsarjan Society, GIDC Pandesara, Surat, Gujarat India and “you”, “your” or “yours” refer to Prospective investors in this Issue.*

#### **Company Related Terms**

<b>Term</b>	<b>Description</b>
AOA / Articles / Articles of Association	Articles of Association of Shiva Industrial Security Agency (Gujarat) Limited as amended from time to time.
Auditors/ Statutory Auditors	The Auditors of Shiva Industrial Security Agency (Gujarat) Limited being <b>M/s AGKR &amp; Co.</b> , Chartered Accountants.
Audit Committee	The Committee of the Board of Directors constituted as the Company’s Audit Committee in accordance with Section 177 of the Companies Act, 2013 and Regulation 18 of SEBI (Listing Obligations and Disclosures Requirement) Regulation, 2015.
Bankers to the Company	Axis Bank Limited
Board of Directors / the Board / our Board	The Board of Directors of our Company, including all duly constituted Committees thereof. For further details of our Directors, please refer to section titled “ <b>Our Management</b> ” beginning on page 120 of this Draft Prospectus.
CIN	Corporate Identification Number.
Chief Financial Officer/ CFO	The Chief Financial Officer of our Company being Mr. Vijay Kumar Singh
Companies Act / Act	The Companies Act, 2013 and amendments thereto. The Companies Act, 1956, to the extent of such of the provisions that are in force.
Company Secretary and Compliance Officer	The Company Secretary and Compliance Officer of our Company being Mr. Mohmed Parvez Ayaz Shaikh
Depositories Act	The Depositories Act, 1996, as amended from time to time.
Depositories	National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).
DIN	Directors Identification Number
Director(s) / our Directors	The Director(s) of our Company, unless otherwise specified.
Equity Shares	Equity Shares of the Company of Face Value of Rs.10/- each unless otherwise specified in the context thereof.
Equity Shareholders/ Shareholders	Persons/ Entities holding Equity Shares of our Company.
Executive Directors	Executive Directors are the Managing Director & Whole-time Directors of our Company.
GIR Number	General Index Registry Number.
Group Companies	The word “ <b>Group Companies</b> ”, wherever they occur, shall include such companies as covered under the applicable accounting standards and also other companies as considered material by the board of the issuer in its materiality policy (if any) and as disclosed in

	<b>“Our Group Company”</b> promoted by the Promoters on page 140 of this Draft Prospectus.
HUF	Hindu Undivided Family.
IBC	The Insolvency and Bankruptcy Code, 2016
IFRS	International Financial Reporting Standards
Independent Director	An Independent Director as defined under Section 2(47) of the Companies Act, 2013 and the Listing Regulations
ISIN	International Securities Identification Number. In this case being -INE00C801012
IT Act	The Income Tax Act, 1961 as amended till date
Indian GAAP	Generally Accepted Accounting Principles in India.
Key Management Personnel/ KMP	Key Management Personnel of our Company in terms of the SEBI Regulations and the Companies Act, 2013. For details, see section entitled <b>“Our Management”</b> on page 120 of this Draft Prospectus.
LLP	Limited Liability Partnership
Materiality Policy	The policy on identification of group companies, material creditors and material litigation, adopted by our Board on March 14, 2018, in accordance with the requirements of the SEBI (ICDR) Regulations
MOA / Memorandum / Memorandum of Association	Memorandum of Association of Shiva Industrial Security Agency (Gujarat) Limited as amended from time to time.
NRI / Non-Resident Indians	A person resident outside India, as defined under FEMA Regulation and who is a citizen of India or a Person of Indian Origin under Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000.
Non-Executive Director	A Director not being an Executive Director.
Nomination and Remuneration Committee	The Nomination and Remuneration Committee of our Board constituted in accordance with the Companies Act, 2013 and the Listing Regulations.
Peer Review Auditor	Independent Auditor having a valid Peer Review certificate in our case being M/s N K Sultania & Co., Chartered Accountants.
Person or Persons	Any individual, sole proprietorship, unincorporated association, unincorporated organization, body corporate, corporation, company, limited liability Partnership, partnership, limited liability company, joint venture, or trust or any other entity or organization validly constituted and/or incorporated in the jurisdiction in which it exists and operates, as the context requires.
Promoter	Shall mean promoters of our Company i.e. Major Sushil Pyarelal Sharma (retd.), Mr. Sameer Sushilkumar Sharma and Mrs. Anubha Sameer Sharma. For further details, please refer to section titled <b>“Our Promoters and Promoter Group”</b> beginning on page 134 of this Draft Prospectus.
Promoter Group	Includes such Persons and companies constituting our promoter group covered under Regulation 2(1) (zb) of the SEBI (ICDR) Regulations as enlisted in the section <b>“Our Promoters and Promoter Group”</b> beginning on page 134 of this Draft Prospectus.
RBI Act	The Reserve Bank of India Act, 1934 as amended from time to time.
Registered Office of our Company	Sameer Complex, R.S. No. 71, Navsarjan Society, GIDC Pandesara, Surat, Gujarat India
Restated Financial Statements	The financial statements of our Company’s assets and liabilities as at June 30, 2018, fiscal year ending March 31, 2018, March 31, 2017, March 31, 2016, March 31, 2015 and March 31, 2014 and the statements of profit and loss and cash flows for three months period ending on June 30, 2018 and fiscal years ending March 31, 2018, March 31, 2017, March 31, 2016, March 31, 2015 and March 31, 2014 of our Company prepared in accordance with Indian GAAP and the Companies Act and restated in accordance with the SEBI ICDR Regulations and the Revised Guidance Note on Reports in Company Prospectuses (Revised) issued by the ICAI, together with the schedules, notes and annexure thereto.
Reserve Bank of India / RBI	Reserve Bank of India constituted under the RBI Act.
RoC/ Registrar of Companies	Registrar of Companies, Gujarat, Ahmedabad.
SEBI	Securities and Exchange Board of India constituted under the SEBI Act, 1992.
SEBI Act	Securities and Exchange Board of India Act, 1992, as amended from time to time.

SEBI (ICDR) Regulations /ICDR Regulation/ Regulation	SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 issued by SEBI on August 26, 2009, as amended, including instructions and clarifications issued by SEBI from time to time.
SEBI Takeover Regulations or SEBI (SAST) Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) 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.
SEBI Insider Trading Regulations	The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 as amended, including instructions and clarifications issued by SEBI from time to time.
SEBI Listing Regulations, 2015/SEBI Listing Regulations/Listing Regulations/SEBI (LODR)	The Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 as amended, including instructions and clarifications issued by SEBI from time to time.
Sub- Account	Sub- accounts registered with SEBI under the Securities and Exchange Board of India (Foreign Institutional Investor) Regulations, 1995, other than sub-accounts which are foreign corporate or foreign individuals.
Subscriber to MOA	Initial Subscribers to MOA & AOA being Mr. Sushil Pyarelal Sharma, Mr. Shiv Shanker Singh and Mr. Mahender Singh
Stakeholders' Relationship Committee	Stakeholders' Relationship Committee of our Company constituted in accordance with Regulation 20 of the SEBI (LODR) Regulations and Companies Act, 2013.
Stock Exchange	Unless the context requires otherwise, refers to, National Stock Exchange of India Limited

### Issue Related Terms

Terms	Description
Allotment/Allot/Allotted	Issue and allotment of Equity Shares of our Company pursuant to the Issue of the Equity Shares to successful Applicants.
Acknowledgement Slip	The slip or document issued by the Designated Intermediary to an Applicant as proof of registration of the Application.
Allotment Advice	Note or advice or intimation of Allotment sent to the Applicants who have been allotted Equity Shares after the Basis of Allotment has been approved by the Designated Stock Exchanges
Allottee (s)	The successful Applicant(s) to whom the Equity Shares are allotted
Applicant/ Investor	Any prospective investor who makes an application pursuant to the terms of the Prospectus and the Application form.
Application Amount	The amount at which the Applicant makes an application for the Equity Shares of our Company in terms of Draft Prospectus.
Application Form	The form, whether physical or electronic, used by Applicant to make an application, which will be considered as the application for Allotment for purposes of this Draft Prospectus.
Application Supported by Block Amount (ASBA)	An application, whether physical or electronic, used by all applicants to make an application authorizing a SCSB to block the application amount in the ASBA Account maintained with the SCSB. Pursuant to SEBI Circular dated November 10, 2015 and bearing Reference No. CIR/CFD/POLICYCELL/11/2015 which shall be applicable for all public issues opening on or after January 01, 2016, all the investors shall apply through ASBA process only.
ASBA Account	Account maintained by the Investor with an SCSB which will be blocked by such SCSB to the extent of the Application Amount of the Investor.
ASBA Applicants	Any investor who intended to apply in the Public Issue.
ASBA Application Location (s)/ Specified Cities	Cities as specified in the SEBI Circular No. CIR/CFD/DIL/1/2011 dated April 29, 2011, namely, Ahmedabad, Bangalore, Baroda (Vadodara), Chennai, Delhi, Hyderabad, Jaipur, Kolkata, Mumbai, Pune, Rajkot and Surat
Bankers to the Issue	Banks which are clearing members and registered with SEBI as Bankers to an Issue and with whom the Public Issue Account will be opened, in this case being ICICI Bank Limited
Banker to the Issue	Agreement dated [●] entered into amongst the Company, LM, the Registrar and the Banker of



Agreement	the Issue.
Basis of Allotment	The basis on which the Equity Shares will be Allotted, described in “Issue Procedure – Basis of Allotment” on page 263 of the 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 Centers, along with the name and contact details of the Registered Brokers are available on the website of the Stock Exchange
Business Day	Monday to Friday (except public holidays)
CAN or Confirmation of Allocation Note	The Note or advice or intimation sent to each successful Applicant indicating the Equity which will be allotted, after approval of Basis of Allotment by the designated Stock Exchange.
Client Id	Client Identification Number maintained with one of the Depositories in relation to demat account
Collecting Depository Participants or CDPs	A depository participant as defined under the Depositories Act, 1996, registered with SEBI and who is eligible to procure Applications at the Designated CDP Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI
Controlling Branches of the SCSBs	Such branches of the SCSBs which coordinate with the Lead Manager, the Registrar to the Issue and the Stock Exchange.
Demographic Details	The demographic details of the Applicants such as their Address, PAN, name of the applicants’ father/husband, investor status and occupation and Bank Account details.
Depository / Depositories	A depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996 as amended from time to time, being NSDL and CDSL.
Designated SCSB Branches	Such branches of the SCSBs which shall collect the ASBA Application Form from the applicants and a list of which is available on the website of SEBI at <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes">https://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 websites of the Stock Exchange i.e. <a href="http://www.nseindia.com">www.nseindia.com</a>
Designated RTA Locations	Such locations of the RTAs where applicants can submit the Application Forms to RTAs. The details of such Designated RTA Locations, along with names and contact details of the RTAs eligible to accept Application Forms are available on the websites of the Stock Exchange i.e. <a href="http://www.nseindia.com">www.nseindia.com</a>
Designated Date	On the Designated Date, the amounts blocked by SCSBs are transferred from the ASBA Accounts to the Public Issue Account and/ or unblocked in terms of the Draft Prospectus
Designated Intermediaries/Collecting Agent	An SCSB’s with whom the bank account to be blocked, is maintained, a syndicate member (or sub-syndicate member), a Stock Broker registered with recognized Stock Exchange, a Depository Participant, 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	[●]
Designated Stock Exchange	National Stock Exchange of India Limited
DP	Depository Participant
DP ID	Depository Participant’s Identity number
Draft Prospectus	Draft Prospectus dated October 29, 2018 issued in accordance with Section 32 of the Companies Act, 2013.
Eligible NRI	A Non Resident Indian in a jurisdiction outside India where it is not unlawful to make an offer or invitation under the Issue and in relation to whom this Prospectus will constitute an invitation to subscribe for the Equity Shares.
Equity Shares	Equity Shares of our Company of face value ₹ 10.00 each
Eligible QFIs	QFIs 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 constitutes an invitation

	to purchase the Equity Share Issued thereby and who have opened demat accounts with SEBI registered qualified depository participants.
First/ Sole applicant	The applicant whose name appears first in the Application Form or Revision Form.
FII/ Foreign Institutional Investor	Foreign Institutional Investor (as defined under SEBI (Foreign Institutional Investors) Regulations, 1995, as amended) registered with SEBI under applicable law in India.
Foreign Venture Capital Investors	Foreign Venture Capital Investors registered with SEBI under the SEBI (Foreign Venture Capital Investor) Regulations, 2000.
FPI / Foreign Portfolio Investor	A Foreign Portfolio Investor who has been registered pursuant to the of Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014, provided that any FII or QFI who holds a valid certificate of registration shall be deemed to be a foreign portfolio investor till the expiry of the block of three years for which fees have been paid as per the SEBI (Foreign Institutional Investors) Regulations, 1995, as amended
General Information Document (GID)	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.
HSL	Hem Securities Limited.
IPO	Initial Public Offering.
Issue/Public size/Initial Issue/Initial Offering/ IPO	The Public Issue of up to 27,00,000 Equity shares of ₹ 10/- each at issue price of [●] per Equity share aggregating to ₹ [●]
Issue Agreement	The Agreement dated October 13, 2018 between our Company and Lead Manager.
Issue Closing Date	The date after which the Lead Manager, Syndicate Member, Designated Branches of SCSBs and Registered Brokers will not accept any Application for this Issue, which shall be notified in a English national newspaper, Hindi national newspaper and a regional newspaper each with wide circulation as required under the SEBI (ICDR) Regulations. In this case being [●]
Issue Opening Date	The date on which the Lead Manager, Syndicate Member, Designated Branches of SCSBs and Registered Brokers shall start accepting Application for this Issue, which shall be the date notified in an English national newspaper, Hindi national newspaper and a regional newspaper each with wide circulation as required under the SEBI (ICDR) Regulations. In this case being [●]
Issue Price	The Price at which the Equity Shares are being issued by our Company under this Draft Prospectus being [●] per equity share.
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 Applications, including any revisions thereof.
Issue Proceeds	Proceeds to be raised by our Company through this Issue, for further details please refer chapter titled “Objects of the Issue” at page 78 of the Draft Prospectus
Listing Agreement/ Equity Listing Agreement	The Listing Agreement to be signed between our Company and National Stock Exchange of India Limited (NSE).
LM/Lead Manager	Lead Manager to the Issue, in this case being Hem Securities Limited (HSL).
Lot Size	[●]
Market Maker	Member Brokers of NSE who are specifically registered as Market Makers with the NSE Emerge Platform. In our case [●] is the sole Market Maker
Market Making Agreement	The Market Making Agreement dated [●] between our Company and Market Maker, [●]
Maximum RIB Allottees	Maximum number of RIBs who can be allotted the minimum Lot. This is computed by dividing the total number of Equity Shares available for Allotment to RIBs by the minimum Lot
Market Maker Reservation Portion	The reserved portion of [●] Equity Shares of ₹ 10 each at an Issue price of [●] each aggregating to Rs. [●] Lakh to be subscribed by Market Maker in this issue.
Mutual Funds	A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996, as amended from time to time

Net Issue	The Issue (excluding the Market Maker Reservation Portion) of up to [●] Equity Shares of face value of Rs. 10 each fully paid for cash at a price of Rs [●] per Equity Share aggregating Rs. [●] by our Company.
Net Proceeds	The Issue Proceeds received from the fresh Issue excluding Issue related expenses. For further information on the use of Issue Proceeds and Issue expenses, please refer to the section titled "Objects of the Issue" beginning on page 78 of this Draft Prospectus.
Non-Institutional Investors	Investors other than Retail Individual Investors, NRIs and QIBs who apply for the Equity Shares of a value of more than ₹ 2,00,000/-
NSE	National Stock Exchange of India Limited
NSE EMERGE	The SME platform of NSE, approved by SEBI as an SME Exchange for listing of equity shares offered under Chapter X-B of the SEBI ICDR Regulations.
Other Investor	Investors other than Retail Individual Investors. These include individual applicants other than retail individual investors and other investors including corporate bodies or institutions irrespective of the number of specified securities applied for.
Overseas Corporate Body/ OCB	Overseas Corporate Body means and includes an entity defined in clause (xi) of Regulation 2 of the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies (OCB's) Regulations 2003 and which was in existence on the date of the commencement of these Regulations and immediately prior to such commencement was eligible to undertake transactions pursuant to the general permission granted under the Regulations. OCBs are not allowed to invest in this Issue.
Prospectus	The prospectus, filed with the RoC in accordance with the provisions of Section 32 of the Companies Act, 2013, containing, <i>inter alia</i> , the Issue Price will be determined before filing the Prospectus with RoC
Public Issue Account	Account opened with the Bankers to the Issue to receive monies from the SCSBs from the bank account of the applicants, on the Designated Date.
Qualified Institutional Buyers/ QIBs	A Mutual Fund, Venture Capital Fund and Foreign Venture Capital Investor registered with the SEBI, a foreign institutional investor and sub-account (other than a sub-account which is a foreign corporate or foreign individual), registered with SEBI; a public financial institution as defined in Section 2(72) of the Companies Act, 2013; a scheduled commercial bank; a multilateral and bilateral development financial institution; a state industrial development corporation; an insurance company registered with the Insurance Regulatory and Development Authority; a provident fund with minimum corpus of ₹ 25.00 Crore; a pension fund with minimum corpus of ₹ 25.00 Crore; National Investment Fund set up by resolution No. F. No. 2/3/2005 – DDII dated November 23, 2005 of the 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 and insurance funds set up and managed by the Department of Posts, India and systemically important non-banking financial companies.
Registrar/ Registrar to the Issue/ RTA/ RTI	Registrar to the Issue being Karvy Computershare Private Limited
Registrar Agreement	The agreement dated March 10, 2018, entered into between our Company and the Registrar to the Issue in relation to the responsibilities and obligations of the Registrar to the Issue pertaining to the Issue.
Registered Broker	Individuals or companies registered with SEBI as "Trading Members" (except Syndicate/Sub-Syndicate Members) who hold valid membership of either BSE or NSE having right to trade in stocks listed on Stock Exchanges, through which investors can buy or sell securities listed on stock exchanges, a list of which is available on <a href="http://www.nseindia.com/membership/content/cat_of_mem.htm">http://www.nseindia.com/membership/content/cat_of_mem.htm</a>
Regulations	SEBI (Issue of Capital and Disclosure Requirement) Regulations, 2009 as amended from time to time.
Retail Individual investor	Individual applicant who have applied for the Equity Shares of a value of not more than ₹ 2,00,000 (including HUFs applying through their Karta and Eligible NRIs and does not include NRIs other than Eligible NRIs).
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, 2009
Revision Form	Form used by the applicants to modify the quantity of the Equity Shares or the application Amount in any of their ASBA Form(s) or any previous Revision Form(s). QIB applicants and Non-Institutional applicants are not allowed to withdraw or lower their application (in terms of quantity of Equity Shares or the Amount) at any stage. Retail Individual applicants and Eligible Employees can revise their application during the Issue Period and withdraw their applications until Issue Closing Date.
Registrar and Share Transfers Agents or RTAs	Registrar and share transfer agents registered with SEBI and eligible to procure Applications at the Designated RTA Location in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI
SEBI SAST / SEBI (SAST) Regulations	SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 as amended from time to time
Self Certified Syndicate Bank(s) / SCSB(s)	Banks which are registered with SEBI under the Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994 and offer services of ASBA, including blocking of bank account, a list of which is available <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>
SME Exchange	SME Platform of the NSE i.e. NSE EMERGE
SME Platform	The SME Platform of NSE i.e. NSE EMERGE for listing equity shares offered under Chapter X-B of the SEBI ICDR Regulation which was approved by SEBI as an SME Exchange on September 27, 2011
SEBI(PFUTP) Regulations/PFUTP Regulations	SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Markets) Regulations, 2003
Transaction Registration Slip/ TRS	The slip or document issued by the member of the Syndicate or an SCSB (only on demand) as the case may be, to the Applicant as proof of registration of the Application.
Underwriters	The LM who has underwritten this Issue pursuant to the provisions of the SEBI (ICDR) Regulations and the Securities and Exchange Board of India (Underwriters) Regulations, 1993, as amended from time to time.
Underwriting Agreement	The Agreement [●] entered between the Underwriters, LM and our Company.
U.S. Securities Act	U.S. Securities Act of 1933, as amended
Venture Capital Fund	Foreign Venture Capital Funds (as defined under the Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996) registered with SEBI under applicable laws in India.
Working Day	Any day, other than Saturdays or Sundays, on which commercial banks in India are open for business, provided however, for the purpose of the time period between the Issue Opening Date and listing of the Equity Shares on the Stock Exchanges, "Working Days" shall mean all trading days excluding Sundays and bank holidays in India in accordance with the SEBI circular no. SEBI/HO/CFD/DIL/CIR/P/2016/26 dated January 21, 2016.

### Technical and Industry Related Terms

Term	Description
ATM	Automated Teller Machine
BFSI	Banking, Financial Services and Insurance
CII	The Confederation of Indian Industry
CIT	Cash in transit
CPD	Cash Pickup and Delivery
DSB	Doorstep banking
ESAS	Electronic security as a service
FMCG	Fast moving consumer goods
ISO	Industrial Standards Organization
IT	Information technology
ITeS	Information technology enabled services
MHA	Ministry of Home Affairs, Government of India

MSP	Managed Services Provider.
NASSCOM	The National Association of Software and Services Companies
OEM	Original equipment manufacturer
POS	Point of sale
PSARA	The Private Security Agencies Regulation Act, 2005
(SISA I-Connect)	Integrated Mobile Application (SISA I-Connect)
UPI	Unified Payment Interface

## Abbreviations

Abbreviation	Full Form
₹/ Rs./ Rupees/ INR	Indian Rupees
AS / Accounting Standard	Accounting Standards as issued by the Institute of Chartered Accountants of India
A/c	Account
ACS	Associate Company Secretary
AGM	Annual General Meeting
ASBA	Applications Supported by Blocked Amount
AMT	Amount
AIF	Alternative Investment Funds registered under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012, as amended.
AY	Assessment Year
AOA	Articles of Association
Approx	Approximately
B. A	Bachelor of Arts
B. Com	Bachelor of Commerce
B. E	Bachelor of Engineering
B. Sc	Bachelor of Science
B. Tech	Bachelor of Technology
Bn	Billion
BG/LC	Bank Guarantee / Letter of Credit
BIFR	Board for Industrial and Financial Reconstruction
CDSL	Central Depository Services (India) Limited
CAGR	Compounded Annual Growth Rate
CAN	Confirmation of Allocation Note
CA	Chartered Accountant
CAD	Canadian Dollar
CB	Controlling Branch
CC	Cash Credit
CIN	Corporate Identification Number
CIT	Commissioner of Income Tax
CS	Company Secretary
CS & CO	Company Secretary & Compliance Officer
CFO	Chief Financial Officer
CSR	Corporate Social Responsibility
CENVAT	Central Value Added Tax
CST	Central Sales Tax
CWA/ICWA	Cost and Works Accountant
CMD	Chairman and Managing Director
DIN	Director Identification Number
DIPP	Department of Industrial Policy and Promotion, Ministry of Commerce, Government of India
DP	Depository Participant
DP ID	Depository Participant's Identification Number
EBITDA	Earnings Before Interest, Taxes, Depreciation & Amortization

ECS	Electronic Clearing System
ESIC	Employee's State Insurance Corporation
EPFA	Employee's Provident Funds and Miscellaneous Provisions Act, 1952
EPS	Earnings Per Share
EGM /EOGM	Extraordinary General Meeting
ESOP	Employee Stock Option Plan
EXIM/ EXIM Policy	Export – Import Policy
FCNR Account	Foreign Currency Non Resident Account
FIPB	Foreign Investment Promotion Board
FY / Fiscal/Financial Year	Period of twelve months ended March 31 of that particular year, unless otherwise stated
FEMA	Foreign Exchange Management Act, 1999 as amended from time to time, and the regulations framed there under.
FCNR Account	Foreign Currency Non Resident Account
FBT	Fringe Benefit Tax
FDI	Foreign Direct Investment
FIs	Financial Institutions
FIIIs	Foreign Institutional Investors (as defined under Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000) registered with SEBI under applicable laws in India
FPIs	“Foreign Portfolio Investor” means a person who satisfies the eligibility criteria prescribed under regulation 4 and has been registered under Chapter II of Securities And Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014, which shall be deemed to be an intermediary in terms of the provisions of the SEBI Act, 1992.
FTA	Foreign Trade Agreement.
FVCI	Foreign Venture Capital Investors registered with SEBI under the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000.
FV	Face Value
GoI/Government	Government of India
GDP	Gross Domestic Product
GST	Goods and Services Tax
HUF	Hindu Undivided Family
ICAI	The Institute of Chartered Accountants of India
ICWAI	The Institute of Cost Accountants of India
IMF	International Monetary Fund
IIP	Index of Industrial Production
IPO	Initial Public Offer
ICSI	The Institute of Company Secretaries of India
IFRS	International Financial Reporting Standards
HNI	High Net Worth Individual
INR / ₹/ Rupees	Indian Rupees, the legal currency of the Republic of India
I.T. Act	Income Tax Act, 1961, as amended from time to time
IT Authorities	Income Tax Authorities
IT Rules	Income Tax Rules, 1962, as amended, except as stated otherwise
Indian GAAP	Generally Accepted Accounting Principles in India
IRDA	Insurance Regulatory and Development Authority
KMP	Key Managerial Personnel
LM	Lead Manager
Ltd.	Limited
MAT	Minimum Alternate Tax
MoF	Ministry of Finance, Government of India
MOU	Memorandum of Understanding
M. A	Master of Arts
M. B. A	Master of Business Administration

M. Com	Master of Commerce
Mn	Million
M. E	Master of Engineering
M. Tech	Masters of Technology
Merchant Banker	Merchant Banker as defined under the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992
MSME	Micro, Small and Medium Enterprises
MAPIN	Market Participants and Investors Database
NA	Not Applicable
Networth	The aggregate of paid up Share Capital and Share Premium account and Reserves and Surplus(Excluding revaluation reserves) as reduced by aggregate of Miscellaneous Expenditure(to the extent not written off) and debit balance of Profit & Loss Account
NEFT	National Electronic Funds Transfer
NECS	National Electronic Clearing System
NAV	Net Asset Value
NPV	Net Present Value
NRIs	Non Resident Indians
NRE Account	Non Resident External Account
NRO Account	Non Resident Ordinary Account
NSE	National Stock Exchange of India Limited
NOC	No Objection Certificate
NSDL	National Securities Depository Limited
OCB	Overseas Corporate Bodies
P.A.	Per Annum
PF	Provident Fund
PG	Post Graduate
PAC	Persons Acting in Concert
P/E Ratio	Price/Earnings Ratio
PAN	Permanent Account Number
PAT	Profit After Tax
PBT	Profit Before Tax
PLI	Postal Life Insurance
POA	Power of Attorney
PSU	Public Sector Undertaking(s)
Pvt.	Private
RBI	The Reserve Bank of India
Registration Act	Registration Act, 1908
ROE	Return on Equity
R&D	Research & Development
RONW	Return on Net Worth
RTGS	Real Time Gross Settlement
SCRA	Securities Contracts (Regulation) Act, 1956, as amended from time to time
SCRR	Securities Contracts (Regulation) Rules, 1957, as amended from time to time
SME	Small and Medium Enterprises
SCSB	Self Certified syndicate Banks
SEBI	Securities and Exchange Board of India
STT	Securities Transaction Tax
Sec.	Section
SPV	Special Purpose Vehicle
TAN	Tax Deduction Account Number
TRS	Transaction Registration Slip
TIN	Taxpayers Identification Number
US/United States	United States of America

USD/ US\$/ \$	United States Dollar, the official currency of the Unites States of America
VAT	Value Added Tax
VCF / Venture Capital Fund	Venture Capital Funds (as defined under the Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996) registered with SEBI under applicable laws in India.
WDV	Written Down Value
WTD	Whole Time Director
w.e.f.	With effect from

The words and expressions used but not defined in this Draft Prospectus will have the same meaning as assigned to such terms under the Companies Act, 2013, the Securities and Exchange Board of India Act, 1992 (the “SEBI Act”), the SCRA, the Depositories Act and the rules and regulations made there under.

Notwithstanding the foregoing, terms in “**Main Provisions of the Articles of Association**”, “**Statement of Tax Benefits**”, “**Industry Overview**”, “**Key Industry Regulations and Policies**”, “**Financial Information of the Company**”, “**Outstanding Litigation and Material Developments**” and “**Part B**” of “**Issue Procedure**”, will have the meaning ascribed to such terms in these respective sections.



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

### **Certain Conventions**

All references in the Draft Prospectus to “India” are to the Republic of India.

In this Draft Prospectus, the terms “we”, “us”, “our”, the “Company”, “our Company”, “Shiva Industrial Security Agency (Gujarat) Limited”, and “SISA”, and, unless the context otherwise indicates or implies, refers to Shiva Industrial Security Agency (Gujarat) Limited. In this Draft Prospectus, unless the context otherwise requires, all references to one gender also refers to another gender and the word “Lac / Lakh” means “one hundred thousand”, the word “million (mn)” means “Ten Lac / Lakh”, the word “Crore” means “ten million” and the word “billion (bn)” means “one hundred crore”. In this Draft Prospectus, any discrepancies in any table between total and the sum of the amounts listed are due to rounding-off.

### **Use of Financial Data**

Unless stated otherwise, throughout this Draft Prospectus, all figures have been expressed in Rupees and Lakh. Unless stated otherwise, the financial data in the Draft Prospectus is derived from our financial statements prepared and restated for the financial year ended 31<sup>st</sup> March 2018, 2017, 2016, 2015 and 2014 and also for the stub period ended June 30, 2018 in accordance with Indian GAAP, the Companies Act and SEBI (ICDR) Regulations, 2009 included under Section titled **“Financial Information of the Company”** beginning on page 144 of this Draft Prospectus. There are no subsidiaries of our company as on date of this Draft Prospectus. Our fiscal year commences on April 1 of every year and ends on March 31st of every next year.

There are significant differences between Indian GAAP, the International Financial Reporting Standards (“IFRS”) and the Generally Accepted Accounting Principles in the United States of America (“U.S. GAAP”). Accordingly, the degree to which the Indian GAAP financial statements included in this Draft Prospectus will provide meaningful information is entirely dependent on the reader’s level of familiarity with Indian accounting practice and Indian GAAP. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Draft Prospectus should accordingly be limited. We have not attempted to explain those differences or quantify their impact on the financial data included herein, and we urge you to consult your own advisors regarding such differences and their impact on our financial data.

Any percentage amounts, as set forth in **“Risk Factors”**, **“Our Business”**, **“Management’s Discussion and Analysis of Financial Condition and Results of Operations”** and elsewhere in the Draft Prospectus unless otherwise indicated, have been calculated on the basis of the Company’s restated financial statements prepared in accordance with the applicable provisions of the Companies Act, Indian GAAP and restated in accordance with SEBI (ICDR) Regulations, as stated in the report of our Peer Review Auditor, set out in section titled **“Financial Information of the Company”** beginning on page 144 of this Draft Prospectus.

For additional definitions used in this Draft Prospectus, see the section **“Definitions and Abbreviations”** on page 1 of this Draft Prospectus. In the section titled **“Main Provisions of Articles of Association”**, on page 273 of the Draft Prospectus defined terms have the meaning given to such terms in the Articles of Association of our Company.

### **Use of Industry & Market Data**

Unless stated otherwise, industry and market data and forecast used throughout the Draft Prospectus was obtained from internal Company reports, data, websites, Industry publications report as well as Government Publications. Industry publication data and website data generally state that the information contained therein has been obtained from sources believed to be reliable, but that their accuracy and completeness and underlying assumptions are not guaranteed and their reliability cannot be assured.

Although, we believe industry and market data used in the Draft Prospectus is reliable, it has not been independently verified by us or the LM or any of their affiliates or advisors. Similarly, internal Company reports and data, while believed by us to be reliable, have not been verified by any independent source. 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 market and industry sources.

In accordance with the SEBI (ICDR) Regulations, the section titled ***“Basis for Issue Price”*** on page 85 of the Draft Prospectus includes information relating to our peer group companies. Such information has been derived from publicly available sources, and neither we, nor the LM, have independently verified such information.

### **Currency of Financial Presentation**

All references to “Rupees” or “INR” or “₹” are to Indian Rupees, the official currency of the Republic of India. Except where specified, including in the section titled ***“Industry Overview”*** throughout the Draft Prospectus all figures have been expressed in Lakhs.

Any percentage amounts, as set forth in ***“Risk Factors”***, ***“Our Business”***, ***“Management's Discussion and Analysis of Financial Conditions and Results of Operation”*** on page 16, 96 and 181 in the Draft Prospectus, unless otherwise indicated, have been calculated based on our restated respectively financial statement prepared in accordance with Indian GAAP.

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

## **FORWARD LOOKING STATEMENTS**

This Draft Prospectus includes certain “forward-looking statements”. We have included statements in the Draft Prospectus which contain words or phrases such as “will”, “aim”, “is likely to 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, that are “forward-looking statements”. Also, statements which describe our strategies, objectives, plans or goals are also forward looking statements.

All forward looking statements are subject to risks, uncertainties and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. Forward-looking statements reflect our current views with respect to future events and are not a guarantee of future performance. These statements are based on our management’s beliefs and assumptions, which in turn are based on currently available information. Although we believe the assumptions upon which these forward-looking statements are based are reasonable, any of these assumptions could prove to be inaccurate, and the forward-looking statements based on these assumptions could be incorrect. Important factors that could cause actual results to differ materially from our expectations include but are not limited to:

1. A decrease in the availability or use of cash as the predominant mode of payment in India.
2. Company’s ability to successfully implement its growth strategy and expansion plans;
3. Our inability to effectively diversify our service portfolio;
4. Banks ceasing to engage our services;
5. Any adverse developments with respect to Indian banks that adversely affects their utilization of and demand for cash management services or their deployment or utilization of ATMs;
6. Failure to comply with regulations prescribed by authorities of the jurisdictions in which we operate;
7. Materialization of the security risks faced by our business;
8. Inability to successfully obtain registrations in a timely manner or at all;
9. General economic and business conditions in the markets in which we operate and in the local, regional and national economies;
10. Our ability to effectively manage a variety of business, legal, regulatory, economic, social and political risks associated with our operations;
11. Changes in laws and regulations relating to the industries in which we operate;
12. Our relationships with our workforce and the trade unions, as well as changes in the laws and regulations applicable to our business;
13. Effect of lack of infrastructure facilities on our business;
14. Occurrence of Environmental Problems & Uninsured Losses;
15. Intensified competition in industries/sector in which we operate;
16. Our ability to attract, retain and manage qualified personnel;
17. Changes in political and social conditions in India or in countries that we may enter, the monetary and interest rate policies of India and other countries, inflation, deflation, unanticipated turbulence in interest rates, equity prices or other rates or prices;
18. Conflicts of interest with affiliated companies, the promoter group and other related parties;
19. Failures of our information technology systems and violations of our information technology systems by third parties;
20. Any adverse outcome in the legal proceedings in which we are involved;
21. Our ability to expand our geographical area of operation;
22. Concentration of ownership among our Promoters.

For further discussion of factors that could cause our actual results to differ, see the Section titled “**Risk Factors**”; “**Our Business**” and “**Management’s Discussion and Analysis of Financial Condition and Results of Operations**” beginning on page 16, 96 and 181 respectively of the Draft Prospectus. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated.

There can be no assurance to investors that the expectations reflected in these forward-looking statements will prove to be correct. Given these uncertainties, investors are cautioned not to place undue reliance on such forward-looking statements and not to regard such statements to be a guarantee of our future performance.

Neither our Company, our Directors, our Officers, Lead Manager and Underwriter nor any of their respective affiliates have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with SEBI requirements, our Company and the Lead Manager will ensure that investors in India are informed of material developments until such time as the grant of listing and trading permission by the Stock Exchange for the Equity Shares allotted pursuant to this Issue.

## **SECTION II: RISK FACTORS**

An investment in our Equity Shares involves a high degree of financial risk. Prospective investors should carefully consider all the information in the Draft Prospectus, particularly the “**Financial Information of the Company**” and the related notes, “**Our Business**” and “**Management’s Discussion and Analysis of Financial Condition and Results of Operations**” on page 144, 96 & 181 respectively of this Draft Prospectus and the risks and uncertainties described below, before making a decision to invest in our Equity Shares.

The risk factors set forth below are not exhaustive and do not purport to be complete or comprehensive in terms of all the risk factors that may arise in connection with our business or any decision to purchase, own or dispose of the Equity Shares. This section addresses general risks associated with the industry in which we operate and specific risks associated with our Company. Any of the following risks, individually or together, could adversely affect our business, financial condition, results of operations or prospects, which could result in a decline in the value of our Equity Shares and the loss of all or part of your investment in our Equity Shares. While we have described the risks and uncertainties that our management believes are material, these risks and uncertainties may not be the only risks and uncertainties we face. Additional risks and uncertainties, including those we currently are not aware of or deem immaterial, may also have an adverse effect on our business, results of operations, financial condition and prospects.

This Draft Prospectus contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the considerations described below and elsewhere in this Draft Prospectus. The financial and other related implications of risks concerned, wherever quantifiable, have been disclosed in the risk factors below. However, there are risk factors the potential effects of which are not quantifiable and therefore no quantification has been provided with respect to such risk factors. In making an investment decision, prospective investors must rely on their own examination of our Company and the terms of the Issue, including the merits and the risks involved. You should not invest in this Issue unless you are prepared to accept the risk of losing all or part of your investment, and you should consult your tax, financial and legal advisors about the particular consequences to you of an investment in our Equity Shares.

### **Materiality**

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

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

### **Note:**

The risk factors as envisaged by the management along with the proposals to address the risk if any. Unless specified or quantified in the relevant risk factors below, we are not in a position to quantify the financial implication of any of the risks described in this section.

In this Draft Prospectus, any discrepancies in any table between total and the sums of the amount listed are due to rounding off. Any percentage amounts, as set forth in “**Risk Factors**” on page 16 and “**Management Discussion and Analysis of Financial Condition and Results of Operations**” on page 181 of this Draft Prospectus unless otherwise indicated, has been calculated on the basis of the amount disclosed in the “Audited Financial Statements, as restated” prepared in accordance with the Indian GAAP.

1. ***Our business and operations may be subjected to any directions and/or notification issued by the statutory and regulatory authorities from time to time. Any adverse action being taken by any regulatory authority or any directions issued to our customer in this regards may have an adverse affect on our business, financial conditions and results of operations.***

The customer of our company includes banks, financial institutes and government authorities which are bound by the directions and notification given by the Statutory and regulatory authorities from time to time. Our business and results of



operations may be affected by any such notification or direction issued by these authorities. The Reserve Bank of India have issued direction “Cash Management activities of the banks - Standards for engaging the Service Provider and its sub-contractor” dated April 06, 2018 where in they have mentioned certain criteria for the Banks on outsourced service providers and their sub-contractors in cash management logistics such as Minimum net worth requirement of Rs. 1 billion. The net worth of at least Rs. 1 billion should be maintained at all times, Minimum fleet size of 300 specifically fabricated cash vans (owned / leased), Each cash van should be a specially designed and fabricated Light Commercial Vehicle (LCV) having separate passenger and cash compartments, with a CCTV covering both compartments, The passenger compartment should accommodate two custodians and two armed security guards (gunmen) besides the driver, No cash van should move without armed guards, The gunmen must carry their weapons in a functional condition along with valid gun licenses etc. In case we fail to comply with any of the conditions provided by the statutory authorities our service agreements may not be renewed or cancelled based on the directions provided by the authorities. In case of happening of any such event we may have an adverse affect on our revenue and results of operations.

**2. There are certain outstanding legal proceedings involving our Company, Promoters and Directors. Any failure to defend these proceedings successfully may have an adverse effect on our business prospects, financial condition, and result of ongoing operations.**

Our Company, Directors and Promoters are involved in certain outstanding legal proceedings pending at different level of adjudication before various court and tribunals. For details kindly refer chapter titled “**Outstanding Litigation and Material Developments**” at page 193 of this Draft Prospectus. A brief detail of such outstanding litigations as on the date of this Draft Prospectus are as follows:

**Matters involving Our Company:-**

Nature of Cases	No. of Outstanding Matters	Amount Involved (in Rs. Lacs)*
Tax Cases	8	85.49
Statutory Laws	3	17.38
Criminal Laws	8	6.30

**Matters involving Our Group Company:-**

Nature of Cases	No. of Outstanding Matters	Amount Involved (in Rs. Lacs)*
Tax Cases	1	13.55

**Matters involving Our Promoters:-**

Nature of Cases	No. of Outstanding Matters	Amount Involved (in Rs. Lacs)*
Tax Cases	6	53.13

*\*Amount mention to the extent quantifiable. The amounts may be subject to additional interest/other charges being levied by the concerned authorities which is unascertainable as on the date of this Draft Prospectus*

Also, the name of our Company is appearing in the list of watch out investor under the regulatory charges “defaulted with EPFO including provident fund, pension & EDLI contribution” for the notice received from the EPFO Authority. Any further action being taken by the relevant authorities for such defaults may have an adverse affect on our financials and results of operations.

Any adverse ruling in any of the above proceedings or consequent levy of penalties by authorities may render our Company/ Promoters/ Directors liable to penalties and may have a material adverse effect on our reputation, business, financial condition and results of operations, which could adversely affect the trading price of our Equity Shares. For details kindly refer chapter titled “**Outstanding Litigation and Material Developments**” at page 193 of this Draft Prospectus

**3. Major portion of our total revenue is derived from the security services business (Manned Guarding). Any decrease in the demand for our security services may have an adverse impact on our business, financial condition and result of operations.**

We derive majority of our revenue from the Manned Guarding service. Below listed are the details of the revenue break-up of our company for fiscal year 2016, 2017 and 2018:-

Particular	Revenue from operations (in Rs. lakhs)					
	Fiscal Year 2018		Fiscal Year 2017		Fiscal Year 2016	
	Amount	% of total	Amount	% of total	Amount	% of total
Manned Guarding Service	8695.44	73.07	6064.64	68.57	4163.36	72.54
Cash Handling Service	2619.45	22.01	2144.04	24.24	1471.72	25.64
Logistic Management Service	585.90	4.92	636.04	7.19	104.34	1.82
<b>Total</b>	<b>11900.79</b>	<b>100.00</b>	<b>8844.72</b>	<b>100.00</b>	<b>5739.42</b>	<b>100.00</b>

The portion of our revenue generated from the manned guarding business account for around 70% of the revenue generated by our company. Any reduction in the demand for the manned guarding service due to any shift from manned guarding toward electronic security, alarms, video surveillance and other technology based systems may have an adverse effect on our revenues. Although, we are focusing on development and growth of our other segments i.e. Cash Handling and E-Commerce Logistic management service but the manned guarding business will continue to constitute a significant portion of our revenues and operating profits and any decline in, or adverse impact on, our manned guarding business may have an adverse impact on our business, financial condition and results of operations.

**4. Our business is subject to operational risks which are inherent in our business. Any failure on our part to manage such risk may have an adverse impact on our financials and result of operations.**

Few operational risks are inherent in our businesses due to the nature of the industry in which we operate. We render manned security service, at customer premises in different environment such as manufacturing facilities, vehicles, hospitals, hotels, corporate canteens and public events and also provide transport and logistics services in relation to cash and valuables. Our employees deliver security, monitoring and crisis response services in these environments, which involve physical inspection and interaction with person associated with our customers and various other member of public. Consequently, our business is associated with numerous safety, privacy and public health concerns. We may be subject to substantial liabilities if we fail to satisfy applicable safety, privacy or health standards or cause harm to individuals or entities in the course of rendering our services.

In our cash logistics business, where we provide transport of cash, valuables and bullion, our personnel are subject to a risk of injuries and fatalities resulting from criminal acts including looting and armed robbery of cash transportation vehicle, robbery etc.

While we believe that we have in place adequate training and policies, however, any failure to adequately address and manage risks inherent in our business, or any failure to meet the operational requirements of our customers, or failure to develop effective risk mitigation measures, or respond adequately to a crisis situation, could have an adverse effect on our reputation, customer retention, earnings and profitability and thus consequently effect our business, results of operations and financial condition.

**5. We may be subjected to risk related to service related claims and losses or employee disruptions which may have an adverse effect on our reputation, business, results of operations and financial condition.**

Our business segments includes manned guarding service, cash handling service and e-commerce logistic service and thus require us to deploy our employees across the workplace and other premises of our customers. Our ability to control the workplace environment is limited. The risk associated with the deployment of our workforce includes possible claims relating to actions of our employees which may require us to indemnify our customer for any losses caused due to failure of our employees to perform their duties, violation of any regulations or mistakes committed by our employees, malicious acts by existing or former employees, damage to the customer's facilities or properties due to negligence of our employees and any criminal acts, torts or other negligent action by our employees.

Such claims may give rise to action against us by our customers and claims for damages, which could restrain our resources and result in loss of customers. Any such act or action taken against us may also result in negative publicity and adversely impact our reputation and ultimately have an adverse effect on our reputation, business, results of operations and financial condition.

**6. *Our business is manpower intensive and our inability to attract and retain skilled manpower could have an adverse impact on our growth, business and financial condition.***

Our business is manpower intensive and requires us to hire a considerable number of personnel every year to sustain our growth. However, we cannot assure you that we will be able to retain or meet our manpower requirements in future which may adversely impact our growth and business.

Further, we spend significant time and resources in training the manpower we recruit, through our training institute. Our success is substantially dependent on our ability to recruit, train and retain skilled manpower. However, there is relatively higher rate of attrition in the industries in which we operate, especially the manned guarding services industry. Higher attrition rates lead to an increase in our training and recruitment costs, which may have an adverse impact on our profitability and financial condition. High attrition and competition for manpower may limit our ability to attract and retain the skilled manpower necessary for us to meet our future growth requirements. There can be no assurance that skilled manpower will continue to be available in sufficient numbers and at wages suitable to our requirements.

**7. *There have been certain instances of discrepancies in relation to certain statutory filings made or required to be filed by our Company with the RoC under applicable law and certain other non-compliances under Indian company law.***

Our Company has not complied with certain statutory provisions under the Companies Act 1956 /2013 in past, for instance 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 March 31, 2018. Also, our Company has advanced some amount to its director and their related parties which are not permitted under Section 185 of the Companies Act, 2013. Further, certain of our corporate records relating to appointment and resignation of directors filed with the ROC in the year 1999 contain inadvertent typographical errors. Also, our company was required to increase its paid up capital to the required minimum during the year 2002 as per the Companies Amendment Act 2000, however the same was later done in year 2004. Further, our company was required to appoint Company Secretary u/s 203 of the Companies Act which was later appointed vide Board meeting dated March 14, 2018. Further, our company has not opened a separate account for payment of dividend to preference shares which was required as per the provision of Section 205 of the Companies act 1956. Although no show cause notice have been issued against the Company till date in respect of above, in the event of any action being taken by the concerned authorities in respect of above, penal actions may be taken against the Company and its directors.

Further, there are certain form which are filed with delayed fees or not filed with the Registrar of Companies such as forms related to creation and satisfaction of charge, Form 66 and Form MGT 14 required to be filed under section 180 and section 186 of the Companies Act. Also, our Company has not complied with some Accounting Standards in the past such as AS-15 and AS-18. However, now the Company has made necessary compliance in the re-stated financial statements of the Company. Also our company has not recognized the Contingent liabilities in compliance with the provisions of accounting standard 29. Although no show cause notice have been issued against the Company till date in respect of above, in the event of any cognizance being taken by the concerned authorities in respect of above, penal actions may be taken against the Company and its directors, in which event the financials of the Company and its directors shall be affected.

**8. *We are subject to several labour legislations and regulations governing welfare, benefits and training of our employees. Any increase in wage and training costs could adversely affect our business, financial condition and cash flows.***

We are subject to laws and regulations relating to employee welfare and benefits such as minimum wage and maximum working hours, overtime payments, working conditions, non-discrimination, hiring and termination of employees, employee compensation, employee insurance, bonus, gratuity, provident fund, pension, superannuation, leave benefits and other such employee benefits. In case we are not able to fulfill any condition mentioned in the said laws or regulations and in case of any non-compliance of any such law we may be subjected to fines, penalties and legal actions under the said regulations. Further, if the regulations applicable to us are changed, which leads to an increase in employee benefits payable by us, there can be no assurance that we will be able to recover such increased amounts from our customers in a timely manner, or at all. We are required to comply with PSARA and other applicable state laws in India, which prescribe eligibility requirements for employing security personnel, such as minimum age requirements and standards of physical fitness. Any regulatory change in such conditions may limit our ability to recruit new employees or replace leaving employees effectively, thereby impacting our ability to expand our business. Also, if we fail to impart requisite training or do not comply with certain labour welfare

legislations, we may be exposed to fines and we may also face the risk of our licenses under applicable legislations being cancelled or suspended. For further details on the labour laws and regulations applicable to us, please refer to “Key Industry Regulations and Policies” on page 106 of this Draft Prospectus.

Amendments to labour laws could also affect our business adversely. Further, the regulations may vary from state to state which may make compliance with laws and regulations more complex, time consuming and costly. Additionally, if there is any failure by us to comply with applicable labour laws and regulations, we may be subject to penalties, incur increased costs, have our labour or PSARA Approvals revoked and suffer a disruption in our operations.

***9. Our Company is not in possession of documents pertaining to certain litigation described in the chapter titled "Outstanding Litigation and Material Developments".***

Our Company is not in possession of documents pertaining to certain litigation described in the chapter titled "Outstanding Litigation and Material Developments" beginning on page 193 of this Draft Prospectus. Accordingly, reliance has been placed on court orders and undertakings furnished by the Company to describe the facts of litigation in the aforesaid chapter. Therefore, we cannot assure you that all information relating to the litigation is accurate.

***10. Our cash handling business includes additional risk associated with the cash and valuables handled by our employees. Any criminal act during the process or any misconduct by any employee may have an adverse effect on our reputation, business, results of operations and financial condition.***

Our cash handling business exposes us to various security risks and crimes including armed robbery, theft, fraud, embezzlement and other forms of illegal conduct. Security risk against our cash handling business can range from attacks by armed individuals at drop-off and pick-up points, in transit, or while cash is being carried outside of cash transportation vehicle, which can result in the death or serious bodily harm to our employees.

Our cash logistics operations depend substantially on the integrity of our employees and personnel. In the course of our recruitment and background check process when hiring employees, we may be supplied with false or incomplete background information. These situations expose us to risk of thefts, robberies, fraud and other forms of malpractice from our employees and personnel, including shortfalls in cash or the loading of counterfeit cash.

In addition, the scope of our insurance coverage may not be sufficient to cover the resulting liability from such criminal activity and moreover such attacks may reduce our customers confidence in our services and result in negative publicity even though we may not be at fault for the attack and ultimately effect our reputation, business, results of operations, cash flows and financial condition.

***11. Our inability to effectively manage the newly started E Commerce logistic business may result in an adverse impact on our prospects and our revenues.***

We have newly started the E Commerce logistic business during the year 2015-16. Our E- Commerce operation handles the last Mile (final movement of the goods to the customers) and the First Mile operations (movement of the goods from the E commerce companies to couriers for delivery) for the E - Commerce Companies. Though during the past there has been a growth in the revenue earned from the said business i.e. that revenue grows from 104.34 Lacs in the year 2016 to 636.04 lacs in the year 2017 which later reduced to Rs 585.90 lacs in the year 2018, therefore the future growth depends on our ability to develop and grow our business segment. We may experience difficulties that could delay or hinder the successful development, introduction and marketing of new businesses. We can give no assurance that we will be able to achieve the business performance, growth and profitability which we expect from our relatively new businesses. Further, our new services may not satisfy the demands of the market, which may result in an adverse effect on our business, results of operations and financial condition.

***12. Our security services and cash management businesses include the carrying and handling of firearms and ammunition by certain of our employees. Any misuse or contravention of laws or policies relating to firearms by our personnel may adversely affect our reputation and expose us to potential liabilities.***

We are exposed to certain risks associated with the handling of firearms and ammunition by our employees. We are not permitted to procure or license firearms in India directly and instead recruit armed guards and security officers who have

procured licenses for the firearms they carry and are responsible for the purchase and maintenance of their firearms and ammunition and renewals of their licenses. This restriction exposes us to significant business and operational risk, particularly with respect to our cash handling business where the ability to carry firearms is usually a requirement in order to ensure enhanced security of high value items.

We may face liability or reputational damage in the event of misuse or contravention of laws or policies in handling arms and ammunition by our employees, resulting in any person, including an employee of a customer or a member of the public being injured or killed. There can be no assurance that our employees or personnel will not be involved in an incident which may have an adverse effect on our reputation and expose us to liabilities, resulting in an adverse effect on our business and financial condition.

***13. Our business derives a significant portion of its revenue from a few customers any loss of one or more such customers, the deterioration of their financial condition or prospects, or a reduction in their demand for our services could adversely affect our business, results of operations, financial condition and cash flows.***

Our business is dependent on limited number of customers for a significant portion of our revenues and any loss of one or more such customers, the deterioration of their financial condition or prospects, or a reduction in their demand for our services could adversely affect our business. For the period ending March 31, 2018 our top ten customers contributed 66.43% of our revenues from our business, respectively. Any reduction in growth or a slow-down in the business of our customers could result in a reduction of their requirement for our services, and result in a significant decrease in the revenues we derive from these customers. The loss of one or more of our significant customers or a reduction in the amount of business we obtain from them could have an adverse effect on our business and thus our results of operations, financial condition and cash flows. We cannot assure you that we will be able to maintain historic levels of business from such significant customers, or that we will be able to significantly reduce customer concentration in the future.

***14. We have not entered into any definitive agreements to utilize a portion of the Net Proceeds. Any failure to enter into arrangements on favourable terms and conditions, in a timely manner or at all, may have an adverse affect on our business and financial results.***

Our Company proposes to utilize the part of the net proceeds for acquiring cash vans aggregating to approximately Rs. 597.92 lacs and for expansion of branch network aggregating to approximately Rs. 369.00 lacs. Our Company has identified the cash vans to be procured and has received the quotations from the suppliers, but we have not placed orders for these cash vans. Further, we have presently not identified the location of the Branch nor entered into any definitive agreements for establishment of such Branch. There can be no assurance that we will be able to conclude definitive agreements for such expenditures on terms anticipated by us. Also, we have estimated the cost on the basis of our internal management estimates and other publically available data. Our Company is subject to risks on account of inflation in the price of the cash vans and the estimates made by us for expansion of our branch network. Since the funding is from IPO proceeds, any delay in access to IPO proceeds would eventually delay the process of placing the orders. Any failure to enter into utilization arrangements on favourable terms and conditions in a timely manner or at all may have an adverse affect on our business and our financial results. For further details read section “Objects of the Issue” beginning on page 78 of the Draft Prospectus.

***15. Our Company proposes to utilize part of the Proceeds to pre-pay certain secured loans availed by our Company, and accordingly, the utilization of that portion of the Net Proceeds will not result in creation of any tangible assets.***

Our Company intends to use some portion of the Net Proceeds for the purposes of pre- payment, in full or part, of certain term secured loans availed by our Company. The details of the loans identified to be repaid or prepaid using the Net Proceeds have been disclosed in the section entitled “Objects of the Issue” on page 78 of this Draft Prospectus. However, the repayment of the term loans are subject to various factors including, pre-payment penalty. While we believe that utilization of Net Proceeds for repayment of secured loans would help us to reduce our cost of debt and enable the utilization of our funds for further investment in business growth and expansion, the pre payment of loans will not result in the creation of any tangible assets for our Company.

***16. Our company has entered into an agreement with Canbank Venture Capital Fund any breach of the condition of the agreement or any dilution of the stake by them may have an adverse affect on the price movement in the shares of the company.***



Our company has entered into a Share Subscription cum Shareholder Agreement dated April 18, 2015 and an Agreement dated September 24, 2018 executed between Canbank Venture Capital Fund Limited (“CVCFL”), our Company and Mr. Sushil Pyarelal Sharma, Sameer Sushilkumar Sharma and Mrs. Anubha Sameer Sharma (Promoters of our Company). In terms of this agreement company has issued and allotted 45,454 (Forty Five Thousand Four Hundred Fifty Four) CVCFL class A equity shares of Rs. 10 (Rupees Ten) each at a premium of Rs. 210/- (Rupees Two Hundred Ten only) per share and 1,00,00,012 (One Crore and Twelve) Optionally Convertible Cumulative Redeemable Preference Shares (OCCPS) of the Company of Rs.10/- (Rupees Ten) each, aggregating to Rs. 10,00,00,120/- (Rupees Ten Crores One Hundred Twenty only) carrying a fixed rate of dividend of 12% (Twelve percent) per annum which are now converted into 153801 Equity shares of the company. For details refer chapter titled “Capital Structure” and “History and Certain Corporate Matters” beginning on page 55 and 114 of the Draft Prospectus. There are certain conditions in the agreement with respect to the utilization of the money received from Canbank, appointment of nominee director etc. Any breach of the condition as presented in the agreement shall stand the agreement terminated. Further any sale of stake by Canbank Venture capital Fund to any other party or in the open market may affect the price of the shares of the company.

Further, there is a condition in the agreement dated September 24, 2018 which states that “The Promoters jointly and severally guarantee CVCFL a minimum price of Rs. 156 per share, which CVCFL will receive on sale of its equity shares to any third party, post the IPO. In the event the price offered for shares of CVCFL is less than the per share guarantee amount, the Promoters will jointly or severally make payment of the balance amount to CVCFL.” In case of any such event the promoters may be held liable for the balance amount to be paid to CVCFL which may strain the resources of our promoters.

***17. Some of our corporate records are not traceable.***

Certain corporate records and regulatory filings made by us, including those in relation to: (i) certain share transfer forms, in relation transactions entered by our Promoters and (ii) resolutions and filings made in relation to allotment of shares made to promoter in the past are not traceable. Additionally, despite having conducted an extensive search of our records, and a search in the records of the RoC, we have not been able to retrieve the aforementioned documents, and accordingly, have relied on other documents, including our statutory registers of members and share transfer, annual reports and audited financial statements for such matters. We cannot assure you that the abovementioned form filings and resolutions will be available in the future.

***18. Our customer agreements include conditions which may limit our ability to carry out our business operations. Certain of our customer agreements may be terminated without cause, which could have an adverse impact on our business.***

We enter into various agreements with our customers for rendering services. Some of these agreements require us to comply with the code of conduct and rules and regulations prescribed by our customers. Our customers also have the right to terminate service contracts in the event we do not comply with their requirements of the service contract or our services fail to meet the quality standards set out in our agreements. In the event that we are unable to meet such obligations, our customers may terminate the agreements and we may be required to pay compensation on terms set out in the agreements. Compliance with these requirements may restrict our ability to undertake certain business operations and may increase our compliance costs.

Further, some of these agreements require us to provide indemnity to our customers, with respect of any negligent act, or omission by or our misconduct of our employees. In the event that there is an increase in the number of customers terminating our contracts without cause, or in case there is increase in claims against us, for which we are not insured and we are unable to secure new contracts to offset the loss of these contracts, our business, financial condition and results of operations may be adversely affected.

***19. If we are unable to successfully execute our growth strategies, our business, prospects and results of operations could be materially and adversely affected.***

Our growth depends on the continued growth of the industry, and to a large extent, the growth of our clients and any adverse developments in the industry could materially and adversely affect our growth prospects. Our growth is also dependent on our ability to expand our market share and our inability to do so may adversely affect our growth prospects. Our growth strategies could place significant demand on our management and our administrative, operational and financial infrastructure.

We could also encounter difficulties and delays in executing our growth strategies due to a number of factors, including, without limitation, delays in tendering process, lack of trained employees or any other risks that we may or may not have foreseen. Our management may also change its view on the desirability of current strategies, and any change in our strategies could put significant strain on our resources. Further, we may be unable to achieve any synergies or successfully integrate our plans and strategies.

Additionally, expansion into new geographic regions, may subject us to various challenges, including those relating to our lack of familiarity with the social, political, economic and cultural conditions of these new regions, language barriers, difficulties in staffing and managing such operations and the lack of support from authorities and reputation in such regions. We may also encounter other additional anticipated risks and significant competition in such markets. If we are unable to successfully execute our growth strategies, our business, prospects and results of operations could be materially and adversely affected.

***20. We are required to obtain, maintain or renew statutory and regulatory licenses in respect of our business, and if we fail to do so, in a timely manner or at all, we may be unable to fully or partially operate our businesses and our results of operations may be adversely affected.***

We require various statutory and regulatory licenses, permits and approvals to operate our business. We need to make compliance and applications at appropriate stages of our business to continue our operations. There can be no assurance that the relevant authorities will issue these approvals or licenses, or renewals thereof in a timely manner, or at all. Further any default by our Company in complying with the same may result in the cancellation of such licenses, approvals or registrations which may adversely affect our operations and financial strength.

Our Company is required to obtain registrations under The Carriage by Roads Act, 2007 and Food Safety and Standards Act, 2006 with respect to our e-commerce logistic service business. However, as on date of this Draft Prospectus, we have not obtained registration under The Carriage by Roads Act, 2007 and Food Safety and Standards Act, 2006. We may be penalized for non compliance with the aforementioned laws or may face a disruption in our e-commerce logistic service business till the time we receive the registration under the said Act.

Furthermore, we were a private limited company and have recently converted into a public limited company. Therefore, most of our licenses are in the prior name of the Company. We shall be taking necessary steps for transferring the approval in the new name of our Company. In case we fail to transfer/obtain the same in name of the Company, it will adversely affect our business or we may not be able to carry our business.

Further, certain licenses and registrations obtained by our Company contain certain terms and conditions, which are required to be complied regularly by us. Any default by our Company in complying with the same, may result in inter alia the cancellation of such licenses, consents, authorizations and/or registrations, which may adversely affect our operations. There can be no assurance that the relevant authorities will issue or renew any of such permits or approvals in time or at all. Failure to renew, maintain or obtain the required permits or approvals in time may result in the interruption of our operations and may have a material adverse effect on our business.

For further details, please refer to Chapter titled “Government and Other Approvals” beginning on page 201 of the Draft Prospectus.

***21. Any decrease in the use of cash as a mode of payment or any condition such as demonetization could have an adverse effect on our cash handling business.***

Our cash handling business is significantly dependent on the maintenance and growth of the ATM network in India, increase in the number of bank branches in India and on the use of cash as a mode of payment. The increase in the payment options other than cash, increasing installation of card payment machines at point of sales and on-line purchase activity, could result in a reduced need for cash in the marketplace and a decline in the need for ATMs in the country. Further any event such as the demonetization of old currency note and increasing digitalization of payments could result in the reduction of use of cash. In the event of a decline in the use of cash as a mode of payment, our banking customers may decide not to expand their ATM network or may downsize their current ATM network. Any such decision by our banking customers could have an adverse effect on our business, results of operations, cash flows and financial condition.

Our cash handling businesses may also be adversely affected by any significant reduction in the amount of cash or valuables transported. This might arise through a reduction of cash in circulation or valuables held by our customers, whether generally or in particular geographical locations or markets.

***22. The industry in which we operate is highly competitive, which may adversely affect our business operation and financial condition.***

The industries in which we operate comprise a number of organized and unorganized players, particularly at the local level, with smaller operators competing for local contracts. There is intense pricing competition which may be preferred by certain customers, due to factors such as better pricing, ability to speak the regional language and better coordination with local administrative and law enforcement agencies. Competition in these industries may also intensify if service providers offering limited services begin to offer integrated services. Many of our competitors may also have greater financial, operational, technical, marketing and other resources, more experience in obtaining regulatory approvals, greater geographic reach, broader service offerings or a stronger sales force. In addition to our current competitors, additional competitors may enter the market. Our competitors may succeed in rendering services more effectively and economically than us, which may make our services uncompetitive and adversely affect our business, results of operations and financial condition. For further details of the Industry and Business segment see “Industry Overview” on pages 90 and “Our Business” on page 96 of this Draft Prospectus.

***23. Our customers may delay or default in making payments for services rendered by us which could affect our profits, cash flows and liquidity.***

Our ability to collect cash from the customer and the collection period from trade receivables have an impact on our cash receipts and, consequently, on our cash flows. Trade receivables constitute a significant portion of our total assets, and were Rs. 3570.21, Rs. 3776.56 Lakhs, Rs. 3322.83 lakhs and Rs. 2283.53 lakhs for period ending on June 30, 2018, March 31, 2018, fiscal year 2017 and fiscal year 2016 respectively. Our trade receivables outstanding for over six months were Rs. 212.83 lakhs which is 5.64% of our total trade receivables for year ending on March 31, 2018 and Rs. 178.48 lakhs which is 5.00% of our total trade receivables for period ending on June 30, 2018, consequently, we face the risk of the uncertainty regarding the receipt of these outstanding amounts. An increase in bad debts or defaulting customers may lead to greater usage of our operating working capital and increased interest costs. Successful control of the trade receivables process requires development of appropriate contracting, invoicing, credit, collection and financing policies. Our failure to maintain such policies could have an adverse effect on our business, financial condition and cash flows.

The value of the trade receivable outstanding as on March 31, 2018 and June 30, 2018 constitutes around 116.70 and 103.77% respectively of the net-worth of the company. Thus, any non recoverability of the amount from the trade receivables of the company may have an adverse affect on the future growth potential and financial position of the company.

***24. Shortage of owned vehicles for use in our E Commerce Logistic business may result in additional costs for third party hired vehicles. An inability to hire third party vehicles in such circumstances may also lead to consignment delivery delays, leading to customer dissatisfaction and loss of business.***

Although, we have a large fleet of goods transportation vehicles for our E Commerce Logistic business but, in case of any increase in demand due to peak season we may be required to hire vehicles for transportation operations. Third-party vehicles generally yield lower payload capacity as compared to our own vehicles. Hiring any third party vehicles also significantly increases operational expenses. In addition, 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 vehicles, delay in obtaining them and/or break down, on-road repairs or service interruptions may result in loss of orders, delays in delivery of cargo which could lead to customer dissatisfaction and loss of business, which in turn could adversely affect our business, results of operations and financial condition.

***25. The increase in the age of our vehicles and an increase in the prices of new vehicles may adversely affect our business and results of operations.***

We use vehicle such as cash van for our cash handling business and other vehicles for E Commerce Logistics business. As the age of our fleet increases, we expect maintenance costs related to our fleet to also increase. We may also acquire new vehicles to expand our business or to manage operational efficiencies and reduce cost of maintenance. Unless we continue to

expand and upgrade our fleet of cash van and goods transportation vehicles and acquire such vehicles on commercially favorable terms, our aging fleet may result in increased operating and maintenance costs. If the price of new cash van or goods transportation vehicles increases significantly, we will also incur increased depreciation expenses which may adversely affect our results of operations.

**26. Our Company has during the preceding one year from the date of the Draft Prospectus have allotted Equity Shares at a price which may be lower than the Issue Price.**

In the last 12 months, we have made allotments of Equity Shares to the promoters and their relatives details of which are as follows:-

- Bonus issue in the ratio of 10:1 dated March 14, 2018 issued 67,32,550 Equity shares face value Rs. 10/- per Equity Share for consideration other than cash.

The Equity Shares allotted to investors pursuant to this Issue may be priced significantly higher due to various reasons including better performance by the Company, better economic conditions and passage of time. For Further details of equity shares issued, please refer to the chapter titled “*Capital Structure*” and “*Basis for Issue Price*” beginning on page 55 & 85 of this Draft Prospectus.

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

Our ability to borrow and the terms of our borrowings will depend on our financial condition, the stability of our cash flows, general market conditions, economic and political conditions in the markets where we operate and our capacity to service debt. As on March 31, 2018 and June 30, 2018, our total outstanding indebtedness was Rs. 3061.19 Lakhs and Rs. 3231.56 Lakhs respectively. Our significant indebtedness results in substantial amount of debt service obligations which could lead to:

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

If the loans are recalled on a short notice, we may be required to arrange for funds to fulfil the necessary requirements. The occurrence of these events may have an adverse effect on our cash flow and financial conditions of the company. For further details regarding our indebtedness, see “*Statement of Financial Indebtedness*” on page 179 of this Draft Prospectus.

**28. Excessive dependence on Axis Bank Limited and South Indian Bank for obtaining financial facilities.**

Most of our fund based and non fund base financial assistance has been sanctioned by Axis Bank limited and South Indian Bank. We have been sanctioned the financial assistance on the security of assets and personal guarantee of our Promoter and Promoter group. Any default under such arrangement or non renewal or renewal of the sanction on adverse term with such lender may result into difficulty in arranging of funds for re-payment and may also adversely affect our operations and financials.

Also we have provided the collateral security of our registered office for the above loan taken from Axis bank and South Indian Bank. Any impairment in the right to use the above property may require us to arrange for the additional security or arranging the funds for the pre-payment which may adversely affect the financial position of our Company.

**29. We have not received NOC and consent of one of our lenders i.e. South Indian Bank for undertaking the initial public offer of equity shares.**

As on the date of this Draft Prospectus, we have applied for consent & NOC for the Proposed Issue from our lenders but we are yet to receive consent and NOC from one of our lender, South Indian Bank. However, our Company intends to obtain the necessary consent & NOC in relation to the proposed issue from such lender prior to the filing of the Prospectus with the

RoC. Undertaking the proposed issue without obtaining such lender consent & NOC may constitute a default under such loan agreement, which could impact our loan facilities and may have an effect on our financial condition and results of operations.

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

Our financing arrangements contain restrictive covenants whereby we are required to obtain approval from our lender, regarding, among other things such as major changes in share capital, changes in fixed assets, creation of any other charge, not to issue any personal guarantee by the guarantors etc. There can be no assurance that such consents will be granted or that we will be able to comply with the financial covenants under our financing arrangements. In the event we breach any financial or other covenants contained in any of our financing arrangements, we may be required under the terms of such financing arrangements to immediately repay our borrowings either in whole or in part, together with any related costs. This may adversely impact our results of operations and cash flows.

For further details on the Cash Credit Limits and other banking facilities, please see “*Statement of Financial Indebtedness*” on page 179 of the Draft Prospectus.

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

Our business requires significant amount of working capital and major portion of our working capital is utilized towards debtors and cash and cash equivalents. We have been sanctioned working capital of Rs. 1400 lakhs from Axis bank and Rs. 200 Lakhs from South Indian Bank. Our growing scale and expansion, if any, may result in increase in the quantum of current assets. Our inability to maintain sufficient cash flow, credit facility and other sourcing of funding, in a timely manner, or at all, to meet the requirement of working capital or pay out debts, could adversely affect our financial condition and result of our operations. Further, we have high outstanding amount due from our debtors which may result in a high risk in case of non-payment by these debtors. In case of any such defaults from our debtors, may affect our business operations and financials.

For further details regarding working capital requirement, please refer to the section “*Objects of the Issue*” on page 78 of this Draft Prospectus.

***32. Any non-payment or delay in payment of any statutory dues, penalty or demand raised by statutory authorities will affect our financial position of the Company.***

Our Company is engaged in business of providing manned guarding service, cash handling service and E Commerce logistic service, which attracts tax liability such as Goods and Service tax, Income tax, and professional tax as per the applicable provisions of Law. Further, our company has made a delay in payment or non payment of the statutory dues such as dividend distribution tax in the past due to such delays or non-payments we may be subject to any action by the competent authorities for the same. We are also subject to the labour laws like depositing of contributions with Provident Fund, ESI, overtime payments or payment of Bonus as required by the law. However, we have deposited the required returns under various applicable Acts but any demand or penalty raised by the concerned authority in future for any previous year and current year will affect the financial position of the Company.

***33. Our Company has taken unsecured loans that may be recalled by the lenders at any time and our Company may not have adequate working capital to make timely payments or at all.***

Our Company has availed unsecured loans which may be recalled by its lenders at any time. As on June 30, 2018 and March 31, 2018, such loans amounted to Rs. 87.41 lakhs and Rs. 86.37 lacs respectively. In the event that any lender seeks a repayment of any such loan, our Company would need to find alternative sources of financing, which may not be available on commercially reasonable terms, or at all. As a result, any such demand may materially and affect our business, cash flows, financial condition and results of operations. For further details, please see the section entitled “*Statement of Financial Indebtedness*” on page 179 of this Draft Prospectus

***34. Our insurance coverage may not be adequate to protect us against certain operating risks and this may have a material adverse effect on our business.***



Our business involves many risks which may affect our profitability, including employees for acts and conduct of our employees which occur at our customer's premises, personal injuries, damage or other accidents suffered by our employees or our customers or other people. Our company has obtained insurance coverage in respect of certain risks which consists of group personal accident policy, workmen's compensation insurance, fidelity guarantee policy, standard fire and special perils policy and vehicle insurance policy. While we believe that the insurance coverage which we maintain would be reasonably adequate to cover the normal risks associated with the operation of our businesses, we cannot assure you that any claim under the insurance policies maintained by us will be honored fully, in part or on time, or that we have taken out sufficient insurance to cover all our losses. In addition, our insurance coverage expires from time to time. We apply for the renewal of our insurance coverage in the normal course of our business, but we cannot assure you that such renewals will be granted in a timely manner, at acceptable cost or at all. To the extent that we suffer loss or damage, or successful assertion of one or more large claims against us for events for which we are not insured, or for which we did not obtain or maintain insurance, or which is not covered by insurance which exceeds our insurance coverage or where our insurance claims are rejected, the loss would have to be borne by us and our results of operations, financial performance and cash flows could be adversely affected. For further details on our insurance arrangements, see **"Our Business – Insurance"** on page 96 of this Draft Prospectus.

**35. Our Company has applied for the registration of the trademark but the same have not yet been registered with the registrar of Trademarks.**



Our trademark "SISA GROUP" is not duly registered under the applicable class of the Trademark Act, 1999 although we have made an application for the registration of the trademark in our name dated (mention date) under Class 45, the current status of the trademark applications is "Objected". Apart from the above we have made two applications dated March 07, 2007 for registration of this trademark under Class 42, but the current status of both the trademark applications is "Abandoned" due to non-perusal of application. Any failure to get the same registered in our name may cause any third-party claim and may lead to litigation and our business operations could be affected. Even if our trademarks are registered, we may not be able to detect any unauthorized use or infringement or take appropriate and timely steps to enforce or protect our intellectual property, nor can we provide any assurance that any unauthorized use or infringement will not cause damage to our business prospects.

For further details of our pending approvals, please see section Intellectual Property under chapter **"Government and Other Statutory Approvals"** beginning on page 201 of this Draft Prospectus.

**36. Our net cash flows from operating, investing and financing activities have been negative in some years in the past. Any negative cash flow in the future may affect our liquidity and financial condition.**

Our cash flow from our operating, investing and financing activities have been negative in the past. Following are the details of our cash flow position during the last five financial years based on standalone restated financial statements are:-

Particulars	For the year ended (in Rs. Lakhs)					
	30.06.2018	31.03.2018	31.03.2017	31.03.2016	31.03.2015	31.03.2014
Net cash flow from Operating activities	163.92	625.17	780.26	(218.93)	290.19	283.36
Net cash flow from Investing activities	(59.69)	(599.51)	(463.61)	(807.97)	(89.52)	(198.83)
Net cash flow from Financing activities	(74.41)	(149.59)	(201.99)	957.88	6.47	(94.11)

For details, please see the chapter titled **"Financial Information of Our Company"** on page 144 of this Draft Prospectus. Any negative cash flows in the future could adversely affect our results of operations and consequently our revenues, profitability and growth plans.

**37. Our business has significant expenses in relation to employee benefits and cash vans and transportation. Any material increase in any of these expenses could affect our ability to competitively price our services, maintain or increase our profitability and results of operations.**

For Fiscal Years 2016, 2017 and 2018, as a percentage of our total expense, employee benefit expense accounted for 67.35 %, 61.49 %, and 66.47 %, respectively, and vehicle maintenance, hire and fuel cost accounted for 8.16 %, 14.28 % and 7.81 %, respectively. As a result, our employee benefit expense, vehicle maintenance, hire and fuel costs, comprised a significant portion of our expenses for Fiscal Year 2017 and 2018. Our performance, and in particular our margins, depends on our ability to deliver high quality services to our customers at low cost.

**38. Our company and/or the promoters may be required to pay dividend for the period April 2017 to October 2017 on the CVCFL OCCPS held by CanBank Venture Capital Fund in case of any breach of the terms of the agreement entered with them.**

As per the terms of the agreement dated September 24, 2018, CVCFL agreed not to claim the dividend amount for the period April 2017 to October 2017 on CVCFL OCCPS dividend amounting to Rs. 62.14 Lakhs subject to the Promoters and the Company fulfilling their obligations and agreeing to list its shares in the manner as set out in this Agreement. In the event the Company does not list its shares in the manner as set out in the Agreement, CVCFL will be entitled to the dividend amount and the Promoters and/or the Company will immediately have to make payment of the dividend amount within 7(Seven) days from the date of issue of a notice from CVCFL. In the happening of any such event our company will be required to pay the said dividend amount which could require us to arrange the said money and may have an adverse effect on our financial position.

**39. We do not own the registered office of our company. Also many of our branches and regional office are located at leased premises. Our operations may be materially and adversely affected if we are unable to continue to utilize any of our key branches or Regional Office.**

We do not own the registered office of our company. The registered office of our company is owned by our promoters Mr. Sushil Pyrelal Sharma and Mrs. Anubha Sameer Sharma (through their partnership firm Tanu Gas Agency). Our promoter has provided us with a no objection certificate for the use of the said premises, but any breach or revocation of the no objection certificate may require us to vacate the said premises which may cause disruption in our affairs and business.

Further, some of the Branch Office and Regional office of our company have been taken on lease or rent from third parties. Also, our branch office located at Baroi Road, Mundra Kutch and Khorada, Bhuwaneshwar rent agreement has expired and yet to be renewed with the owner in case we are not able to renew any expired/expiring rent agreement we may be required to vacate the office which may affect our operations. For details of the property please refer chapter titled “Our Business” beginning on page 96 of the Draft Prospectus. As per the terms of the lease agreements, any breach of the terms / non renewal of the license agreement may require us to vacate the said premises which may cause disruption in our affairs and business and impede our effective operations and thus adversely affect our profitability.

**40. Our Contingent Liability and Commitments could affect our financial position.**

As on June 30, 2018 we had Contingent Liability of Rs. 68.21 Lakhs which has not been provided in our financial statements and which could affect our financial position. Apart from the mentioned below our Company has also provided Bank Guarantee amounting to Rs. 321.87 Lakhs. Details of Contingent Liabilities and commitments are as follows:-

Particulars	Amount (in Rs. Lakhs)
<b>Contingent Liabilities:</b>	
Income Tax demands / Notices before CIT Appeals	65.68
TDS Defaults	2.53
<b>TOTAL</b>	<b>68.21</b>

For further details on the same please refer “Annexure S” under section “Financial Information of the Company” beginning on page 177 of Draft Prospectus.

**41. Our Company had entered into various transactions with our Promoter, Promoter Group and Directors.**

Our Company had entered into various transactions with our Promoter, Promoter Group & Directors. We believe that all such transactions have been conducted on arm’s length basis, however, there can be no assurance that we could not have obtained better and more favourable terms than from transaction with related Parties. Our Company may continue to enter into such

transactions in future also and we cannot assure that in such an event there would be no adverse effect on results of our operations. For details please refer to **Annexure R on Related Party Transactions** of the Auditor's Report under Section titled **"Financial Information of the Company"** beginning on page 175 of the Draft Prospectus.

**42. Competitions may arise out of common business objects between our Company and Group Company.**

Our Group Company Sonata Exports Limited is engaged in the business of leasing and providing security service which is similar to that of our Company, due to which competition may arise between our company and our Group Company. In such a situation, conflict of interests may arise in the Promoters' allocating or addressing business opportunities and strategies among our Company and Group Company in circumstances where our respective interests diverge. In cases of conflict, there can be no assurance that our Promoters will not favour their own interests over those of our Company. Our Promoters have not signed any non-compete agreement with the Group Company as of date. Any such present and future conflicts could have an effect on our business, reputation, financial condition and results of operations. Further, our Group Company is not carrying on the business as per the main objects mentioned in the Memorandum of association, in such a scenario penal action may be taken against our Group Company for not carrying the business activities as per the Memorandum of association which could divert the managements attention and have an adverse affect on our business and growth prospects.

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

Our Promoter and Promoter Group Member has provided personal guarantees and their personal property as security to secure a significant portion of our existing borrowings taken from Axis bank Limited and South Indian Bank, and may continue to provide such guarantees and other security post listing. In case of a default under our loan agreements the personal guarantees provided by our Promoter and Promoter Group Member may be invoked which could negatively impact the reputation and network of our Promoter. Also, we may face certain impediments in taking decisions in relation to our Company, which in turn would result in a material adverse effect on our financial condition, business, results of operations and prospects and would negatively impact our reputation. In addition, our Promoter and Promoter Group Member may be required to liquidate his shareholding in our Company to settle the claims of the lenders, thereby diluting his shareholding in our Company. We may also not be successful in procuring alternate guarantees/ alternate security satisfactory to the lenders, as a result may need to repay outstanding amounts under such facilities or seek additional sources of capital, which could affect our financial condition and cash flows. For further details regarding loans availed by our Company, please refer **"Statement of Financial Indebtedness"** on page 179 of this Draft Prospectus.

**44. We are heavily dependent on our Promoters and Key Managerial Personnel for the continued success of our business through their continuing services and strategic guidance and support.**

Our success heavily depends upon the continued services of our Key managerial personnel, along with support of our Promoter. We also depend significantly on our Key Managerial Persons for executing our day to day activities. The loss of any of our Promoter and Key Management Personnel, or failure to recruit suitable or comparable replacements, could have an adverse effect on us. The loss of service of the Promoters and other senior management could seriously impair the ability to continue to manage and expand the business efficiently. If we are unable to retain qualified employees at a reasonable cost, we may be unable to execute our growth strategy. For further details of our Directors and key managerial personnel, please refer to Section **"Our Management"** on page 120 of this Draft Prospectus.

**45. Our company has not carried out any independent appraisal of our working capital requirements. Therefore, if our estimation is not accurate or the assumptions we have taken prove to be not correct, we may be required to raise additional debt on terms that may not be totally favorable to us.**

Our working capital requirements have been assessed based on the management's estimates and the same have not been independently appraised or evaluated by any bank or financial institution. Further, the estimates of our working capital requirement are totally based on the experience of our management and Promoters. We cannot assure that these estimates may be accurate. If these estimates prove to be wrong, we may be required to raise additional debt, on terms that may not be totally favorable to our Company, which may in turn adversely affect our profitability.

For further details please refer Chapter titled “*Objects of the Issue*” on page 78 of Draft Prospectus.

**46. *We have not identified any alternate source for the object of the issue and the deployment of funds is entirely at our discretion and as per the details mentioned in the section titled “Objects of the Issue”.***

Our Company has not identified any alternate source of funding for our objects of the issue 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 the objects or may result in borrowing funds on unfavorable terms, both of which scenarios may affect the business operation and financial performance of the company. Further the deployment of the funds raised in the issue will be entirely at the discretion of the management and any revision in the estimates may require us to reschedule our projected expenditure and may have a bearing on our expected revenues and earnings.

For further details of our objects of the Issue, Please refer chapter titled “*Object for the Issue*” beginning on page 78 of this Draft Prospectus.

**47. *Our ability to pay any dividends will depend upon future earnings, financial condition, cash flows, working capital requirements and capital expenditures.***

We may retain all our future earnings, if any, for use in the operations and expansion of our business. As a result, we may not declare dividends in the foreseeable future. Any future determination as to the declaration and payment of dividends will be at the discretion of our Board of Directors and will depend on factors that our Board of Directors deem relevant, including among others, our results of operations, financial condition, cash requirements, business prospects and any other financing arrangements. Accordingly, realization of a gain on shareholders investments may largely depend upon the appreciation of the price of our Equity Shares. There can be no assurance that our Equity Shares will appreciate in value. For details of our Dividend history refer to the Section “*Dividend Policy*” on page 143 of the Draft Prospectus.

**48. *There is no monitoring agency appointed by Our Company to monitor the utilization of the Issue proceeds.***

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

**49. *Our Promoters and the Promoter Group will jointly continue to retain majority shareholding in our Company after the Offer, which will allow them to determine the outcome of the matters requiring the approval of shareholders.***

Our promoters along with the promoter group will continue to hold collectively 51.60 % of the equity share capital of the company. As a result of the same they will be able to exercise significant influence over the control of the outcome of the matter that requires approval of the majority shareholders vote. Such a concentration of the ownership may also have the effect of delaying, preventing or deterring any change in the control of our company. In addition to the above, our promoters will continue to have the ability to take actions that are not in, or may conflict with our interest or the interest of some or all of our minority shareholders, and there is no assurance that such action will not have any adverse effect on our future financials or results of operations.

**50. *Any future issuance of Equity Shares may dilute the shareholding of the Investor or any sale of Equity Shares by our Promoter or other significant shareholder(s) may adversely affect the trading price of the Equity Shares.***

Any future issuance of Equity Shares by our Company could dilute the shareholding of the investor. Any such future issuance of our Equity Shares or sales of our Equity Shares by any of our significant shareholders may adversely affect the trading price of our Equity Shares and could impact our ability to raise capital through an offering of our securities. While the entire Post-Issue paid-up share capital, held by our Promoters or other shareholders will be locked-in for a period of 1 (one) year and minimum promoter contribution subject to a minimum of 20% of our post-Issue paid-up capital will be locked-in for a period of 3 (three) years from the date of allotment of Equity Shares in the Issue, upon listing of our Equity Shares on the

Stock Exchanges. For further information relating to such Equity Shares that will be locked-in, please refer to the section titled “**Capital Structure**” beginning on page 55 of the Draft Prospectus. Any future issuance or sale of the equity shares of our company by our Promoter or by other significant shareholder(s) or any perception or belief that such sales of Equity Shares might occur may significantly affect the trading price of our Equity Shares.

***51. Certain data mentioned in this Draft Prospectus has not been independently verified.***

We have not independently verified data from industry publications contained herein and although we believe these sources to be reliable, we cannot assure that they are complete or reliable. Such data may also be produced on a different basis from comparable information compiled with regard to other countries. Therefore, discussions of matters relating to India and its economy are subject to the limitation that the statistical and other data upon which such discussions are based have not been verified by us and may be incomplete or unreliable.

**EXTERNAL RISK FACTORS**

***52. Our business is dependent on the Indian economy.***

The performance and growth of our business are necessarily dependent on economic conditions prevalent in India, which may be materially and adversely affected by centre or state political instability or regional conflicts, a general rise in interest rates, inflation, and economic slowdown elsewhere in the world or otherwise. There have been periods of slowdown in the economic growth of India. India’s economic growth is affected by various factors including domestic consumption and savings, balance of trade movements, namely export demand and movements in key imports (oil and oil products), global economic uncertainty and liquidity crisis, volatility in exchange currency rates and annual rainfall which affects agricultural production. Any continued or future slowdown in the Indian economy or a further increase in inflation could have a material adverse effect on the price of our raw materials and demand for our products and, as a result, on our business and financial results. The Indian financial market and the Indian economy are influenced by economic and market conditions in other countries, particularly in emerging market in Asian countries. Financial turmoil in Asia, Europe, the U.S. and elsewhere in the world in recent years has affected the Indian economy. Although economic conditions are different in each country, investors’ reactions to developments in one country can have adverse effects on the securities market in other countries, including India. A loss in investor confidence in the financial systems of other emerging markets may cause increased volatility in Indian financial markets and, indirectly, in the Indian economy in general. Any worldwide financial instability, including the financial crisis and fluctuations in the stock markets in China and further deterioration of credit conditions in the U.S. or European markets, could also have a negative impact on the Indian economy. Financial disruptions may occur again and could harm our business and financial results.

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

Terrorist attacks, civil unrest and other acts of violence or war may negatively affect the Indian markets on which our Equity Shares will trade and also adversely affect the worldwide financial markets. In addition, the Asian region has from time to time experienced instances of civil unrest and hostilities among neighboring countries. Hostilities and tensions may occur in the future and on a wider scale. Military activity or terrorist attacks in India, may result in investor concern about stability in the region, which may adversely affect the price of our Equity Shares. Events of this nature in the future, as well as social and civil unrest within other countries in the world, could influence the Indian economy and could have an adverse effect on the market for securities of Indian companies, including our Equity Shares.

***54. Changing laws, rules and regulations and legal uncertainties in India, including adverse application of tax laws and regulations, may adversely affect our business and financial performance.***

Our business and financial performance could be adversely affected by changes in law or interpretations of existing, or the promulgation of new, laws, rules and regulations in India applicable to us and our business. For further details please refer to the chapter “Government and Other Statutory Approvals” on page 201 for details of the laws currently applicable to us. There can be no assurance that the central or the state governments in India may not implement new regulations and policies which will require us to obtain approvals and licenses from the central or the state governments in India and other regulatory bodies



or impose onerous requirements and conditions on our operations. Any such changes and the related uncertainties with respect to the implementation of the new regulations may have a material adverse effect on all our business, financial condition and results of operations. In addition, we may have to incur capital expenditures to comply with the requirements of any new regulations, which may also materially harm our results of operations. For instance, the Government has proposed a comprehensive national goods and services tax (“GST”) regime that will combine taxes and levies by the Central and state Governments into a unified rate structure. Given the limited availability of information in the public domain concerning the GST, we are unable to provide any assurance as to the tax regime following implementation of the GST. The implementation of this new structure may be affected by any disagreement between certain state Governments, which could create uncertainty. Any such future amendments may affect our overall tax efficiency, and may result in significant additional taxes becoming payable.

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

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

***56. Natural calamities could have a negative impact on the Indian economy and cause Our Company’s business to suffer.***

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

***57. Government regulation of foreign ownership of Indian securities may have an adverse effect on the price of the Equity Shares.***

Foreign ownership of Indian securities is subject to government regulation. Under foreign exchange regulations currently in effect in India, transfer 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 rupees proceeds from the 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 authorities. There can be no assurance that any approval required from the RBI or any other government agency can be obtained.

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

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. The rate of economic liberalization could change, and specific laws and policies affecting companies in the industrial equipment manufacturing sectors, foreign investment, currency exchange rates and other matters affecting investment in our securities could change as well. A significant change in India's economic liberalization and deregulation policies could disrupt business and economic conditions in India and thereby affect our business.

**Prominent Notes:**

1. Public Issue of 27,00,000 Equity Shares of Face Value of Rs. 10/- each of Shiva Industrial Security Agency (Gujarat) Limited ("SISA" or "Our Company" or "The Issuer") for Cash at a Price of Rs. [●] Per Equity Share (Including a Share Premium of Rs. [●] per Equity Share) ("Issue Price") aggregating to Rs. [●] Lacs
2. The Net worth of our Company based on Restated Financial Statements as on June 30, 2018, March 31, 2018, March 31, 2017, March 31, 2016 and March 31, 2015 was Rs. 3440.53 lacs, Rs. 3236.01 lacs, Rs. 2465.15 lacs, Rs. 2056.69 lacs and Rs. 843.53 lacs respectively. For more information, see the section titled "**Financial Information of the Company**" beginning on page 144 of this Draft Prospectus.
3. The NAV / Book Value per Equity Share of our Company as per Restated Financial Statements as on June 30, 2018, March 31, 2018, March 31, 2017, March 31, 2016 and March 31, 2015 was Rs. 46.46, Rs. 43.70, Rs. 474.57, Rs. 395.93 and Rs. 177.96 per equity share respectively. For more information, see the section titled "**Financial Information of the Company**" beginning on page 144 of this Draft Prospectus.
4. The average cost of acquisition of Equity Shares by our Promoters is set out below:

Sr. No.	Name of the Promoters	No. of Shares held	Average cost of Acquisition (in ₹)
1.	Mr. Sushil Pyarelal Sharma	5,11,390	2.28
2.	Mr. Sameer Sushilkumar Sharma	28,31,290*	1.19
3.	Mrs. Anubha Sameer Sharma	18,70,990	1.08
	<b>Total</b>	<b>52,13,670</b>	

\* 2,41,065 Equity Shares are jointly held with Mrs. Anubha Sameer Sharma

5. The details of transactions of our Company with related parties, nature of transactions and the cumulative value of transactions please refer to section titled "**Financial Information of the Company- Annexure R- Statement of Related Parties Transactions**", on page 175 of Draft Prospectus.
6. No Group companies have any business or other interest in our Company, except as stated in section titled "**Financial Information of the Company - Annexure R- Statement of Related Parties Transactions, as Restated**", "**Capital Structure**", "**Our Group Company**" on pages 175, 55 and 140 respectively and to the extent of any Equity Shares held by them and to the extent of the benefits arising out of such shareholding.
7. Our Company was originally incorporated as "Shiva Industrial Security Agency (Gujarat) Private Limited" on July 11, 1997 vide Registration Certificate No. 02-32649/1997-1998 under the provisions of the Companies Act, 1956 with the Registrar of Companies, Gujarat, Dadra & Nagar Haveli. Subsequently, our Company was converted into a Public Limited Company pursuant to Special Resolution passed at the Extra Ordinary General Meeting of the Company held on February 27, 2018 and the name of our Company was changed from "Shiva Industrial Security Agency (Gujarat) Private Limited" to "Shiva Industrial Security Agency (Gujarat) Limited" vide a fresh Certificate of Incorporation dated March 10, 2018 having CIN U67120GJ1997PLC032649 issued by the Registrar of Companies, Gujarat, Ahmedabad.

For Further details, please refer to Section titled "**History and Certain Corporate Matters**" on page 114 of this Draft Prospectus.

8. None of our Promoters, Promoter Group, Directors and their relatives has entered into any financing arrangement or financed the purchase of the Equity Shares of our Company by any other person during the period of six months immediately preceding the date of filing of Draft Prospectus.

9. Our Company, Promoters, Directors, Promoter Group have not been prohibited from accessing the Capital Market under any order or direction passed by SEBI nor they have been declared as willful defaulters by RBI / Government authorities. Further, no violations of securities laws have been committed by them in the past or pending against them.
10. Investors are advised to see the paragraph titled “**Basis for Issue Price**” beginning on page 85 of this Draft Prospectus.
11. The LM and our Company shall update this 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. Investors are free to contact the LM i.e. Hem Securities Limited for any clarification, complaint or information pertaining to the Issue. The LM 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.
13. In the event of over-subscription, allotment shall be made as set out in paragraph titled “**Basis of Allotment**” beginning on page 263 of this Draft Prospectus and shall be made in consultation with the Designated Stock Exchange i.e. NSE. The Registrar to the Issue shall be responsible to ensure that the basis of allotment is finalized in a fair and proper manner as set out therein.
14. The Directors / Promoters of our Company have no interest in our Company except to the extent of remuneration and reimbursement of expenses (if applicable) and to the extent of any Equity Shares of our Company held by them or their relatives and associates or held by the companies, firms and trusts in which they are interested as director, member, partner, and/or trustee, and to the extent of benefits arising out of such shareholding. For further details please see the chapter titled “**Our Management**” beginning at page 120 and chapter titled “**Our Promoters and Promoter Group**” beginning at page 134 and chapter titled “**Financial Information of the Company**” beginning at page 144 of this Draft Prospectus.
15. No loans and advances have been made to any person(s) / companies in which Directors are interested except as stated in the Auditors Report. For details, please see “**Financial Information of the Company**” beginning on page 144 of this Draft Prospectus.
16. Trading in the Equity Shares for all investors shall be in dematerialised form only.
17. No part of the Issue proceeds will be paid as consideration to Promoters, Promoter Group, Directors or Key Managerial Personnel.

For information on the changes of the objects clause of the Memorandum of Association of our Company, please refer to the chapter titled “**History and Certain Corporate Matters**” beginning on page 114 this Draft Prospectus.

## SECTION III - INTRODUCTION

### SUMMARY OF OUR INDUSTRY

#### Global Economic Scenario

The past decade has been characterized by fragile growth, high investor uncertainty and periodic spikes in global financial market volatility. As crisis-related fragilities and the adverse effects of other recent shocks gradually subside, the world economy has strengthened. Towards the end of 2016, global economic activity began to see a modest pickup, which extended into 2017.

World industrial production has accelerated, in tandem with a recovery in global trade that has been predominantly driven by stronger demand in East Asia. Confidence and economic sentiment indicators have also generally strengthened, especially in developed economies.

Investment conditions have improved, amid stable financial markets, strong credit growth, and a more solid macroeconomic outlook. In 2017, global economic growth is estimated to have reached 3.0 per cent when calculated at market exchange rates, or 3.6 per cent when adjusted for purchasing power parities — the highest growth rate since 2011. Currently, all major developed economies are experiencing a synchronized upturn in growth. Compared to the previous year, growth strengthened in almost two thirds of countries worldwide in 2017.



(Source: [https://www.un.org/development/desa/dpad/wpcontent/uploads/sites/45/publication/WESP2018\\_Full\\_Web-1.pdf](https://www.un.org/development/desa/dpad/wpcontent/uploads/sites/45/publication/WESP2018_Full_Web-1.pdf))

At the global level, world gross product (WGP) is forecast to expand at a steady pace of 3.0 per cent in 2018 and 2019. Developing economies remain the main drivers of global growth. However, stronger economic activity has not been shared evenly across countries and regions, with many parts of the world yet to regain a healthy rate of growth.

Global growth is firming, contributing to an improvement in confidence. A recovery in industrial activity has coincided with a pickup in global trade, after two years of marked weakness (Figure 1.1). In emerging market and developing economies (EMDEs), obstacles to growth among commodity exporters are gradually diminishing, while activity in commodity importers remains generally robust. As a result, and despite substantial policy uncertainty, global growth is projected to accelerate to

2.7 percent in 2017, up from a post-crisis low of 2.4 percent in 2016, before strengthening further to 2.9 percent in 2018-19, broadly in line with January projections.

### **Indian Economic Overview**

India remains the fastest growing economy in the world - economic fundamentals are strong, and reform momentum continues. The fundamentals of the Indian economy remain strong, with robust economic growth, strong fiscal consolidation, low current account deficit, higher agricultural output, growing FDI, low inflation and higher wages in rural areas. Timely and smooth implementation of landmark reforms such as the GST and a new code to deal with bankruptcies, as well as decisive action to resolve the NPA challenge of public sector banks, is crucial to enhance the economy's potential growth.

Despite the slowdown observed in early 2017 and the lingering effects from the demonetization policy, the outlook for India remains largely positive, underpinned by robust private consumption and public investment as well as ongoing structural reforms. GDP growth slowed to 7.0 per cent year-on-year (y/y) during the third quarter of 2016-2017 from 7.3 percent in the first quarter.

As a result, after a modest slowdown in the GDP growth in FY 2016-2017 of 6.8 percent, the growth is expected to recover in FY 2017-2018 to 7.2 percent and is projected to gradually increase to 7.7 percent in FY 2018-2019.

(Source: <https://www.conference-board.org/data/economydatabase/>)

Inflation prospects remain benign across the region. Consumer price inflation reached a multi-year record low of 4.9 per cent in 2017, due to relatively low commodity prices, waning depreciation pressures and good harvest seasons in most countries that have supported lower food prices, notably in India. In 2017, inflation declined to record lows in India and Nepal, while it remained relatively muted in comparison to historical figures in Pakistan, Bangladesh and the Islamic Republic of Iran.

### **Labour Productivity Growth**

Labor productivity growth saw a modest improvement for the aggregate of emerging markets and developing countries in 2016, despite largely unchanged output and employment growth rates. This is because regional employment shares are shifting from countries like China, whose share in regional GDP is increasing, to regions like the Middle East and Africa, where output shares are shrinking or stagnating.

India experienced a modest slowdown in labor productivity growth in 2016 as output growth weakened, but remained among the highest growth rates in the region. Moreover, TFP growth rates were positive and strengthened as India's input growth (especially capital) slowed substantially in 2016. Overall the projection for labor productivity growth in 2017 in emerging markets shows a strengthening trend, in all regions except in Middle East and North Africa, though it remains well below its long-term trend.

The improvement in the world economy since mid-2016 has been accompanied by a moderate pickup in productivity growth. After growing by only 1.3 per cent in both 2015 and 2016, global labour productivity is projected to increase by 1.9 per cent in 2017. The recent upturn in productivity growth has been geographically broad-based, with most developed, developing and transition economies posting gains.

In developing and transition economies, average productivity growth has also improved notably over the past two years, rising from 1.7 per cent in 2015 to an estimated 2.7 per cent in 2017. For the first time since 2011, all regions are expected to record positive labour productivity growth. Despite a modest recovery, however, growth in Africa and Latin America and the Caribbean is still subdued. Furthermore, average productivity growth in these regions remains far lower than in Asian economies, including China and India.

(Source: [https://www.un.org/development/desa/dpad/wpcontent/uploads/sites/45/publication/WESP2018\\_Full\\_Web-1.pdf](https://www.un.org/development/desa/dpad/wpcontent/uploads/sites/45/publication/WESP2018_Full_Web-1.pdf))

### **Security Services Industry**

The private security industry is a crucial component of security and safety all over the world. The industry was born in the 60's with a handful of players. According to industry sources today, private security is responsible not only for protecting

many of the nation's institutions and critical infrastructure systems, but also for protecting intellectual property and sensitive corporate information. Companies also rely heavily on private security for a wide range of functions, including protecting employees and property, conducting investigations, pre-employment screening, providing information technology security, and many other functions.

The private security industry has assumed a more critical role in recent years. It is essential to ensure the security and safety of persons and property, as well as intellectual property and sensitive corporate information. It was the opportunity and nature of the private security industry which enabled employment to a hitherto large section of the populace, which, if not employed in this industry, may have remained outside the fold of formal employment. It is in this sense that contribution of the private security industry to employment generation in India is unique.

With the exponential growth of the Indian economy over the last two decades, the need for security arrangements of industrial complexes, offices, IT parks and other public infrastructures such as airports, metro stations, shopping malls and public utilities has grown manifold. In order to meet this demand, the industry has significantly scaled its operational capabilities to supplement government machinery towards maintaining safety and security of citizens and their assets. The private security industry in India is estimated to be INR 350 billion, is expected to grow exponentially at a CAGR of 20 per cent, operating across 550 districts, directly employing more than 60 lakh individuals, notably finding traction from the youth population of the BPL category as an employment opportunity. This is indeed a sunrise sector, with potential to be the second-largest employment generator and a major source of revenue for the exchequer by way of taxes.

The industry growth could be attributed to the key drivers like growing urbanization and increasing insecurity, mushrooming of shopping malls and self contained townships, frequent terror attacks, shortage of police personnel and last but not the least security agency itself being a profitable business. A more economic justification for engaging private security is that insurance companies particularly fire insurance carriers will give substantial discount to sites as presence of security reduces odds of incidence.

The security industry is a large and expanding area of the economy with an estimated global market worth of 173 billion USD. The private security industry in India, valued at 570 billion INR is also promising. The safety and security industry in India is still at a nascent stage and is poised for a strong growth, in the years ahead. The industry is dominated largely by the unorganized sector which accounts for a larger share in the market. The Indian security equipment and services market is primarily driven by the rapid urbanization and the ongoing globalization wherein, the need for robust and updated security technologies is gaining momentum with each passing day.

India is estimated to be amongst the top 10 security markets in the world by 2020, which leads to significant opportunities to be leveraged. Besides adding to the economy, it has the potential to become an extended arm of law enforcement authorities. It is the most buoyant, emerging and fastest growing market in the world. The flourishing economy and rapid growth in sectors such as airports, construction, energy, ports, telecom, railways, road and retail, coupled with the influx of multinational companies has been the primary driving force for creating demand for the security industry. The unprecedented terrorism incidents in the recent times and ever increasing crime rates have triggered the demand for security and surveillance products.

Growing urbanization, coupled with retail boom and increasing concerns regarding security has led to a rise of organizations catering to the private security segment in the country. Development of infrastructure and industries, residential complexes offers a sea of opportunities to the growing security industry. Government initiatives such as the development of 100 smart cities and 'Make in India' campaign will add to the overall growth of the industry,

(Source: <https://www.export.gov/article?id=India-Safety-and-Security>)

The private security industry is one of the largest employers in India and is continuously growing. The private security industry is amongst the largest employers in India, employing almost 8.5 million people and has the potential to employ 3 million more people by 2020. Manned Security Service accounts for the largest share of security services market with maximum employment and contributing approximately 75-80 percent share in revenues followed by Cash Security Services with 20-25 percent business share.

The 570 billion4 INR private security industry in India is likely to witness rapid expansion, with the market share going up to 990 billion INR by 2020. Government policies like making guards in schools and ATMs mandatory and mandatory

installation of CCTV cameras at various locations have also accelerated the demand for private security guards in the country. Considering the growing demand for security services, security firms in India are seeking capital to expand their business.

### **The challenges faced by the security industry**

1. **PSARA 2005 implementation and licensing related issues:** The Private Security Agencies (Regulation) Act 2005 was passed by the parliament. However the states implement this act as per their requirements, based on state-specific guidelines. Regulatory conditions are different in every state thus makes the uniform management practices difficult. Prospective private security agency faces delays in granting license to start a security agency. For the ease of doing business, there could be one nodal department which the private agencies can contact for the sub-segments.
2. **Compliance requirements & Labour Laws:** Increasing compliance related requirements such as training and minimum wages will lead to escalation of costs. They will also reduce the attractiveness of certain opportunities for leading players, where the unorganized sector, with low compliance costs, will be more cost competitive. Currently security guards are being classified as semiskilled workers. Whereas, a security guard and supervisors performs skilled jobs at many security sensitive establishments like airports, IT parks, metro stations and luxury hotels etc.
3. **Ownership and management restrictions:** Currently, Foreign Direct Investment is allowed only up to 49 percent in the security services industry. Some of the leading players have suggested to increase the FDI limit, so as to have more funds for their growth plans.
4. **Workmen related problems:** Private security officers are expected to provide similar nature of services to their counterparts in the police forces. However, the salary paid to them is much lower than their counterparts and inadequate social security and training. Despite providing highly skilled services, private security person draws minimum wages for the semi-skilled category. This is needed to be corrected to attract much skilled and experienced workforce for better end results.

(Source: <http://ficci.in/PressRelease/2198/ficci-press-dec2-hls.pdf>)



## SUMMARY OF OUR BUSINESS

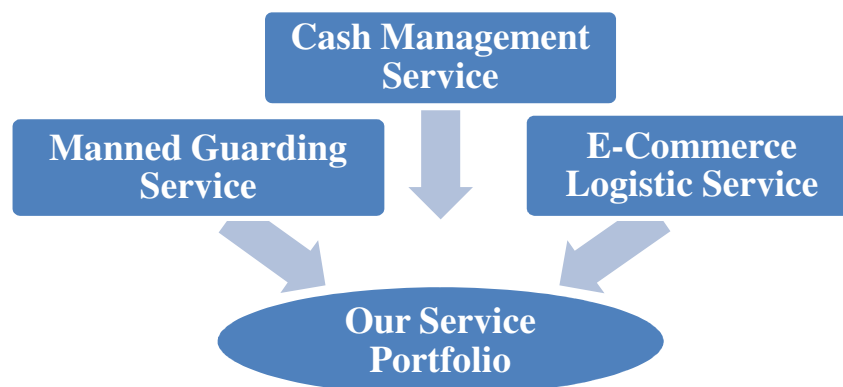
*The following information should be read together with, the more detailed financial and other information included in this Prospectus, including the information contained in “Risk Factors”, “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and “Financial Information of the Company” on page 16, 181 & 144 respectively*

### Overview

We are an ISO 9001:2008 Certified Company providing Manned guard Services, Cash Management Service and E-Commerce logistics services in India. We have created a niche for ourselves in the market since the commencement of our operations during the past decades. We have developed our portfolio of services in order to cater to the needs of diverse consumer segments including, business entities, Government organizations and households, and to leverage the growth and potential security needs of such customer segments in India. To serve our esteemed clients in the most effective manner we have fully operational 18 Branches at an all India level and 5 Regional Offices situated at Ahmedabad, Bengaluru, Mumbai, New Delhi and Kolkata.

Our company was incorporated in the year 1997. Since incorporation we have been involved in the business of providing the manned guarding service. Later on during the year 2007, sensing the opportunity in the Cash management service, we added Cash management service in our portfolio of service. During the year 2015-16, we further expanded our operations by diversifying into the business of E-Commerce Logistic services.

Our portfolio of services includes:



1. **Manned Guarding Service:** - We provide comprehensive security services solution to our customers in India. Our security services comprise of providing security solutions which ranges from planning and deployment of security guards, security officers, armed guards, firemen, dog handlers, investigation works investigators, event security services and command and control centre employees. As on August 31, 2018, Our security services business employed over 5000 security guards which are servicing around 1100 customers locations. Our key customers in India include leading businesses in and across various wide range of sectors such as banking and financial services, IT/ ITeS information technology and telecom, automobile, steel and heavy industries, governmental undertakings, hospitality and real estate, utilities, educational institutions, healthcare, consumer goods, manufacturing, engineering and construction. We also provide security services to several Government organizations and public sector undertakings in India.
2. **Cash Management Service:** - Our cash management service business consists of the following heads of operations: (a) cash in transit, including cash handling, cash collection and delivery, transportation of bank notes, coins and other valuables, (b) doorstep banking, including pickup and delivery of cash, coins and any other valuables as well as cash processing, (c) ATM related services including Machine Installation & Maintenance, Cash Replacements, Cash Cycle Management & Load Forecasting, Defect Prevention and update existing programmes, Depository Collection, Processing & Banking, Intelligent Lock Installation & Management, Alarm Response Services etc. Through our cash management service we serve a diverse set of clients which include leading banks, financial institutions, the organized retail industry and jewelry processing units, thus reducing our reliance on any particular set of customers or business segments.

3. **E-Commerce Logistics Service:** - Our E- Commerce operation handles the last Mile (final movement of the goods to the customers) and the First Mile operations (movement of the goods from the E commerce companies to couriers for delivery) for the E - Commerce Companies. Our company has its own fleet of Vehicles with Field executives, which are provided to E - Commerce Company to handle their First and Last Mile operations. The Major clientele is Flipkart, Big Basket, Grofers, DTDC and First Flight.

We have set up an extensive employee platform which spans recruitment, customized training and development, deployment, incentivization and management of personnel. We have deep geographical reach for manpower sourcing and training and currently operate our own training Institute situated next to our Corporate Office at Surat. Our security services personnel undergo extensive physical and classroom training. We employ man power from all over India. We have appointed our Area Officers in the selected districts of our country for the same. These Area Officers also re-employ Ex-servicemen through Zila Sainik Welfare Boards and State Ex-servicemen Association. We have kept Ex-Army staff to train civilian boys in security, fire fighting and first aid duties.

Our Promoters, Major Sushil Kumar Sharma (retd.), Mr. Sameer Sharma have over two decades of experience in operating our business. In addition, we are led by a well-qualified and experienced management team, which we believe has demonstrated its ability to manage and grow our operations organically and also acquire and integrate businesses. For further details see "***Our Management***" on page 120 of this Draft Prospectus. We have been benefited from the strategic inputs and support of our Promoters who are also the Directors of our company. Our promoter have established our company with a view to provide security cover to Industrial Units, shopping complexes, Apartments, Hospitals and other properties with trained and motivated Ex-servicemen as well as civilian security staff and has given two mottos i.e. "EVER ALERT" & "BORN TO PROTECT".

Our revenue from operations (gross) was Rs. 11900.78 lakhs, Rs. 8844.72 lakhs and Rs. 5739.42 lakhs during the fiscals 2018, 2017 and 2016 respectively and Rs. 2843.29 Lakhs for the three months period ending June 30, 2018, in terms of our Restated Financial Statements. The profit after tax of our company as per the restated financial statements for the fiscal 2018, 2017 and 2016 is Rs. 770.85 lakhs, Rs. 408.46 lakhs and Rs. 109.60 lakhs respectively and Rs. 204.53 Lakhs for the three months period ending June 30, 2018.

### **Our Competitive Strengths**

We believe that the following are our primary competitive strengths:

#### ***1. Diverse portfolio of manned guarding, cash management and E commerce management services***

Our diverse portfolio of services comprises of security services, cash management services and E commerce logistic management services. Our security services range from providing trained security personnel for general guarding to specialized security roles in India. Our cash logistics business includes services such as cash in transit including transportation of bank notes and other valuables, doorstep banking as well as cash processing, ATM related services including ATM replenishment and first line maintenance and safekeeping, and vault related services for bullion and cash. We also provide E commerce logistic services which include first mile and last mile connectivity for the E-commerce companies.

We believe that our extensive portfolio of services enables us to grow our customer relationships and scope of engagements and serve as a single point of contact for multiple services, driving high customer retention. Our multiple service offerings allow us to derive operational efficiencies, by centralizing certain key functions such as finance and sales and also certain other administrative functions. Given our operational experience, we believe that we have developed in-house expertise to handle all stages of deployment and management and cater to the varying requirements of our customers, which has enabled us to grow our market share and instill our customers with confidence in our ability to address their diverse and dynamic business needs.

#### ***2. Widespread and integrated branch network in India***

We have 18 branches in India, which cover 9 states and rendered security services at around 1100 customer premises, giving us a nation-wide presence and reducing our dependence on any one particular region. We believe that locating our branches in proximity to our customer premises is a significant factor for success in our business and our widespread branch network

results in greater focus to our customers. At the same time, by offering different services under one roof have enable us to offer services to customers who prefer a single service provider for their operations.

We believe knowledge sharing across our branches and business segments enables sales lead generation and development of location specific know-how for particular geographical areas. Further, we believe that through our extensive branch infrastructure, we have been able to gain economies of scale, which allow us to provide efficient and cost-effective solutions to our customers.

### ***3. Wide and Diversified customer base***

We provide our manned guarding services to several customer segments such as business entities, Government organizations, Industries, Hospitals, Shopping, Malls and households. These customer segments range across a variety of industries and sectors, which include banking and financial services, IT/ ITeS and telecom, automobile, steel and heavy industries, governmental undertakings, hospitality and real estate, utilities, educational institutions, healthcare, consumer goods, engineering and construction, which reduces our vulnerabilities to economic cycles and dependence on any particular set of customers. We believe our ability to offer our manned guarding services to fit the needs of our customers across our various business segments allows us to deepen our relationships with our customers and enables us to target a greater share of their requirements. We believe that we have been able to retain existing customers and attract new customers because of our brand, strong market position and delivery of quality services.

### ***4. Experienced management and operational team***

Our Promoters, Major Sushil Kumar Sharma (retd.) and Mr. Sameer Sharma have over two decades of experience in operating our business. Major S. K. Sharma Chairman has served Indian Army for around 23 years. He also has experience of Industrial Security, Fire Fighting and Military Intelligence. He also has in-depth practical knowledge and experience of training and motivating for guarding sensitive and defence installations. Mr. Sameer Sharma is a Nautical Science graduate and has served in Merchant Navy as 2nd officer for eight years. In addition, we are led by a well- qualified and experienced management team, which we believe has demonstrated its ability to manage and grow our operations organically and also acquire and integrate businesses. For further details please refer chapter “Our Management” on page 120 of this Draft Prospectus.

### ***5. In-house training and development***

We have set up an extensive employee platform which spans recruitment, customized training and development, deployment, incentivization and management of personnel. We have setup our own training Institute situated next to our Corporate Office at Surat “SISA Management Training Institute”. Our security services personnel undergo extensive physical and classroom training at our training institute. We employ man power from all over India. We have appointed our Area Officers in the selected districts of our country for the same. These Area Officers also re-employ Ex-servicemen through Zila Sainik Welfare Boards and State Ex-servicemen Association. We have kept Ex-Army staff to train civilian boys in security, fire fighting and first aid duties. We believe that our personnel recruitment and training initiatives drive employee loyalty and retention and quality assurance, and ensure that we deliver uniform services to our customers.

## **Our Strategies**

### ***1. Leveraging our capabilities and growing our business***

We intend to cater to the increasing demand of our existing customers and also to increase our existing customer base by enhancing our reach to different parts of the country and to new/different customer in new industries. We also propose to provide our customer with the best services which will help us in maintaining and establishing cordial relationship with customers. We also want to enhance our presence in additional regions which will enable us to reach out to a larger population.

### ***2. Improving operational efficiencies***

Increasing our operational efficiencies result not only in increased customer satisfaction which will as a result improve our margins and profitability. Further, we plan to increase our productivity by leveraging our network to realize economies of

scale, improving our processes and planning. We also plan to continue to focus on cost management, as well as optimizing the cost, improve connectivity and communication across our branches and operations and with our customers, to further increase efficiencies and productivity.

### 3. Develop and maintain relationships with our Customers

We believe in maintaining good relationship with our Customers which is the most important factor to keep our Company growing. Our dedicated and focused approach and efficient and performance has helped us build strong relationships over a number of years. Based on our performance we are entrusted by our customers. For us, establishing strong, mutually beneficial long-term relationships with our customer is a critical step in improving performance and enabling the business to grow and develop.

### 4. Enhancing our organizational capabilities

We aim at providing to our employees a compelling place to work and striving to attract the best talent in the industry by focusing on our employees' development, retention and contribution to our success. We believe that this, together with providing our with comprehensive training and development resources on ongoing and as-needed basis, benefits our employees and creates efficiencies within our business by improving the ability of our employees to perform their jobs. We have SISA Management Training Institute, which focuses on enhancing the skills and knowledge of our workforce in areas relevant to our business. We also plan to continue to focus on diversity in hiring, health programs for our employees and offering specialized safety programs to our workforce to ensure they conduct their jobs safely and efficiently.

### Our Presence

The registered and corporate office of our company is situated at SISA House, Sameer Complex, RS No. 71, Navsarjan Society, Pandesara, Surat. We have also established our own training institute "SISA Management Training Institute" for our employees which are located at Surat.

We have an established branch network in India consisting of 18 branches and rendered security services at around 1100 customer premises.

### Revenue from Operations from our Business Lines

The following table sets forth our revenue from operations from our business lines for the periods indicated:

Particular	Revenue from operations (in Rs. lakhs)					
	Fiscal Year 2018		Fiscal Year 2017		Fiscal Year 2016	
	Amount	% of total	Amount	% of total	Amount	% of total
Manned Guarding Service	8695.44	73.07	6064.64	68.57	4163.36	72.54
Cash Handling Service	2619.45	22.01	2144.04	24.24	1471.72	25.64
Logistic Management Service	585.90	4.92	636.04	7.19	104.34	1.82
<b>Total</b>	<b>11900.79</b>	<b>100</b>	<b>8844.72</b>	<b>100</b>	<b>5739.42</b>	<b>100</b>

### Our Clients

We believe in maintaining long-term relationships with our key customers. Our customers operate across a variety of industries and sectors, which include banking and financial services, IT sector, telecom, automobile, steel and heavy industries, governmental undertakings, hospitality and real estate, utilities, educational institutions, healthcare, consumer goods, engineering and construction. We believe our ability to offer our security, cash management and E Commerce Logistic services under one roof to fit the needs of our customers across our various business segments allows us to deepen our relationships with our customers. Some of our esteemed clients are Adani Wilimar Ltd, Bank of Baroda, Allahabad Bank, Federal bank, HDFC Bank, Chemisynth, C S Speciality, Gateway Distripark, German Express, GIPCL, GMDC, MALCO – Chennai, Micro Ink, Reliance Relogistics, Saurabh Society – Vapi, Torrent Power and Uttam Steel.

**SUMMARY OF OUR FINANCIALS****RESTATED STATEMENT OF ASSETS AND LIABILITIES**

(Amt in Rs. Lakhs)

Particulars	As at					
	June 30, 2018	March 31, 2018	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014
<b>I. EQUITY AND LIABILITIES</b>						
<b>Shareholder's Funds</b>						
Share Capital	740.58	740.58	1,051.95	1,051.95	47.40	47.40
Reserves and Surplus (excluding Revaluation Reserves, if any)	2,699.95	2,495.43	1,413.20	1,004.74	796.13	705.10
Money received against share warrants	-	-	-	-	-	-
<b>Share Application Money Pending Allotment</b>	-	-	-	-	-	-
<b>Non Current Liabilities</b>						
Long-term Borrowings	801.45	802.04	688.29	558.50	524.62	369.40
Deferred tax liabilities (Net)	112.09	130.58	64.17	33.95	-	-
Other Long Term Liabilities	-	-	-	-	-	-
Long-term Provisions	101.92	111.80	136.50	113.83	92.80	84.18
<b>Current Liabilities</b>						
Short-term Borrowings	2,127.48	1,954.50	1,416.32	1,185.00	1,136.41	603.68
Trade Payables	146.27	253.08	134.94	37.18	10.96	176.33
Other Current Liabilities	710.39	1,006.31	1,358.88	855.43	632.90	694.11
Short-term Provisions	69.52	43.91	52.70	4.20	3.58	2.17
<b>Total</b>	<b>7,509.66</b>	<b>7,538.23</b>	<b>6,316.95</b>	<b>4,844.78</b>	<b>3,244.80</b>	<b>2,682.37</b>
<b>II. ASSETS</b>						
<b>Non Current Assets</b>						
Fixed assets						
(i) Tangible Assets	1,859.15	1,890.40	1,562.39	1,300.17	500.57	601.16
(ii) Intangible Assets	-	-	-	-	-	-
(iii) Capital Work-In-Progress	-	-	-	9.56	-	-
(iv) Intangible Assets Under Development	-	-	-	-	-	-
Non Current Investments	10.30	10.30	9.40	9.40	9.40	9.40
Deferred Tax Assets (Net)	-	-	-	-	94.78	68.62
Long-term Loans and Advances	234.81	194.51	181.71	351.54	343.88	119.86
Other Non Current Assets	-	-	-	-	-	-
<b>Current Assets</b>						
Current Investments	-	-	-	-	-	-
Trade Receivables	3,570.21	3,776.56	3,322.83	2,283.53	1,631.97	1,610.18
Cash and Cash Equivalents	203.57	173.74	297.69	183.02	252.05	44.91
Short-term Loans and Advances	1,631.61	1,492.72	942.92	707.34	411.94	228.22
Other Current Assets	-	-	-	0.20	0.20	-
<b>Total</b>	<b>7,509.66</b>	<b>7,538.23</b>	<b>6,316.95</b>	<b>4,844.78</b>	<b>3,244.80</b>	<b>2,682.37</b>

Note:- The above statement should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexures IV, II and III.

**ANNEXURE - II**  
**RESTATED STATEMENT OF PROFIT AND LOSS**

(Amt in Rs. Lakhs)

Particulars	For the Year ended					
	June 30, 2018	March 31, 2018	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014
Revenue from Operations	2,843.29	11,900.79	8,844.72	5,739.42	4,604.96	4,478.81
Other Incomes	21.72	50.08	-	-	1.06	-
<b>Total Revenue</b>	<b>2,865.01</b>	<b>11,950.87</b>	<b>8,844.72</b>	<b>5,739.42</b>	<b>4,606.02</b>	<b>4,478.81</b>
Expenses:						
Cost of materials consumed	-	-	-	-	-	-
Purchase of Stock-in-Trade	-	-	-	-	-	-
Employee Benefits Expense	1,684.18	7,246.33	4,976.70	3,671.68	2,875.60	2,938.92
Administrative and other Expenses	733.46	3,000.59	2,622.84	1,435.54	1,199.10	1,125.36
Finance Costs	101.32	381.52	253.03	191.23	210.07	140.02
Depreciation And Amortization Expense	92.21	273.55	240.94	153.13	189.14	173.50
Changes in inventory of Stock in Trade	-		-	-	-	-
<b>Total Expenses</b>	<b>2,611.18</b>	<b>10,901.99</b>	<b>8,093.51</b>	<b>5,451.58</b>	<b>4,473.91</b>	<b>4,377.80</b>
Profit before exceptional and extraordinary items and tax (A-B)	253.83	1,048.89	751.21	287.83	132.11	101.01
Exceptional/Prior Period item	-	-	-	-	-	-
Profit before extraordinary items and tax	253.83	1,048.89	751.21	287.83	132.11	101.01
Extraordinary item	-	-	29.98	154.34	(0.97)	(11.33)
<b>Profit Before Tax</b>	<b>253.83</b>	<b>1,048.89</b>	<b>781.19</b>	<b>442.17</b>	<b>131.15</b>	<b>89.67</b>
Loss on Sale of Fixed Assets					-	
Provision for Tax						
- Current Tax	56.06	223.35	183.18	94.53	66.27	61.23
- Deferred Tax Liability / (Asset)	(18.50)	66.41	30.22	132.28	(21.18)	(33.91)
MAT Credit Entitlement	(11.73)	11.73	(15.99)	15.99	-	-
Short/(Excess) Tax adjustment of prior years	-	-	-	-	-	-
<b>Restated profit after tax for the period from continuing operations</b>	<b>204.53</b>	<b>770.85</b>	<b>551.80</b>	<b>231.35</b>	<b>86.05</b>	<b>62.35</b>
Profit/ (Loss) from Discontinuing operation	-	-	-	-	-	-
Less: Preference Dividend Declared @ 12%	-	-	120.00	101.92		
Less: Dividend Distribution Tax @ 19.45%	-	-	23.34	19.82		
Tax expenses of discontinuing operations	-	-	-	-	-	-
<b>Restated profit for the period</b>	<b>204.53</b>	<b>770.85</b>	<b>408.46</b>	<b>109.60</b>	<b>86.05</b>	<b>62.35</b>

Note: The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, and cash flows appearing in Annexures IV, I and III.



**ANNEXURE - III**  
**RESTATED CASH FLOW STATEMENT**

(Amt in Rs. Lakhs)

Particulars	For the Year ended					
	June 30, 2018	March 31, 2018	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>						
Net Profit before tax	253.83	1048.89	781.19	442.17	131.15	89.67
Adjustment for :						
Interest on Fixed Deposit	(1.28)	(2.05)	0.00	0.00	0.00	0.00
Profit on Sale of Fixed Assets	0.00	0.00	0.00	0.00	0.00	0.00
Dividend Income	0.00	0.00	0.00	0.00	0.00	0.00
Extraordinary Items	0.00	0.00	(49.33)	(155.50)	0.00	0.00
Depreciation	92.21	273.55	240.94	153.13	189.14	173.50
Loss by Sale - Fixed Assets	0.00	0.00	19.34	1.17	0.97	11.33
Provision of Gratuity	(9.16)	(17.24)	22.97	21.48	8.88	33.05
Other Provisions	9.27	-	-	-	-	-
Interest on Borrowed Fund	73.82	263.35	222.88	176.01	148.75	129.90
Operating profit before working capital changes	418.69	1,566.49	1,238.00	638.45	478.88	437.45
Adjustment for :						
(Increase)/Decrease in Inventories	-	-	-	-	-	-
(Increase)/Decrease in Trade Receivables	206.34	(453.73)	(1,039.30)	(651.57)	(21.78)	(142.13)
(Increase)/Decrease in Short Term loans and advances	(138.89)	(549.92)	(235.59)	(279.40)	(183.72)	59.42
(Increase)/Decrease in Other Current Assets	-	-	0.20	(0.00)	(0.20)	-
(Increase)/Decrease in Long Term loans and advances	(40.30)	(12.80)	169.82	(7.65)	(224.02)	(81.60)
(Increase)/Decrease in Long Terms Liabilities	-	-	-	-	-	-
(Increase)/Decrease in Long Terms Provisions	-	-	-	-	-	-
Increase/(Decrease) in trade payables	(106.81)	118.14	97.76	26.22	(165.37)	(183.92)
Increase/(Decrease) in Short Term Borrowings	172.98	538.18	231.32	48.58	532.74	(4.97)
Increase/(Decrease) in Short term provisions	0.33	(1.31)	1.30	0.17	1.15	-
Increase/(Decrease) in other current liabilities	(292.36)	(356.67)	469.00	100.79	(61.21)	260.33
	(198.71)	(717.98)	(305.49)	(762.86)	(122.42)	(92.86)
Cash generated from / (used in) operations	219.98	848.52	932.51	(124.40)	356.46	344.59
Income Tax paid/(refund)	56.06	223.35	152.25	94.53	66.27	61.23
Net cash generated from/(used in) operating activities - (A)	163.92	625.17	780.26	(218.93)	290.19	283.36
0						
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>						
Purchase of tangible fixed assets	(60.97)	(602.08)	(570.70)	(815.98)	(96.02)	(219.83)

Adjusted against accumulated balances write off	-	-	-	-	-	-
(Increase)\Decrease in Capital Work-in-Progress	-	-	-	(9.56)	-	-
sale of fixed assets	-	0.52	107.09	17.58	6.50	21.00
Interest Income on Fixed Deposit	1.28	2.05	-	-	-	-
Dividend Income	-	-	-	-	-	-
Net cash (used in) Investing Activities - (B)	(59.69)	(599.51)	(463.61)	(807.97)	(89.52)	(198.83)
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>						
Proceeds from issue of Share Capital	-	-	-	1,100.00	-	-
Reserve and Surplus	-	-	-	-	-	-
Proceeds from Loan/REPAYMENT OF LONG TERM BORROWING	(0.59)	113.75	129.79	33.88	155.22	35.78
Dividend Paid	-	-	(108.89)	-	-	-
Interest on Borrowed Fund	(73.82)	(263.35)	(222.88)	(176.01)	(148.75)	(129.90)
Net cash(used in) / from financing activities - (C)	(74.41)	(149.59)	(201.99)	957.88	6.47	(94.11)
Net Increase/(decrease) in Cash & Cash Equivalents (A+B+C)	29.83	(123.93)	114.66	(69.03)	207.14	(9.57)
Cash and cash equivalents at the beginning of the year	173.75	297.69	183.03	252.05	44.91	54.49
Cash and cash equivalents at the end of the year	203.57	173.74	297.69	183.02	252.05	44.91
Cash and cash equivalents at the end of year comprises :						
Cash on hand	32.84	64.08	58.58	52.17	29.84	6.91
Balances with banks						
(i) In current accounts	74.12	69.35	199.57	94.65	208.31	13.26
(ii) In fixed deposit accounts	0.77	0.77	0.77	36.20	13.90	24.75
(iii) Earmarked accounts FD	95.84	39.54	38.76			
<b>Total</b>	<b>203.57</b>	<b>173.74</b>	<b>297.69</b>	<b>183.02</b>	<b>252.05</b>	<b>44.91</b>

Notes:-

1. The Cash Flow Statement has been prepared under indirect method as set out in Accounting Standard -3 on Cash Flow Statement, specified under the Companies Act, 1956 (which are deemed to be applicable as Section 133 of the Companies Act, 2013 ("the Act")) read with Rule 7 of Companies (Accounts) Rules, 2014).
2. Figures in Brackets represents outflow.
3. The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses as appearing in Annexures IV, I and II.

## THE ISSUE

The following table summarizes the Issue details:

<b>PRESENT ISSUE IN TERMS OF THIS DRAFT PROSPECTUS</b>	
<b>Equity Shares Offered:</b> Public Issue of Equity Shares by our Company <sup>(1)</sup>	Upto 27,00,000 Equity Shares of Rs. 10/- each for cash at a price of [●] per share aggregating to [●] Lakhs <sup>(2)</sup>
<b>Of which:</b>	
<b>Issue Reserved for the Market Makers</b>	[●] Equity Shares of Rs.10/- each for cash at a price of [●] per share aggregating to [●] Lakhs.
<b>Net Issue to the Public<sup>(3)</sup></b>	[●] Equity Shares of Rs.10/- each for cash at a price of [●] per share aggregating to [●] Lakhs
<b>of which</b>	
	[●] Equity Shares of face value of Rs. 10/- each fully paid of the Company for cash at price of [●]/- per Equity Share aggregating Rs. [●] lakhs will be available for allocation to Investors applying with application value of above Rs. 2.00 Lakhs
	[●] Equity Shares of face value of Rs. 10/- each fully paid of the Company at a cash price of Rs. [●]/- per Equity share aggregating Rs. [●] Lakhs will be available for allocation to Investors applying with application value of up to Rs. 2.00 Lakhs
<b>Pre and Post – Issue Equity Shares</b>	
<b>Equity Shares outstanding prior to the Issue</b>	74,05,805 Equity Shares of face value of ₹10 each
<b>Equity Shares outstanding after the Issue</b>	Upto 1,01,05,805 Equity Shares of face value of ₹10 each
<b>Use of Net Proceeds by our Company</b>	Please see the chapter titled “ <i>Objects of the Issue</i> ” on page 78 of this Draft Prospectus

<sup>(1)</sup>This Issue is being made in terms of Chapter XB of the SEBI (ICDR) Regulations, 2009, as amended from time to time. For further details please refer to “*Issue Structure*” on page 229 of this Draft Prospectus.

<sup>(2)</sup>The present Issue has been authorized pursuant to a resolution of our Board dated March 14, 2018 and by Special Resolution passed under Section 62(1) (c) of the Companies Act, 2013 at an Extra Ordinary General Meeting of our shareholders held on March 14, 2018.

<sup>(3)</sup>As per Regulation 43(4) of the SEBI (ICDR) Regulations, as amended, the present issue is a fixed price issue ‘the allocation’ is the net offer to the public category shall be made as follows:

1. Minimum fifty percent to retail individual investors; and
2. 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
3. The unsubscribed portion in either of the categories specified in (a) or (b) above may be allocated to the applicants in the other category.

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

For further details please refer to the chapter titled “*Issue Structure*” beginning on page 229 of this Draft Prospectus.

## GENERAL INFORMATION

Our Company was originally incorporated as “Shiva Industrial Security Agency (Gujarat) Private Limited” on July 11, 1997 vide Registration Certificate No. 02-32649/1997-1998 under the provisions of the Companies Act, 1956 with the Registrar of Companies, Gujarat, Dadra & Nagar Haveli. Subsequently, our Company was converted into a Public Limited Company pursuant to Special Resolution passed at the Extra Ordinary General Meeting of the Company held on February 27, 2018 and the name of our Company was changed from “Shiva Industrial Security Agency (Gujarat) Private Limited” to “Shiva Industrial Security Agency (Gujarat) Limited” vide a fresh Certificate of Incorporation dated March 10, 2018 bearing CIN U67120GJ1997PLC032649 consequent upon conversion to public limited Company was issued by the Registrar of Companies, Gujarat, Ahmedabad.

Mr. Sushil Pyarelal Sharma, Mr. Shiv Shankar Singh and Mr. Mahendar Singh were the initial subscribers to the Memorandum of Association of our Company.

For further details please refer to chapter titled “*History and Certain Corporate Matters*” beginning on page 114 of this Draft Prospectus.

### Brief Company and Issue Information

<b>Registered Office</b>	Sameer Complex, R S No 71, Navsarjan Society, GIDC, Pandesara, Surat, Gujarat, India, 394221 Tel. No. +91-0261-2892420 E-mail: <a href="mailto:sisa@sisasecurity.com">sisa@sisasecurity.com</a> Website: <a href="http://www.sisasecurity.com">www.sisasecurity.com</a>
<b>Date of Incorporation</b>	July 11, 1997
<b>Corporate Registration No.</b>	02-32649
<b>Corporate Identification No.</b>	U67120GJ1997PLC032649
<b>Company Category</b>	Company Limited by Shares
<b>Company Sub-category</b>	Indian Non Government Company
<b>Address of Registrar of Companies</b>	ROC Bhawan, Opp. Rupal Park Society, Behind Ankur Bus Stop, Naranpur, 51 Ahmedabad, Gujarat, India, 380013 Phone: 079-27437597, Fax 079-27438371 Email: <a href="mailto:roc.ahmedabad@mca.gov.in">roc.ahmedabad@mca.gov.in</a> Website: <a href="http://www.mca.gov.in">http://www.mca.gov.in</a>
<b>Designated Stock Exchange</b>	National Stock Exchange of India Limited
<b>Issue Programme</b>	Issue Opens on : [●] Issue Closes on : [●]
<b>Company Secretary &amp; Compliance Officer</b>	Mr. Mohmed Parvez Ayaz Shaikh Tel. No. +91-0261-2892420 E-mail: <a href="mailto:cs@sisasecurity.com">cs@sisasecurity.com</a>
<b>Chief Financial Officer</b>	<b>Mr. Vijay Kumar Singh</b> Tel. No. +91-0261-2892420 E-mail: <a href="mailto:vijay@sisasecurity.com">vijay@sisasecurity.com</a>

### **Investor Grievances**

Applicants 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, non credit of Allotted Equity Shares in the respective beneficiary account, non receipt of refund orders and non receipt of funds by electronic mode.

All grievances relating to the Issue may be addressed to the Registrar to the Issue, giving full details such as name, address of the applicant, number of Equity Shares applied for, the amount paid on submission of the Application Form and the bank branch or collection centre where the application was submitted.

All grievances relating to ASBA Process may be addressed to the Registrar to the Issue with a copy to the relevant Designated Intermediary with whom the Application Form was submitted. The Investor should give full details such as name of the sole or first applicant, Application Form number, DP ID, Client ID, PAN, date of submission of the Application Form, address of the Investor, number of the Equity Shares applied for and the name and address of the Designated Intermediary where the Application Form was submitted by the Investor. All grievances relating to applications submitted through the Registered Broker and/or a Stock Broker may be addressed to the Stock Exchanges with a copy to the Registrar.

**For all issue related queries, and for redressal of complaints, applicants may also write to the LM. All complaints, queries or comments received by Stock Exchange shall be forwarded to the LM, who shall respond to the same.**

### Board of Directors of our Company

The Board of Directors of our Company consists of:

Name	Designation	Address	DIN
Mr. Sushil Pyarelal Sharma	Chairman & Non Executive Director	RS No, 71, Sameer Complex, Navsarjan Soc., Pandesara, Surat, Gujarat, India 394224	01121236
Mr. Sameer Sushilkumar Sharma	Managing Director	RS No, 71, Sameer Complex, Navsarjan Soc., Pandesara, Surat, Gujarat, India, 394224	01565999
Mrs. Anubha Sameer Sharma	Whole time Director	RS No, 71, Sameer Complex, Navsarjan Soc., Pandesara, Surat, Gujarat, India, 394224	01121475
Mr. Baskaran Kesavareddiyar	Nominee Director	Flat No. SN A2/310, Sneha Apartments Godavari Block, NGV, Koramangala, Bangalore, Karnataka, India, 560047	07176788
Mr. Anoop Anand Malhotra	Independent Director	Fl 301, Bld-A, Ganga Melrose, SN 60a/1/2/1b, Ghorpadi Gaon, Sopan Baug, Pune, Maharashtra – 411001	08075416
Mr. Nareshkumar Chamanlal Seth	Independent Director	903, Nutan Niwas Near Rupali Naher, Bhatar Road, Surat – 395017	08082501

For further details of the Directors of our Company, please refer to the chapter titled “*Our Management*” on page 120 of this Draft Prospectus.

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

Lead Manager to the Issue	Legal Advisor to the Issue
<b>HEM SECURITIES LIMITED</b> Address: 904, A Wing, Naman Midtown, Senapati Bapat Marg, Elphinstone Road, Lower Parel, Mumbai-400013, India Tel No.: +91-22-4906 0000 Fax No.: +91-22-22625991 Email: <a href="mailto:ib@hemsecurities.com">ib@hemsecurities.com</a> Investor Grievance Email: <a href="mailto:redressal@hemsecurities.com">redressal@hemsecurities.com</a> Website: <a href="http://www.hemsecurities.com">www.hemsecurities.com</a> Contact Person: Mr. Anil Bhargava SEBI Regn. No.: INM000010981	<b>RAJANI ASSOCIATES</b> Address: Krishna Chambers, 59, New Marine Lines, Mumbai, India, 400020 Tel: +91-22-4096 1000 Fax: +91-22-4096 1010 Email: <a href="mailto:sangeeta@rajaniassociates.net">sangeeta@rajaniassociates.net</a> Website: <a href="http://www.rajaniassociates.net">www.rajaniassociates.net</a> Contact Person: Ms. Sangeeta Lakhi
Registrar to the Issue	Bankers to the Company
<b>KARVY COMPUTERSHARE PRIVATE LIMITED</b> Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad-500032, India Tel No : +91 40 6716 2222; Fax : +91 2343 1551	<b>AXIS BANK LIMITED</b> CCSU Department, Digvijay Tower, Ghod dod Road, Surat – 395007 Tel No: +91 0261 4082345

Email Id : <a href="mailto:einward.ris@karvy.com">einward.ris@karvy.com</a> Investor Grievance Id: <a href="mailto:sis.ipo@karvy.com">sis.ipo@karvy.com</a> Contact Person : M Murali Krishna SEBI regn No.INR000000221	Email Id: <a href="mailto:ccsu.surat@axisbank.com">ccsu.surat@axisbank.com</a> Website: axisbank.com
<b>Statutory Auditors</b>	<b>Peer Review Auditors</b>
<b>AGKR &amp; CO.</b> <b>CHARTERED ACCOUNTANTS</b> Address: "The Financial Supermarket Tower" 3rd Floor, F. S. Tower, Bh. Rishab Petrol Pump Lane, Salabatpura, Ring Road, Surat, Gujarat, India, 395002 Phone : +91-8141060388 Email: pawangupta@pgco.in Firm Registration No.: 00470C Contact Person: Mr. Kushal Surana	<b>N K SULTANIA &amp; CO.</b> <b>CHARTERED ACCOUNTANTS</b> Address: 5025, World Trade Centre, 5 <sup>th</sup> Floor, Ring Road, Surat, India, 395002 Phone : +91-8141060388, +91-9054561918 Email: <a href="mailto:nksfca2010@gmail.com">nksfca2010@gmail.com</a> Firm Registration No.: 324730E Contact Person: Ca. Nand Kishore Sultania
<b>Banker to the Issue</b>	<b>Advisor to the Issue</b>
ICICI Bank Limited Address: Capital Market Division, 1st Floor, 122, Mistry Bhavan, Dinshaw Vachha Road, Backbay Reclamation, Churchgate, Mumbai -400020 Tel: 022- 66818923/924/932; Fax: 022- 22611138 Email: shweta.surana@icicibank.com Website: www.icicibank.com Contact Person: Shweta Surana SEBI Registration No.: INBI000000004	FS Capital Services Private Limited "The Financial Supermarket", Office No. 413-414, 4 <sup>th</sup> Floor, HUBTOWN VIVA, Western Express Highway, Near Sakinaka Wadi, Andheri East, Mumbai - 400060 T +91 2265000132/ +91 2228088847 Email: <a href="mailto:equity@financialsupermarket.in">equity@financialsupermarket.in</a> CIN: U74120MH2013PTC245692 Website: <a href="http://www.financialsupermarket.in">www.financialsupermarket.in</a> Contact Person: CA Gaurav V Singhvi

**N K Sultania & Co.** are appointed as peer review auditors of our Company in compliance with section IX of part A of Schedule VIII of SEBI (ICDR) Regulations and holds a valid peer reviewed certificate dated April 21, 2017 issued by the Institute of Chartered Accountants of India.

#### STATEMENT OF INTER SE ALLOCATION OF RESPONSIBILITIES

Since Hem Securities Limited is the sole LM to this Issue, a statement of inter se allocation of responsibilities among LMs is not required.

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

The list of Designated Branches that have been notified by SEBI to act as SCSB for the ASBA process is provided on <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35>. For more information on the Designated Branches collecting ASBA Forms, see the above mentioned SEBI link.

#### REGISTERED BROKERS

The list of the Registered Brokers, including details such as postal address, telephone number and e-mail address, is provided on the websites of the NSE at [www.nseindia.com](http://www.nseindia.com), as updated from time to time.

#### REGISTRAR TO THE ISSUE AND SHARE TRANSFER AGENTS

The list of the RTAs eligible to accept application 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 [www.nseindia.com](http://www.nseindia.com), as updated from time to time.

#### COLLECTING DEPOSITORY PARTICIPANTS

The list of the CDPs eligible to accept application forms at the Designated CDP Locations, including details such as name and contact details, are provided on the websites of Stock Exchange at [www.nseindia.com](http://www.nseindia.com), as updated from time to time.



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

## **BROKERS TO THE ISSUE**

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

## **CREDIT RATING**

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

## **IPO GRADING**

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

## **DEBENTURE TRUSTEES**

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

## **TRUSTEES**

As the Issue is of equity Shares, the appointment of Trustees is not mandatory.

## **MONITORING AGENCY**

As per Regulation 16(1) of the SEBI (ICDR) Regulations, 2009 as amended, the requirement of Monitoring Agency is not mandatory if the Issue size is below Rs. 10000.00 Lacs.

## **APPRAISING ENTITY**

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

## **EXPERT'S OPINION**

Except for the reports in the section “*Financial Information of the Company*” and “*Statement of Tax Benefits*” on page 144 and 88 respectively of this Draft Prospectus from the Statutory Auditor and Peer Review Auditors, our Company has not obtained any expert opinions. We have received written consent from the Statutory Auditors and Peer Review Auditors for inclusion of their name. However, the term “expert” shall not be construed to mean an “expert” as defined under the U.S. Securities Act 1933.

## **WITHDRAWAL OF THE ISSUE**

Our Company in consultation with the LM, reserve the right not to proceed with the Issue at any time before the Issue Opening Date without assigning any reason thereof.

If our Company withdraws the Issue anytime after the Issue Opening Date but before the allotment of Equity Shares, a public notice within 2 (two) working days of the Issue Closing Date, providing reasons for not proceeding with the Issue shall be issued by our Company. 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. The LM, through the Registrar to the Issue, will instruct the SCSBs to unblock the ASBA Accounts in compliance with the regulations of the SEBI (ICDR) Regulations, 2009 and the Companies Act.

If our Company withdraws the Issue after the Issue Closing Date and subsequently decides to proceed with an Issue of the Equity Shares, our Company will have to file a fresh Draft Prospectus with the stock exchange where the Equity Shares may be proposed to be listed.

Notwithstanding the foregoing, the Issue is subject to obtaining (i) the final listing and trading approvals of the Stock Exchange with respect to the Equity Shares issued through the Draft Prospectus, which our Company will apply for only after Allotment; and (ii) the final RoC approval of the Prospectus.

## UNDERWRITING

The Company and the LM to the Issue hereby confirm that the Issue is 100% Underwritten by the Underwriter [•].

Pursuant to the terms of the Underwriting Agreement dated [•], entered into by Company, Underwriter, the obligations of the Underwriter are subject to certain conditions specified therein. The Details of the Underwriting commitments are as under:

Details of the Underwriter	No. of shares underwritten	Amount Underwritten (₹ in Lakhs)	% of Total Issue Size Underwritten
[•]	[•]	[•]	[•]

*\*Includes [•] Equity Shares 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.*

As per Regulation 106P (2) of SEBI (ICDR) Regulations, the LM has agreed to underwrite to a minimum extent of 15% of the Issue out of its own account.

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

## DETAILS OF THE MARKET MAKING ARRANGEMENT FOR THIS ISSUE

Our Company and the LM has entered into Market Making Agreement dated [•] with the following Market Maker, to fulfill the obligations of Market Making for this issue:

<b>Name</b>	[•]
<b>Correspondence Address:</b>	
<b>Tel No.:</b>	
<b>Fax No.</b>	
<b>E-mail:</b>	
<b>+Website:</b>	
<b>Contact Person:</b>	
<b>SEBI Registration No.:</b>	
<b>NSE Market Maker Registration No.</b>	

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

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

- 1) The Market Maker(s) (individually or jointly) shall be required to provide a 2-way quote for 75% of the time in a day. The same shall be monitored by the stock exchange. Further, the Market Maker(s) shall inform the exchange in advance for each and every black out period when the quotes are not being offered by the Market Maker(s).
- 2) The prices quoted by Market Maker shall be in compliance with the Market Maker Spread Requirements and other particulars as specified or as per the requirements of the NSE EMERGE Platform and SEBI from time to time.

- 3) 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(s) (individually or jointly) in that scrip provided that he sells his entire holding in that scrip in one lot along with a declaration to the effect to the selling broker.
- 4) The Market Maker shall not sell in lots less than the minimum contract size allowed for trading on the NSE EMERGE platform (in this case currently the minimum trading lot size is [●] equity shares; however the same may be changed by the NSE EMERGE Platform of NSE from time to time).
- 5) After a period of three (3) months from the market making period, the Market Maker would be exempted to provide quote if the Shares of Market Maker in our company reaches to 25% of Issue Size. Any Equity Shares allotted to Market Maker under this Issue over and above 25% of Issue Size would not be taken in to consideration of computing the threshold of 25% of Issue Size. As soon as the Shares of Market Maker in our Company reduces to 24% of Issue Size, the Market Maker will resume providing 2 way quotes.
- 6) There shall be no exemption/threshold on downside. However, in the event the Market Maker exhausts his inventory through market making process, NSE may intimate the same to SEBI after due verification.
- 7) Execution of the order at the quoted price and quantity must be guaranteed by the Market Maker(s), for the quotes given by him.
- 8) 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.
- 9) On the first day of the listing, there will be pre-opening session (call auction) and there after the trading will happen as per the equity market hours. The circuits will apply from the first day of the listing on the discovered price during the pre-open call auction.
- 10) The Marker maker may also be present in the opening call auction, but there is no obligation on him to do so.
- 11) There will be special circumstances under which the Market Maker may be allowed to withdraw temporarily/fully from the market – for instance due to system problems, any other problems. All controllable reasons require prior approval from the Exchange, while *force-majeure* will be applicable for non controllable reasons. The decision of the Exchange for deciding controllable and non-controllable reasons would be final
- 12) The Market Maker(s) shall have the right to terminate said arrangement by giving a six months notice or on mutually acceptable terms to the Merchant Banker, who shall then be responsible to appoint a replacement Market Maker(s) and execute a fresh arrangement.

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 LM 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 106 V of the SEBI (ICDR) Regulations, 2009, as amended. Further our Company and the LM reserve the right to appoint other Market Makers either as a replacement of the current Market Maker or as an additional Market Maker subject to the total number of Designated Market Makers does not exceed five or as specified by the relevant laws and regulations applicable at that particulars point of time. The Market Making Agreement is available for inspection at our office from 11.00 a.m. to 5.00 p.m. on working days.

- 13) **Risk containment measures and monitoring for Market Makers:** SME portal of NSE “NSE Emerge” will have all margins, which are applicable on the NSE main board viz., Mark-to-Market, Value-At-Risk (VAR) Margin, Extreme Loss Margin, Special Margins and Base Minimum Capital etc. NSE can impose any other margins as deemed necessary from time-to-time.
- 14) **Punitive Action in case of default by Market Makers:** NSE’s 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.

- 15) **Price Band and Spreads:** The price band shall be 20% and the market maker spread (difference between the sell and the buy quote) shall be within 10% or as intimated by Exchange from time to time.
- 16) Pursuant to SEBI Circular number CIR/MRD/DSA/31/2012 dated November 27, 2012, limits on the upper side for market makers during market making process has been made applicable, based on the Issue size and are 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 Crore	25%	24%
Rs. 20 to Rs. 50 Crore	20%	19%
Rs. 50 to Rs. 80 Crore	15%	14%
Above Rs. 80 Crore	12%	11%

- 17) 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

Set forth below are the details of the Equity Share Capital of our Company as on the date of this Draft Prospectus.

(Rs. in Lacs, except share data)

Sr. No.	Particulars	Aggregate Value at Face Value	Aggregate Value at Issue Price
<b>A</b>	<b>Authorized Share Capital</b> 1,50,00,000 Equity Shares having Face Value of Rs. 10/- each	1500.00	-
<b>B</b>	<b>Issued, Subscribed &amp; Paid-up Share Capital prior to the Issue</b> 74,05,805 Equity Shares having Face Value of Rs. 10/- each	740.58	-
<b>C</b>	<b>Present Issue in terms of this Draft Prospectus*</b>		
	Issue of Upto 27,00,000 Equity Shares having Face Value of Rs. 10/-each at a Premium of Rs. [●] per share	270.00	[●]
	<b>Consisting of:</b>		
	<b>Reservation for Market Maker</b> – Upto [●] Equity Shares of face value of Rs. 10/- each reserved as Market Maker portion at a price of Rs. [●]/- per Equity Share	[●]	[●]
	<b>Net Issue to the Public</b> – [●] Equity Shares of face value of Rs. 10 each at a price of Rs. [●]/- per Equity Share	[●]	[●]
	<b>Of which</b>		
	[●] Equity Shares of face value of Rs. 10/- each fully paid of the Company for cash at price of [●]/- per Equity Share aggregating Rs. [●] lakhs will be available for allocation to Investors applying with application value of above Rs. 2.00 Lakhs	[●]	[●]
	[●] Equity Shares of face value of Rs. 10/- each fully paid of the Company at a cash price of Rs. [●]/- per Equity share aggregating Rs. [●] Lakhs will be available for allocation to Investors applying with application value of up to Rs. 2.00 Lakhs	[●]	[●]
<b>D</b>	<b>Paid up Equity capital after the Issue</b> [●] Equity Shares having Face Value of Rs. 10/- each	[●]	-
<b>E</b>	<b>Securities Premium Account</b> Before the Issue After the Issue	516.42 [●]	

*\*The present Issue of upto 27,00,000 Equity Shares in terms of Draft Prospectus has been authorized pursuant to a resolution of our Board of Directors dated March 14, 2018 and by special resolution passed under Section 62(1) (c) of the Companies Act, 2013 at the Extra-ordinary General Meeting of the members held on March 14, 2018.*

#### Classes of Shares

Our Company has only one class of share capital i.e. Equity Shares of face value of Rs. 10/- each only. All the issued Equity Shares are fully paid-up. Our Company has no outstanding convertible instruments as on the date of this Draft Prospectus.

#### Details of Changes in Authorized Share Capital of our Company:

Date of Meeting	AGM/EGM	Changes in Authorized Share Capital
Upon Incorporation	--	Authorized share capital of the Company was Rs. 1.00 Lakhs divided into 10,000 Equity Shares of Rs. 10/- each.
December 22, 2004	EGM	Increase in authorized share capital of the Company from Rs. 1.00 Lakhs divided into 10,000 Equity Shares of Rs. 10/- each to Rs. 25.00 Lakhs divided into 2,50,000 Equity Shares of Rs. 10/- each.
July 13, 2009	EGM	Increase in authorized share capital of the Company from Rs. 25.00 Lakhs divided into 2,50,000 Equity Shares of Rs. 10/- each to Rs. 50.00 Lakhs divided into 5,00,000 Equity Shares of Rs. 10/- each.

March 24, 2015	EGM	Increase in authorized share capital of the Company from Rs. 50.00 Lakhs divided into 5,00,000 Equity Shares of Rs. 10/- each to Rs. 1100.00 Lakhs divided into 9,99,988 Equity Shares of Rs. 10/- each and 1,00,00,012 12% Optionally convertible cumulative Redeemable preference shares of Rs. 10/- each.
May 07, 2015	EGM	Classification of authorised Share capital of Company from Rs. 1100 Lakhs divided into 9,99,988 Equity Shares of Rs. 10/- each and 1,00,00,012 12% Optionally convertible cumulative Redeemable preference shares of Rs. 10/- each to Rs. 1100 Lakhs divided into 45,454 CVCFL Class A Equity Shares of Rs. 10/- each , 9,54,534 Equity Shares of Rs. 10/- each and 1,00,00,012 12% Optionally convertible cumulative Redeemable preference shares of Rs. 10/- each.
September 30, 2017	AGM	Re-Classification of authorised Share capital of Company from Rs. 1100 Lakhs divided into 45,454 number of CVCFL Class A Equity Shares of Rs. 10/- each , 9,54,534 Equity Shares of Rs. 10/- each and 1,00,00,012 12% Optionally convertible cumulative Redeemable preference shares of Rs. 10/- each to Rs. 1100 Lakhs divided into 1,10,00,000 Equity Shares of Rs. 10/- each
February 27, 2018	EGM	Increase in authorized share capital of the Company from Rs. 1100.00 Lakhs divided into 1,10,00,000 Equity Shares of Rs. 10/- each to Rs. 1500.00 Lakhs divided into 1,50,00,000 Equity Shares of Rs. 10/- each.

## Notes to Capital Structure

### 1. Share Capital History

#### a. Equity Share Capital History of our Company:

The following table sets forth details of the history of the Equity Share capital of our Company:

Date of Allotment of Equity Shares	No. of Equity Shares allotted	Face Value (₹)	Issue Price (₹)	Nature of Consideration	Nature of Allotment	Cumulative No. of Equity Shares	Cumulative Paid Up Capital (₹)	Cumulative Securities Premium (₹)
On Incorporation	30	10	10	Cash	Subscription to MOA <sup>(i)</sup>	30	300	-
June 09, 2004	9970	10	10	Cash	Further Allotment <sup>(ii)</sup>	10000	100000	-
-	1,60,000*	10	10	Cash	Further Allotment <sup>(iii)</sup>	1,70,000	17,00,000	16,00,000
September 30, 2009	2,00,000	10	10	Cash	Further Allotment <sup>(iv)</sup>	3,70,000	37,00,000	16,00,000
October 30, 2009	1,04,000	10	100	Cash	Further Allotment <sup>(v)</sup>	4,74,000	47,40,000	1,09,60,000
May 26, 2015	45,454	10	220	Cash	Preferential allotment <sup>(vi)</sup>	5,19,454	51,94,540	2,05,05,340
October 06, 2017	1,53,801	10	650.19	Cash	Allotment <sup>(vii)</sup> pursuant to conversion of 12% OCCPs	6,73,255	67,32,550	11,89,67,202
March 14, 2018	67,32,550	10	-	-	Bonus Issue in the ratio of 10 (Ten) equity shares for each 1 (one) equity	74,05,805	7,40,58,050	5,16,41,702



					shares held <sup>(viii)</sup>			
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\*Form filed with the ROC with respect to the allotment of the shares is not available in the records of the Company.

All the above mentioned shares are fully paid up since the date of allotment.

Notes:

**(i) Initial Subscribers to the Memorandum of Association subscribed 30 Equity Shares of Face Value of Rs. 10/- each, details of which are given below:**

S. No.	Name of Subscribers	Number of Shares Subscribed
1.	Mr. Sushil Pyarelal Sharma	10
2.	Mr. Shiv Shankar Singh	10
3.	Mr. Mahendar Singh	10
	<b>Total</b>	<b>30</b>

**(ii) Further allotment of 9970 Equity Shares of Face Value of Rs. 10/- each fully paid:**

S. No.	Name of Subscribers	Number of Shares Subscribed
1.	Mr. Sushil Pyarelal Sharma	4,985
2.	Mr. Sameer Sushilkumar Sharma	4,985
	<b>Total</b>	<b>9,970</b>

**(iii) Further allotment of 1,60,000 Equity Shares of Face Value of Rs. 10/- each fully paid at Issue Price of Rs. 20/-:**

S. No.	Name of Subscribers	Number of Shares Subscribed
1.	Mr. Sushil Pyarelal Sharma	80,020
2.	Mr. Sameer Sushilkumar Sharma	79,980
	<b>Total</b>	<b>1,60,000</b>

**(iv) Further allotment of 2,00,000 Equity Shares of Face Value of Rs. 10/- each fully paid:**

S. No.	Name of Subscribers	Number of Shares Subscribed
1.	Mr. Sushil Pyarelal Sharma	2,00,000
	<b>Total</b>	<b>2,00,000</b>

**(v) Further allotment of 1,04,000 Equity Shares of Face Value of Rs. 10/- each fully paid at Issue Price of Rs. 100/-:**

S. No.	Name of Subscribers	Number of Shares Subscribed
1.	AS Infracon Private Limited	50,000
2.	Jain Infracon Private Limited	50,000
3.	Anubha Sameer Sharma	4,000
	<b>Total</b>	<b>1,04,000</b>

**(vi) Preferential allotment of 45,454 "CVCFL Class A Equity Shares" of Face Value of Rs. 10/- each fully paid at Issue Price of Rs. 220/-:**

S. No.	Name of Subscribers	Number of Shares Subscribed
1.	Canbank Venture Capital Fund Limited	45,454
	<b>Total</b>	<b>45,454</b>

**(vii) Pursuant to Share Subscription cum Shareholder Agreement (SSHA) , CVCFL held 1,00,00,012 12% Optionally Convertible Cumulative Redeemable Preference shares, upon conversion of the OCCPs, 1,53,801 Equity Shares of Rs. 10/- each at Issue Price of Rs. 650.19/- were allotted to CVCFL:**

S. No.	Name of Subscribers	Number of Shares Subscribed
1.	CANBANK Venture Capital Fund Limited	1,53,801
	Total	<b>1,53,801</b>

**(viii) Bonus Issue of 67,32,550 Equity Shares of Face Value of Rs. 10/- each fully paid in the ratio 10:1 i.e 10 Bonus Equity shares for every one Equity Share held:**

S. No.	Name of Subscribers	Number of Shares Subscribed
1.	Mr. Sushil Pyarelal Sharma	4,64,900
2.	Mr. Sameer Sushilkumar Sharma	25,73,900*
3.	Mrs. Anubha Sameer Sharma	17,00,900
4.	Canbank Venture Capital Fund Limited	19,92,550
5.	Mr. Darshan Lekhraj Dhingra	100
6.	Mrs. Anju Darshan Dhingra	100
7.	Mr. Naman Darshan Dhingra	100

\*2,19,150 Equity Shares are jointly held with Mrs. Anubha Sameer Sharma

**b. History of preference share capital of our Company**

Our Company had allotted 1,00,00,012 12% Optionally Convertible Cumulative Redeemable Preference shares, in terms of the Share Subscription cum Shareholder Agreement dated April 18, 2015, the details of which were as under:

Date of Allotment of Preference Shares	No. of Preference Shares allotted	Face Value (₹)	Issue Price (₹)	Nature of Consideration	Nature of Allotment	Cumulative No. of Equity Shares	Cumulative Paid Up Capital (₹)	Cumulative Securities Premium (₹)
May 26, 2015	1,00,00,012	10	10	Cash	Preferential Allotment <sup>(1)</sup>	1,00,00,012	10,00,00,120	-
October 06, 2017	(10000012)	10	-	-	Conversion of OCCP into Equity Shares <sup>(2)</sup>	-	-	-

(1) In accordance with the Shareholder Agreement 10000012, 12% Optionally Convertible Cumulative Redeemable Preference shares (OCCPs) were allotted to Canbank Venture Capital Fund Limited (CVCFL).

(2) 12% Optionally Convertible Cumulative Redeemable Preference shares were converted into 1,53,801 Equity Shares of Rs. 10/- each at Issue Price of Rs. 650.19/- were allotted to CVCFL.

**• Details of Allotment made in the last two years preceding the date of the Draft Prospectus:**

Except as mentioned in point 1 (a) (vii) & (viii) above, we have not issued any Equity Share in the last two years preceding the date of the Draft Prospectus

**• Issue of Equity Shares for consideration other than cash**

Except as set out below we have not issued Equity Shares for consideration other than cash:

Date of Allotment	Number of Equity Shares	Face Value (Rs.)	Issue Price (Rs.)	Reasons for Allotment	Benefits Accrued	Name of Allottees	No. of Shares Allotted
March 14, 2018	67,32,550	10	Nil	Bonus in the ratio of 10:1 i.e. 10 Equity Shares for	Capitalization of Reserves & Surplus	Mr. Sushil Pyarelal Sharma	4,64,900
						Mr. Sameer Sushilkumar Sharma	25,73,900*
						Mrs. Anubha Sameer Sharma	17,00,900

				every 1 Equity Share held		Canbank Venture Capital Fund Limited	19,92,550
						Mr. Darshan Lekhraj Dhingra	100
						Mrs. Anju Darshan Dhingra	100
						Mr. Naman Darshan Dhingra	100
						<b>TOTAL</b>	<b>67,32,550</b>

\*2,19,150 Equity Shares are jointly issued to Mrs. Anubha Sameer Sharma

- No Equity Shares have been allotted pursuant to any scheme approved under section 230-233 of the Companies Act, 2013 or under the corresponding provisions of the Companies Act, 1956.
- Our company has not issued any Equity Shares (including bonus shares) by capitalizing any revaluation reserves or unrealized profits.
- Except as mentioned below, no Equity shares have been issued which may be at price below the Issue price within last one year from the date of the Draft Prospectus.

Date of Allotment	Allottees	No. of Equity Shares allotted	Face Value (in Rs.)	Issue Price (in Rs.)	Reason for Allotment	Category of Allottees
March 14, 2018	Mr. Sushil Pyarelal Sharma	4,64,900	10	--	Bonus in the ratio of 10:1 i.e. 10 Equity Shares for every 1 Equity Share held	Promoter
	Mr. Sameer Sushilkumar Sharma	25,73,900*				Promoter
	Mrs. Anubha Sameer Sharma	17,00,900				Promoter
	Canbank Venture Capital Fund Limited	19,92,550				Venture Capital
	Mr. Darshan Lekhraj Dhingra	100				Promoter Group
	Mr. Anju Darshan Dhingra	100				Promoter Group
	Mr. Naman Darshan Dhingra	100				Promoter Group
	<b>Total</b>	<b>67,32,550</b>				

\* 2,19,150 Equity Shares which were jointly issued with Mrs. Anubha Sameer Sharma

#### Capital Buildup in respect of Shareholding of our Promoters

As on the date of this Draft Prospectus, our Promoters Mr. Sushil Pyarelal Sharma, Mr. Sameer Sushilkumar Sharma and Mrs. Anubha Sameer Sharma holds 5,11,390, 28,31,290\* and 18,70,990 Equity Shares respectively of our Company. None of the Equity Shares held by our Promoters are subject to any pledge.

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

Date of Allotment and made fully paid up/ Transfer	No. of Equity Shares*	Face Value Per Share (Rs.)	Issue/ Acquisition/Transfer Price (Rs.)*	Nature of Transactions	Pre-Issue Shareholding %	Post-Issue Shareholding %	Lock-in Period	Source of Funds
<b>(A) Mr. Sushil Pyarelal Sharma</b>								
July 11, 1997	10	10	10	Subscriber to MOA	Negligible	[●]	1 Year	Own Fund
June 9, 2004	4985	10	10	Allotment	0.07	[●]	1 Year	Own Fund
-	80,020*	10	20	Allotment	1.08	[●]	1 Year	Own Fund
April 01, 2006	(71,515)	10	10	Transfer <sup>(i)</sup>	0.97	[●]	--	--

September 30, 2009	2,00,000	10	10	Allotment	2.70	[●]	1 Year	Own Fund
November 03, 2009	(87,500)	10	10	Transfer <sup>(ii)</sup>	1.18	[●]	--	--
December 22, 2009	(87,500)	10	10	Transfer <sup>(iii)</sup>	1.18	[●]	--	--
March 31, 2010	8,000	10	10	Acquisition of Shares by way of Transfer <sup>(iv)</sup>	0.11	[●]	1 Year	Own Fund
February 27, 2018	(10)	10	4927	Transfer <sup>(v)</sup>	Negligible	[●]	--	--
March 14, 2018	4,64,900	10	-	Bonus	6.28	[●]	1 Year	--
<b>Total (A)</b>	<b>5,11,390</b>				<b>6.91</b>	[●]		
<b>(B) Mr. Sameer Sushilkumar Sharma</b>								
-	10*	10	10	Acquisition of Shares by way of Transfer <sup>(vi)</sup>	Negligible	[●]	1 Year	Own Fund
June 9, 2004	4985	10	10	Allotment	0.07	[●]	1 Year	Own Fund
-	79980*	10	20	Allotment	1.08	[●]	1 Year	Own Fund
January 17, 2005	10	10	10	Acquisition of Shares by way of Transfer <sup>(vii)</sup>	Negligible	[●]	1 Year	Own Fund
April 01, 2006	42,915**	10	10	Acquisition of Shares by way of Transfer <sup>(viii)</sup>	0.58	[●]	1 Year	Own Fund
November 03, 2009	87,500	10	10	Acquisition of Shares by way of Transfer <sup>(ix)</sup>	1.18	[●]	1 Year	Own Fund
March 31, 2010	42,000	10	10	Acquisition of Shares by way of Transfer <sup>(x)</sup>	0.57	[●]	1 Year	Own Fund
February 27, 2018	(10)	10	4927	Transfer <sup>(xi)</sup>	Negligible	[●]	1 Year	Own Fund
March 14, 2018	14,93,900**	10	-	Bonus	20.17	[●]	1 Year	-
	10,80,000				14.58	[●]	3 Year	
<b>Total (B)</b>	<b>28,31,290</b>				<b>38.23</b>	[●]		
<b>(C) Mrs. Anubha Sameer Sharma</b>								
-	10	10	10	Acquisition of Shares by way of Transfer <sup>(xii)</sup>	Negligible	[●]	1 Year	Own Fund
January 17, 2005	(10)	10	10	Transfer <sup>(xiii)</sup>	Negligible	[●]	--	--
April 01, 2006	28600	10	10	Acquisition of Shares by	0.39	[●]	1 Year	Own Fund

				way of Transfer <sup>(xiv)</sup>				
October 30, 2009	4000	10	100	Allotment	0.05	[●]	1 Year	Own Fund
December 22, 2009	87500	10	10	Acquisition of Shares by way of Transfer <sup>(xv)</sup>	1.18	[●]	1 Year	Own Fund
March 31, 2010	50000	10	10	Acquisition of Shares by way of Transfer <sup>(xvi)</sup>	0.68	[●]	1 Year	Own Fund
February 27, 2018	(10)	10	4927	Transfer <sup>(xvii)</sup>	Negligible	[●]	--	--
March 14, 2018	7,00,900	10	-	Bonus	9.46	[●]	1 Year	Own Fund
	10,00,000				13.50	[●]	3 Year	
<b>Total (C)</b>	<b>18,70,990</b>				<b>25.26</b>	[●]		
<b>Grand Total</b>	<b>52,13,670</b>				<b>70.40</b>	[●]		

\*The form for allotment filed with ROC and the relevant transfer details are not available.

\*\*21,915 Equity Shares are jointly held with Mrs. Anubha Sameer Sharma.

\*\*\*2,19,150 Equity Shares are jointly held with Mrs. Anubha Sameer Sharma.

**(i) Details of Transfer of 71,515 Equity Shares by Mr. Sushil Pyarelal Sharma dated April 01, 2006**

Sr. No.	Date of Transfer	Name of Transferor	No. of Share Transfer	Name of Transferee
1.	April 01, 2006	Mr. Sushil Pyarelal Sharma	42915*	Mr. Sameer Sushilkumar Sharma
			28600	Mrs. Anubha Sharma
		<b>Total</b>	<b>71,515</b>	

\* 21,915 Equity Shares are jointly held with Mrs. Anubha Sameer Sharma

**(ii) Details of Transfer of 87,500 Equity Shares by Mr. Sushil Pyarelal Sharma dated November 03, 2009**

Sr. No.	Date of Transfer	Name of Transferor	No. of Share Transfer	Name of Transferee
1.	November 03, 2009	Mr. Sushil Pyarelal Sharma	87,500	Mr. Sameer Sushilkumar Sharma
		<b>Total</b>	<b>87,500</b>	

**(iii) Details of Transfer of 87,500 Equity Shares by Mr. Sushil Pyarelal Sharma dated December 22, 2009**

Sr. No.	Date of Transfer	Name of Transferor	No. of Share Transfer	Name of Transferee
1.	December 22, 2009	Mr. Sushil Pyarelal Sharma	87,500	Mrs. Anubha Sameer Sharma
		<b>Total</b>	<b>87,500</b>	

**(iv) Details of Acquisition of 8,000 Equity Shares by Mr. Sushil Pyarelal Sharma dated March 31, 2010**

Sr. No.	Date of Transfer	Name of Transferor	No. of Share Transfer	Name of Transferee
1.	March 31, 2010	Mr. Sushil Pyarelal Sharma	8,000	AS Infracon Private Limited
		<b>Total</b>	<b>87,500</b>	

**(v) Details of Transfer of 10 Equity Shares by Mr. Sushil Pyarelal Sharma dated February 27, 2018**

Sr. No.	Date of Transfer	Name of Transferor	No. of Share	Name of Transferee
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			<b>Transfer</b>	
1.	February 27, 2018	Mr. Sushil Pyarelal Sharma	10	Mr. Naman Darshan Dhingra
		<b>Total</b>	<b>10</b>	

## (vi) Details of Acquisition of 10 Equity Shares by Mr. Sameer Sushilkumar Sharma.

<b>Sr. No.</b>	<b>Date of Transfer</b>	<b>Name of Transferor</b>	<b>No. of Share Transfer</b>	<b>Name of Transferee</b>
1.	-	Mr. Sushil Pyarelal Sharma	10	Mr. Sameer Sushilkumar Sharma
		<b>Total</b>	<b>10</b>	

## (vii) Details of Acquisition of 10 Equity Shares by Mr. Sameer Sushilkumar Sharma dated January 17, 2005.

<b>Sr. No.</b>	<b>Date of Transfer</b>	<b>Name of Transferor</b>	<b>No. of Share Transfer</b>	<b>Name of Transferee</b>
1.	January 17, 2005	Mr. Sameer Sushilkumar Sharma	10	Mrs. Anubha Sameer Sharma
		<b>Total</b>	<b>10</b>	

## (viii) Details of Acquisition of 42,915\* Equity Shares by Mr. Sameer Sushilkumar Sharma dated April 01, 2006

<b>Sr. No.</b>	<b>Date of Transfer</b>	<b>Name of Transferor</b>	<b>No. of Share Transfer</b>	<b>Name of Transferee</b>
1.	April 01, 2006	Mr. Sushil Pyarelal Sharma	42,915*	Mr. Sameer Sushilkumar Sharma
		<b>Total</b>	<b>42,915</b>	

\* 21,915 Equity Shares are jointly held with Mrs. Anubha Sameer Sharma

## (ix) Details of Acquisition of 87,500 Equity Shares by Mr. Sameer Sushilkumar Sharma dated November 03, 2009

<b>Sr. No.</b>	<b>Date of Transfer</b>	<b>Name of Transferor</b>	<b>No. of Share Transfer</b>	<b>Name of Transferee</b>
1.	November 03, 2009	Mr. Sushil Pyarelal Sharma	87,500	Mr. Sameer Sushilkumar Sharma
		<b>Total</b>	<b>87,500</b>	

## (x) Details of transfer of 42,000 Equity Shares by Mr. Sameer Sushilkumar Sharma dated March 31, 2010.

<b>Sr. No.</b>	<b>Date of Transfer</b>	<b>Name of Transferor</b>	<b>No. of Share Transfer</b>	<b>Name of Transferee</b>
	March 31, 2010	AS Infracon Private Limited	42,000	Mr. Sameer Sushilkumar Sharma
		<b>Total</b>	<b>42,000</b>	

## xi) Details of transfer of 10 Equity Shares by Mr. Sameer Sushilkumar Sharma dated February 27, 2018.

<b>Sr. No.</b>	<b>Date of Transfer</b>	<b>Name of Transferor</b>	<b>No. of Share Transfer</b>	<b>Name of Transferee</b>
	February 27, 2018	Mr. Sameer Sushilkumar Sharma	10	Mr. Darshan Lekhraj Dhingra
		<b>Total</b>	<b>10</b>	



**(xii) Details of Acquisition of 10 Equity Shares by Mrs. Anubha Sameer Sharma.**

Sr. No.	Date of Transfer	Name of Transferor	No. of Share Transfer	Name of Transferee
1.	June 10, 2004	Mr. Mahendra Singh	10	Mrs. Anubha Sharma
		<b>Total</b>	<b>10</b>	

**(xiii) Details of Transfer of 10 Equity Shares by Mrs. Anubha Sameer Sharma dated January 17, 2005**

Sr. No.	Date of Transfer	Name of Transferor	No. of Share Transfer	Name of Transferee
1.	January 17, 2005	Mrs. Anubha Sameer Sharma	10	Mr. Sameer Sushilkumar Sharma
		<b>Total</b>	<b>10</b>	

**(xiv) Details of Acquisition of 28,600 Equity Shares by Mrs. Anubha Sameer Sharma dated April 01, 2006**

Sr. No.	Date of Transfer	Name of Transferor	No. of Share Transfer	Name of Transferee
1.	April 01, 2006	Mr. Sushil Pyarelal Sharma	28,600	Mrs. Anubha Sameer Sharma
		<b>Total</b>	<b>28,600</b>	

**(xv) Details of Acquisition of 87,500 Equity Shares by Mrs. Anubha Sameer Sharma dated December 22, 2009**

Sr. No.	Date of Transfer	Name of Transferor	No. of Share Transfer	Name of Transferee
1.	December 22, 2009	Mr. Sushil Pyarelal Sharma	87,500	Mrs. Anubha Sameer Sharma
		<b>Total</b>	<b>87,500</b>	

**(xvi) Details of Acquisition of 50,000 Equity Shares by Mrs. Anubha Sameer Sharma dated March 31, 2010**

Sr. No.	Date of Transfer	Name of Transferor	No. of Share Transfer	Name of Transferee
1.	March 31, 2010	Jain Infracon Private Limited	50,000	Mrs. Anubha Sameer Sharma
		<b>Total</b>	<b>50,000</b>	

**(xvii) Details of Transfer of 10 Equity Shares by Mrs. Anubha Sameer Sharma dated February 27, 2018**

Sr. No.	Date of Transfer	Name of Transferor	No. of Share Transfer	Name of Transferee
1.	February 27, 2018	Mrs. Anubha Sameer Sharma	10	Mrs. Anju Darshan Dhingra
		<b>Total</b>	<b>10</b>	

The average cost of acquisition of or subscription of shares by our Promoters is set forth in the table below:

Sr. No.	Name of the Promoters	No. of Shares held	Average cost of Acquisition (in ₹)
1.	Mr. Sushil Pyarelal Sharma	5,11,390	2.28
2.	Mr. Sameer Sushilkumar Sharma	28,31,290*	1.19
3.	Mrs. Anubha Sharma	18,70,990	1.08
	<b>Total</b>	<b>52,13,670</b>	

\* 2,41,065 Equity Shares are jointly held with Mrs. Anubha Sameer Sharma.

- Shareholding of Promoters and Promoters Group**

Following are the details of pre and post Issue shareholding of persons belonging to the category “Promoter and Promoter Group”:

Sr. No	Names	Pre IPO		Post IPO	
		Shares Held	% Shares Held	Shares Held	% Shares Held
	<b>Promoters</b>				
1.	Mr. Sushil Pyarelal Sharma	5,11,390	6.91	5,11,390	[●]
2.	Mr. Sameer Sushilkumar Sharma	28,31,290*	38.23	28,31,290*	[●]
3	Mrs. Anubha Sameer Sharma	18,70,990	25.26	18,70,990	[●]
	<b>Sub Total (A)</b>	<b>52,13,670</b>	<b>70.40</b>	<b>52,13,670</b>	<b>[●]</b>
	<b>Promoter Group</b>				
1.	Darshan Lekhranj Dhirga	110	Negligible	110	[●]
2.	Anju Darshan Dhirga	110	Negligible	110	[●]
3.	Naman Darshan Dhirga	110	Negligible	110	[●]
	<b>Sub Total (B)</b>	<b>330</b>	<b>Negligible</b>	<b>330</b>	<b>[●]</b>
	<b>GRAND TOTAL (A+B)</b>	<b>52,14,000</b>	<b>70.40</b>	<b>52,14,000</b>	<b>[●]</b>

\* 2,41,065 Equity Shares are jointly held with Mrs. Anubha Sameer Sharma.

- There are no Equity Shares acquired/ purchased/ sold by the Promoter and Promoter Group, Directors and their immediate relatives within six months immediately preceding the date of filing of this Draft Prospectus.

#### Details of Promoters’ Contribution Locked-in for Three Years

Date of Allotment/Acquisition	Date when made Fully paid up	No. of shares Allotted/Acquired	Face Value	Issue Price/ Acquisition Price	Nature of Allotment	% Pre-Issue paid up capital	% Post issue paid up capital	Lock-In Period
<b>Mr. Sameer Sushilkumar Sharma</b>								
March 14, 2018	March 14, 2018	10,80,000	10	--	Bonus Issue	14.58	[●]	3 Years
<b>Total</b>		<b>10,80,000</b>				<b>14.58</b>	<b>[●]</b>	
<b>Mr. Anubha Sameer Sharma</b>								
March 14, 2018	March 14, 2018	10,00,000	10	--	Bonus Issue	13.50	[●]	3 Years
<b>Total</b>		<b>10,00,000</b>				<b>13.50</b>	<b>[●]</b>	
<b>Grand Total</b>		<b>20,80,000</b>				<b>28.08</b>	<b>[●]</b>	

The minimum Promoter’s contribution has been brought in to the extent of not less than the specified minimum lot and from persons defined as “promoter” under the SEBI ICDR Regulations. All Equity Shares, which are being locked in are not ineligible for computation of Minimum Promoters Contribution as per Regulation 33 of the SEBI ICDR Regulations and are being locked in for 3 years as per Regulation 36(a) of the SEBI ICDR Regulations i.e. for a period of three years from the date of allotment of Equity Shares in this issue.

No Equity Shares proposed to be locked-in as Minimum Promoters Contribution have been issued out of revaluation reserve or for consideration other than cash and revaluation of assets or capitalization of intangible assets, involved in such transactions.

The entire pre-issue shareholding of the Promoters, other than the Minimum Promoters contribution which is locked in for three years, shall be locked in for a period of one year from the date of allotment in this Issue.

Our Promoters, Mr. Sameer Sushilkumar Sharma and Mrs. Anubha Sameer Sharma have, by a written undertaking, consented to have 10,80,000 and 10,00,000 equity shares held by them respectively to be locked in as Minimum Promoters Contribution for a period of three years from the date of allotment in this Issue and will not be disposed / sold / transferred by the promoters during the period starting from the date of filing the Draft Prospectus with SME Platform of NSE (NSE

EMERGE) till the date of commencement of lock-in period as stated in the Draft Prospectus. The Equity Shares under the Promoters contribution will constitute [●] of our post-issue paid up share capital.

Our Promoters have also consented that the Promoters contribution under Regulation 32 of the SEBI ICDR Regulations will not be less than 20% of the post issue paid up capital of our Company.

**Eligibility of Share for “Minimum Promoters Contribution in terms of clauses of Regulation 33 (1) of SEBI (ICDR) Regulations, 2009**

Reg. No.	Promoters’ Minimum Contribution Conditions	Eligibility Status of Equity Shares forming part of Promoter’s Contribution
33(1) (a) (i)	Specified securities acquired during the preceding three years, if they are acquired for consideration other than cash and revaluation of assets or capitalization of intangible assets is involved in such transaction	The Minimum Promoter’s contribution does not consist of such Equity Shares which have been acquired for consideration other than cash and revaluation of assets or capitalization of intangible assets. <b><u>Hence Eligible</u></b>
33 (1) (a) (ii)	Specified securities acquired during the preceding three years, resulting from a bonus issue by utilization of revaluation reserves or unrealized profits of the issuer or from bonus issue against Equity Shares which are ineligible for minimum promoters’ contribution	The minimum Promoter’s contribution does not consist of such Equity Shares. <b><u>Hence Eligible</u></b>
33 (1) (b)	Specified securities acquired by promoters during the preceding one year at a price lower than the price at which specified securities are being offered to public in the initial public offer	The minimum Promoter’s contribution does not consist of such Equity Shares. <b><u>Hence Eligible.</u></b>
33 (1) (c)	Specified securities allotted to promoters during the preceding one year at a price less than the issue price, against funds brought in by them during that period, in case of an issuer formed by conversion of one or more partnership firms, where the partners of the erstwhile partnership firms are the promoters of the issuer and there is no change in the management: Provided that specified securities, allotted to promoters against capital existing in such firms for a period of more than one year on a continuous basis, shall be eligible	The minimum Promoter’s contribution does not consist of such Equity Shares. <b><u>Hence Eligible.</u></b>
33 (1) (d)	Specified securities pledged with any creditor.	Our Promoters have not Pledged any shares with any creditors. Accordingly, the minimum Promoter’s contribution does not consist of such Equity Shares. <b><u>Hence Eligible.</u></b>

**Details of Promoters’ Contribution Locked-in for One Year**

In terms of Regulation 36(b) and 37 of the SEBI ICDR Regulations, in addition to the Minimum Promoters contribution which is locked in for three years, as specified above, the entire pre-issue equity share capital constituting 53,25,805 Equity Shares shall be locked in for a period of one year from the date of allotment of Equity Shares in this Issue.

The Equity Shares which are subject to lock-in shall carry inscription ‘**non-transferable**’ along with the duration of specified non-transferable period mentioned in the face of the security certificate. The shares which are in dematerialized form, if any, shall be locked-in by the respective depositories. The details of lock-in of the Equity Shares shall also be provided to the Designated Stock Exchange before the listing of the Equity Shares.

**Other requirements in respect of lock-in:**

- a) In terms of Regulation 39 of the SEBI ICDR Regulations, the locked in Equity Shares held by the Promoters, as specified above, can be pledged with any scheduled commercial bank or public financial institution as collateral security for loan granted by such bank or institution provided that the pledge of Equity Shares is one of the terms of the sanction of the loan. Provided that securities locked in as minimum promoter contribution may be pledged only if, in addition to fulfilling the above requirements, the loan has been granted by such bank or institution, for the purpose of financing one or more of the objects of the Issue.
- b) In terms of Regulation 40 of the SEBI ICDR Regulations, the Equity Shares held by persons other than the Promoters prior to the Issue may be transferred to any other person holding the Equity Shares which are locked in as per Regulation 36 or 37 of the SEBI ICDR Regulations, subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as applicable.
- c) Further in terms of Regulation 40 of the SEBI ICDR Regulations, the Equity Shares held by the Promoters may be transferred to and amongst the Promoter Group or to new promoters or persons in control of the Issuer subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as applicable.

## **12. Shareholding Pattern of the Company**

The table below represents the shareholding pattern of our Company in accordance with Regulation 31 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as on the date of this Draft Prospectus:

**I - Our Shareholding Pattern:-**

I. Our Shareholding Pattern:																		
Cat ego ry	Category of shareholder	Nos. of shar e hold ers	No. of fully paid up equity shares held	No. of Partly paid- up equity share s held	No. of sha res und erly ing Dep osit ory Rec eipt s	Total nos. shares held	Sharehol ding as a % of total no. of shares (calculat ed as per SCRR, 1957) As a % of (A+B+C 2)	Number of Voting Rights held in each class of securities*				No. of Shares Underl ying Outsta nding conver tible securit ies (includ ing Warra nts)	Sharehold ing , as a % assuming full conversion of convertible securities ( as a percentage of diluted share capital) As a % of (A+B+C2)	Number of Locked in shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in demateri alized form
								No of Voting Rights			Total as a % of (A+B+ C)			No. (a)	As a % of total Shar es held (b)	No. (a)	As a % of total Share s held (b)	
								Class Equity Shares of Rs.10/- each^	Class eg: y	Tot al								
I	II	III	IV	V	VI	VII = IV+V+VI	VIII	IX				X	XI=VII+X	XII		XIII		XIV
(A)	Promoter & Promoter Group	6	5214000	-	-	5214000	70.40	5214000	-	5214000	70.40	-	70.40	-	-	-	-	5214000
(B)	Public	1	2191805	-	-	2191805	29.60	2191805	-	2191815	29.60	-	29.60	-	-	-	-	1992560
(C)	Non Promoter- Non Public	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C1 )	Shares underlyin g DRs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C2 )	Shares held by Emp. Trusts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	<b>Total</b>	<b>7</b>	<b>7405805</b>	<b>-</b>	<b>-</b>	<b>7405805</b>	<b>100.00</b>	<b>7405805</b>	<b>-</b>	<b>7405805</b>	<b>100</b>	<b>-</b>	<b>100.00</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7206550</b>

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

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

Our Company will file the shareholding pattern in the form prescribed under Regulation 31 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, one day prior to the listing of the Equity shares. The shareholding pattern will be uploaded on the Website of the NSE before commencement of trading of such Equity Shares.

## II – Shareholding pattern of the Promoter and Promoter Group

S.No.	Category & Name of the Shareholders	No. of share holders	No. of fully paid up equity share s held	Partly paid-up equity sha res held	Nos. of shares underlying Depository Receipts	Total nos. shares held	Sharehold ing (calculated as per SCRR, 1957) As a % of (A+B+C 2)	Number of Voting Rights held in each class of securities*				No. of Shares Underlying Outstanding convertible securit ies (including Warra nts)	Shareholdin g , as a % assuming full conversion of convertible securities ( as a percentage of diluted share capital) as a % of A+B+C2	Number of Locked in shares		Number of Shares pledged or otherwise		Number of equity shares held in demateri alized form
								No of Voting Rights			Total as a % of Total Voting rights			No. (a)	As a % of total Shar e s held (b)	No. (a)	As a % of total share s held (b)	
								Class Equity Shares of Rs.10/- each	Clas s Y	Total								
	I	II	III	IV	V	VI=III+IV +V	VII	VIII				IX	X = VI+ IX	XI	XII	XIII		
(1)	Indian																	
(a)	Individuals/ Hindu undivided Family	6	5214000	-	-	5214000	70.40	5214000	-	5214000	70.40	-	70.40	-		-	5214000	
	Mr. Sushil Pyarelal Sharma	1	511390	-	-	511390	6.91	511390	-	511390	6.91	-	6.91	-		-	511390	
	Mr. Sameer Sushilkumar Sharma	1	2831290**	-	-	2831290	38.23	2831290	-	2831290	38.23	-	38.23	-		-	2831290	
	Mrs. Anubha Sameer Sharma	1	1870990	-	-	1870990	25.26	1870990	-	1870990	25.26	-	25.26	-		-	1870990	
	Darshan Lekhraj	1	110	-	-	110	0.00	110	-	110	0.00	-	0.00	-		-	110	



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	Dhingra															
	Anju Darshan Dhingra	1	110	-	-	110	0.00	110	-	110	0.00	-	0.00	-	-	110
	Naman Darshan Dhingra	1	110	-	-	110	0.00	110	-	110	0.00	-	0.00	-	-	110
(b)	Central Government/ State Government(s)	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(c)	Financial Institutions/ Banks	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(d)	Any Other	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Body Corporate															
	<b>Sub-Total (A)(1)</b>	<b>6</b>	<b>5214000</b>	<b>-</b>	<b>-</b>	<b>5214000</b>	<b>70.40</b>	<b>5214000</b>	<b>-</b>	<b>5214000</b>	<b>70.4</b>	<b>-</b>	<b>70.40</b>	<b>-</b>	<b>-</b>	<b>5214000</b>
(2)	Foreign	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(a)	Individuals (Non- Resident Individuals/ Foreign Individuals)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(b)	Government	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(c)	Institutions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(d)	Foreign Portfolio Investor	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(f)	Any Other (specify)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	<b>Sub-Total (A)(2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>Total</b>	<b>6</b>	<b>5214000</b>	<b>-</b>	<b>-</b>	<b>5214000</b>	<b>70.40</b>	<b>5214000</b>	<b>-</b>	<b>5214000</b>	<b>70.40</b>	<b>-</b>	<b>70.40</b>	<b>-</b>	<b>-</b>	<b>5214000</b>

1															
	<b>Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)</b>														

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

\*\*2,41,065 Equity Shares are jointly held with Mrs. Anubha Sameer Sharma.

**III- Shareholding pattern of the Public shareholder**

S.No.	Category & Name of the Shareholders	No. of share holders	No. of fully paid up equity shares held	Partly paid-up equity shares held	Nos. of shares underlying Depository Receipts	Total nos. shares held	Shareholding % (calculated as per SCRR, 1957)  As a % of (A+B+C 2)	Number of Voting Rights held in each class of securities				No. of Shares Underlying Outstanding convertible securities (including Warrants)	Total Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)	Number of Locked in shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialized form
								No of Voting Rights			Total as a % of Total Voting rights			No. (a)	As a % of total shares held (b)	No. (not applicable) (a)	As a % of total shares held (not applicable)(b)	
								Class Equity Shares of Rs.10/- each	Class Y	Total								
	I	II	III	IV	V	VI=III+IV+V	VII	VIII				IX	X = VI+IX	XI		XII		XIII
(1)	Institutions																	
(a)	Mutual Funds	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(b)	Venture Capital Funds	1	21,91,805	-	-	21,91,805	29.60	21,91,805	-	-	29.60	-	29.60	-	-	-	-	1992550
(c)	Alternate Investment Funds	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(d)	Foreign Venture Capital Investors	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(e)	Foreign Portfolio Investors	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(f)	Financial Institutions/ Banks	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(g)	Insurance Companies	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(h)	Provident Funds/ Pension Funds	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(i)	Any Other	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

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	(specify)															
	<b>Sub-Total (B)(1)</b>	<b>1</b>	<b>21,91,805</b>	<b>-</b>	<b>-</b>	<b>21,91,805</b>	<b>29.60</b>	<b>21,91,805</b>	<b>-</b>	<b>-</b>	<b>29.60</b>	<b>-</b>	<b>29.60</b>	<b>-</b>	<b>-</b>	<b>1992550</b>
(2)	<b>Central Government/ State Government(s)/ President of India</b>	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	<b>Sub-Total (B)(2)</b>	<b>0</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
(3)	<b>Non-institutions</b>															
(a)	Individuals															
	i. Individual shareholders holding nominal share capital up to Rs. 2 lakhs.	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	ii. Individual shareholders holding nominal share capital in excess of Rs. 2 lakhs.	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(b)	NBFCs registered with RBI	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(c)	Employee Trusts	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(d)	Overseas Depositories (holding DRs) (balancing figure)	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(e)	Any Other Body Corporate	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	<b>Sub-Total (B)(3)</b>	<b>0</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>Total Public Shareholding (B)=(B)(1)+(B)(2)+(B)(3)</b>	<b>1</b>	<b>21,91,805</b>	<b>-</b>	<b>-</b>	<b>21,91,805</b>	<b>29.60</b>	<b>21,91,805</b>	<b>-</b>	<b>-</b>	<b>29.60</b>	<b>-</b>	<b>29.60</b>	<b>-</b>	<b>-</b>	<b>1992550</b>

3)															
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**IV - Shareholding pattern of the Non Promoter- Non Public shareholder**

S.No.	Category & Name of the Shareholders	No. of shareholders	No. of fully paid up equity shares held	Partly paid-up equity shares held	Nos. of shares underlying Depository Receipts	Total nos. shares held	Shareholding (calculated as per SCRR, 1957)  As a % of (A+B+C2)	Number of Voting Rights held in each class of securities				No. of Shares Underlying Outstanding convertible securities (including Warrants)	Total Shareholding, as a % assuming full conversion of convertible securities ( as a percentage of diluted share capital)	Number of Locked in shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in Share dematerialized form (Not applicable)
								No of Voting Rights			Total as a % of Total Voting rights			No.	As a % of total Shares held	No. (not applicable)	As a % of total shares held (not applicable)	
								Class Equity Shares of Rs.10/- each	Classes	Total								
	I	II	III	IV	V	VI=III+IV+V	VII	VIII				IX	X = VI+ IX	XI		XII		XIII
(1)	Custodian/DR Holder																	
(a)	Name of DR Holder (if available)	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Sub Total (c ) (1)	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(2)	Employee Benefit Trust (under SEBI (Share based Employee Benefit) Regulations, 2014)	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Sub Total (C ) (2)	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total Non- Promoter Non-Public shareholding (C )= (C )(1)+ (C ) (2)	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

**13. The Top Ten Shareholders of our Company and their Shareholding is set forth below:-**

As on date of this Draft Prospectus, our Company has 96 shareholders.

i. Particulars of the top ten shareholders as on the date of filing of this Draft Prospectus are as follows:

S.No.	Names	Shares Held (Face Value of Rs. 10 each)	% Pre Issue paid up Capital (In Shares)
1.	Mr. Sameer Sushilkumar Sharma	28,31,290*	38.23
2.	Canbank Venture capital Fund Limited	21,91,805	29.60
3.	Mrs. Anubha Sameer Sharma	18,70,990	25.26
4.	Mr. Sushil Pyarelal Sharma	5,11,390	6.91
5.	Mr. Darshan Lekhraj Dhingra	110	Negligible
6.	Mrs. Anju Darshan Dhingra	110	Negligible
7.	Mr. Naman Darshan Dhingra	110	Negligible
	<b>Total</b>	<b>74,05,805</b>	<b>100.00</b>

\*2,41,065 Equity Shares are jointly held with Mrs. Anubha Sameer Sharma.

ii. Particulars of the top ten shareholders ten days prior to the date of filing of this Draft Prospectus are as follows:

S.No.	Names	Shares Held (Face Value of Rs. 10 each)	% Pre Issue paid up Capital (In Shares)
1.	Mr. Sameer Sushilkumar Sharma	28,31,290*	38.23
2.	Canbank Venture capital Fund Limited	21,91,805	29.60
3.	Mrs. Anubha Sameer Sharma	18,70,990	25.26
4.	Mr. Sushil Pyarelal Sharma	5,11,390	6.91
5.	Mr. Darshan Lekhraj Dhingra	110	negligible
6.	Mrs. Anju Darshan Dhingra	110	negligible
7.	Mr. Naman Darshan Dhingra	110	negligible
	<b>Total</b>	<b>74,05,805</b>	<b>100.00</b>

\*2,41,065 Equity Shares are jointly held with Mrs. Anubha Sameer Sharma.

iii. Particulars of the top ten shareholders two years prior to the date of filing of this Draft Prospectus are as follows:

S.No.	Names	Shares Held (Face Value of Rs. 10 each)	% Pre Issue paid up Capital (In Shares)
1.	Mr. Sameer Sushilkumar Sharma	2,57,400*	49.55
2.	Mrs. Anubha Sameer Sharma	1,70,100	32.75
3.	Mr. Sushil Pyarelal Sharma	46,500	8.95
4.	Canbank Venture Capital Fund Limited	45,454**	8.75
	<b>Total</b>	<b>5,19,454</b>	<b>100.00</b>

\*21915 Equity Shares are jointly held with Mrs. Anubha Sameer Sharma.

\*\*Shares held by Canbank Venture Capital Fund Limited were class A equity shares which were later classified as ordinary Equity shares upon exercise of option for conversion of OCCPs by Canbank Venture Capital Fund Limited.

Details of shares held on October 25, 2016 and percentage held has been calculated based on the paid up capital of our company as on October 25, 2016.

14. We has one public shareholder in our Company as on date of Draft Prospectus.

15. Except as provided below no subscription to or sale or purchase of the securities of our Company was made within three years preceding the date of filing of this Draft Prospectus by our Promoters or Directors or Promoter Group which in aggregate equals to or is greater than 1% of the pre-Issue share capital of our Company.



Date of Allotment	Name of Shareholders	No. of Equity Shares allotted	% of Pre-Issue Capital	Subscribed/ Aquired/ Transfer	Category of Allottees (Promoter/Promoter Group/Director)
March 14, 2018	Mr. Sushil Pyarelal Sharma	4,64,900	6.28	Bonus Issue	Promoter and Director
	Mr. Sameer Sushilkumar Sharma	25,73,900*	34.76		Promoter and Director
	Mrs. Anubha Sameer Sharma	17,00,900	22.97		Promoter and Director

\*2,19,150 Equity Shares are jointly held with Mrs. Anubha Sameer Sharma.

None of our Directors or Key Managerial Personnel holds any Equity Shares other than as set out below as on date of Draft Prospectus:

S. No.	Name	Designation	No. of Equity Shares held
1.	Mr. Sushil Pyarelal Sharma	Chairman & Non Executive Director	5,11,390
2.	Mr. Sameer Sushilkumar Sharma	Managing Director	28,31,290*
3.	Mrs. Anubha Sameer Sharma	Whole-time Director	18,70,990

\*2,41,065 Equity Shares are jointly held with Mrs. Anubha Sameer Sharma.

16. None of our Promoters, Promoter Group, our Directors and their relatives has entered into any financing arrangement or financed the purchase of the Equity Shares of our Company by any other person during the period of six months immediately preceding the date of filing of the Draft Prospectus.
17. Neither, we nor our Promoters, Directors and the LM to this Issue have entered into any buyback and / or standby arrangements and / or similar arrangements for the purchase of our Equity Shares from any person.
18. As on the date of filing of this Draft Prospectus, there are no outstanding warrants, options or rights to convert debentures, loans or other instruments which would entitle Promoters or any shareholders or any other person any option to acquire our Equity Shares after this Initial Public Offer
19. As on the date of this Draft Prospectus, the entire Issued Share, Subscribed and Paid-up Share Capital of our Company is fully paid up.
20. Our Company has not raised any bridge loan against the proceeds of the Issue.
21. Since the entire issue price in respect of the issue is payable on application, all the successful applicants will be allotted fully paid up equity shares
22. As on the date of this Draft Prospectus, none of the shares held by our Promoters / Promoters Group are subject to any pledge.
23. The LM i.e. Hem Securities Limited and their associates do not hold any Equity Shares in our Company as on the date of filing of Draft Prospectus.
24. We here by confirm that 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 the Draft Prospectus until the Equity Shares offered have been listed or application money unblocked on account of failure of Issue.
25. Our Company does not presently intend or propose to alter its capital structure for a period of six months from the date of opening of the Issue, by way of split or consolidation of the denomination of Equity Shares or further issue of Equity Shares (including issue of securities convertible into or exchangeable, directly or indirectly for Equity Shares) whether preferential or otherwise. This is except if we enter into acquisition or joint ventures or make investments, in which case

we may consider raising additional capital to fund such activity or use Equity Shares as a currency for acquisition or participation in such joint ventures or investments.

26. None of our Equity Shares have been issued out of revaluation reserve created out of revaluation of assets.
27. An over-subscription to the extent of 10% of the Issue can be retained for the purpose of rounding off to the nearest integer during finalizing the allotment, subject to minimum allotment, which is the minimum application size in this Issue. Consequently, the actual allotment may go up by a maximum of 10% of the Issue, as a result of which, the post-issue paid up capital after the Issue would also increase by the excess amount of allotment so made. In such an event, the Equity Shares held by the Promoter and subject to 3 year lock- in shall be suitably increased; so as to ensure that 20% of the post Issue paid-up capital is locked in.
28. Allocation to all categories shall be made on a proportionate basis subject to valid applications received at or above the Issue Price. Under subscription, if any, in any of the categories, would be allowed to be met with spill-over from any of the other categories or a combination of categories at the discretion of our Company in consultation with the LM and Designated Stock Exchange i.e. NSE. Such inter-se spill over, if any, would be affected in accordance with applicable laws, rules, regulations and guidelines.
29. In case of over-subscription in all categories the allocation in the issue shall be as per the requirements of Regulation 43 (4) of SEBI (ICDR) Regulations, 2009 and its amendments from time to time.
30. The unsubscribed portion in any reserved category (if any) may be added to any other reserved category.
31. The unsubscribed portion if any, after such inter se adjustments among the reserved categories shall be added back to the net offer to the public portion.
32. At any given point of time there shall be only one denomination of the Equity Shares, unless otherwise permitted by law.
33. Our Company shall comply with such disclosure and accounting norms as may be specified by NSE, SEBI and other regulatory authorities from time to time.
34. As on the date of this Draft Prospectus, we do not have any Employees Stock Option Scheme / Employees Stock Purchase Scheme 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 SEBI (Share Based Employee Benefits) Regulations, 2014.
35. There are no Equity Shares against which depository receipts have been issued.
36. Other than the Equity Shares, there is no other class of securities issued by our Company.
37. We have 7 (Seven) shareholders as on the date of filing of the Draft Prospectus.
38. There are no safety net arrangements for this public issue.
39. As per RBI regulations, OCBs are not allowed to participate in this issue.
40. Our Promoters and Promoter Group will not participate in this Issue.
41. Our Company has not made any public issue or rights issue of any kind or class of securities since its incorporation.
42. In terms of Rule 19(2)(b)(i) of the Securities Contracts (Regulation) Rules, 1957, as amended, (the SCRR) the Issue is being made for at least 25% of the post-issue paid-up Equity Share capital of our Company. Further, this Issue is being made in terms of Chapter XB of the SEBI (ICDR) Regulations, 2009, as amended from time to time.

43. No person connected with the Issue shall offer any incentive, whether direct or indirect, in the nature of discount, commission, and allowance, or otherwise, whether in cash, kind, services or otherwise, to any applicant.
44. We shall ensure that transactions in Equity Shares by the Promoters and members of the Promoter Group, if any, between the date of registering the Prospectus with the RoC and the Issue Closing Date are reported to the Stock Exchanges within 24 hours of such transactions being completed.
45. For the details of transactions by our Company with our Promoter Group during for the period ended on June 30, 2018 and financial years ended on 2018, 2017, 2016, 2015 and 2014, please refer to paragraph titled “Related Parties Transactions as Restated” in the chapter titled “Financial Information of the Company” on page 144 of the Draft Prospectus.

### **OBJECTS OF THE ISSUE**

Our Company proposes to utilize the proceeds of the Issue to meet the following objects:

1. Purchase of Cash Handling Vehicles
2. Expansion of Branch Network
3. Repayment and pre-payment of a portion of certain outstanding indebtedness availed by our Company
4. To meet Working Capital Requirement
5. General Corporate Purposes
6. To Meet the Issue Expenses

(Collectively referred as the “objects”)

We believe that listing will enhance our corporate image and visibility of brand name of our Company. We also believe that our Company will receive the benefits from listing of Equity Shares on the SME Platform of NSE (NSE EMERGE).

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

#### **Requirement of Funds:-**

The following table summarizes the requirement of funds:

Particulars	Amt (Rs. in Lacs)
Gross Issue Proceeds	[●]
Less: Issue Expenses	[●]
Net Issue Proceeds	[●]

**Utilisation of Net Issue Proceeds:** The Net Issue Proceeds will be utilised for following purpose:

S.No	Particulars	Amt (Rs. in Lacs)
1.	Purchase of Cash Handling Vehicles	597.92
2.	Expansion of Branch Network	369.00
3.	Repayment and pre-payment of a portion of certain outstanding indebtedness	500.00
4.	To meet Working Capital Requirement	[●]
5.	General Corporate Purposes*	[●]
	<b>Total</b>	<b>[●]</b>

\*To be finalized on determination of the Issue Price and updated in the Prospectus prior to filing with the RoC.

**Means of Finance:** -We intend to finance our Objects of Issue through Net Issue Proceeds which is as follows:

Particulars	Amt (Rs. in Lacs)
Net Issue Proceeds	[●]
<b>Total</b>	<b>[●]</b>

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

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

In case of any increase in the actual utilization of funds earmarked for the Objects, such additional funds for a particular activity will be met by way of means available to our Company, including from internal accruals. If the actual utilization towards any of the Objects is lower than the proposed deployment such balance will be used for future growth opportunities including funding existing objects, if required. In case of delays in raising funds from the Issue, our Company may deploy certain amounts towards any of the above mentioned Objects through a combination of Internal Accruals or Unsecured Loans (Bridge Financing) and in such case the Funds raised shall be utilized towards repayment of such Unsecured Loans or recouping of Internal Accruals. However, we confirm that no bridge financing has been availed as on date, which is subject to being repaid from the Issue Proceeds.

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

For further details on the risks involved in our business plans and executing our business strategies, please see the section titled "**Risk Factors**" beginning on page 16 of the Draft Prospectus.

### **Details of Objects of the Issue:**

#### **1. Purchase of Cash Handling Vehicles**

In order to further expand our Cash Handling Business, we intend to purchase around 85 Cash Vans. The total cost for purchase the cash vans as adjusted for the input credit for the tax paid on purchases will be around Rs. 7 lakhs. Below are the details of the cash vans to be purchased by our company:-

Particulars	Model No.	Quantity	Proposed Vendor	Quotation reference	Amount in Rs. lakhs
Cash Van	Bolero Caper PS BSIV	85	President Automobiles, Surat	PA/16-17/155 dated 18.09.2018	597.92

*\*the above amount is inclusive of any registration charges, insurance and road tax to be paid on the purchase and net of the GST credit available to the Company. The GST amount shall be payable by us through our internal accruals.*

#### **2. Expansion of Branch Network**

As of the date of this Draft Prospectus, we have 18 Branches located in the state of Gujarat, Maharashtra, Karnataka, New Delhi, Punjab, Tamil Nadu, Telangana, Odisha and West Bengal. As a part of our strategy of increasing our reach to different market and increasing our revenue by introducing new branches, we intend to expand our Branches in Bhopal, Jaipur, Nasik, Vijaywada and Aurangabad. With the establishment of additional branches will enable us to implement superior operational control and increase cost efficiencies. We believe this will also enable us to further integrate our operations and help us to enter into new geographies where the demand for the manned guarding, cash handling and E Commerce logistic services is high. We propose to invest ₹ 369.00 Lakhs from the Net Proceeds for the purpose of setting up of the Branches.

Below are the details of the Branch Expansion plan as estimated by the management:-

(Amt in Rs. Lakhs)

Sr. No.	New Branches	Office Rent	Security Deposit	Staff Salary	Fuel	Vehicles Exp	Furniture & Equipments	Others
1	Bhopal	0.40	4.00	4.00	0.35	0.40	2.00	0.50
2	Jaipur	0.40	4.00	4.00	0.35	0.40	2.00	0.50
3	Vijaywada	0.40	4.00	4.00	0.35	0.40	2.00	0.50
4	Nasik	0.40	4.00	4.00	0.35	0.40	2.00	0.50
5	Aurangabad	0.40	4.00	4.00	0.35	0.40	2.00	0.50
<b>per month</b>		2.00	-	20.00	1.75	2.00	-	2.50
<b>per annum</b>		24.00	20.00	240.00	21.00	24.00	10.00	30.00
<b>Total per Annum</b>		<b>369.00</b>						

### 3. Repayment and pre-payment of a portion of certain outstanding indebtedness availed by our Company

During the past year for expansion of the Cash handling unit, our company has taken certain loans for the purchase of the Cash Handling vehicles. Following are the details of the loans availed by our company which we intend to repay out of the Issue proceeds:-

Lender	Date of Loan Agreement	Amount in Rs. Lakhs			Rate of Interest (in % p.a.)	Purpose of loan
		Sanctioned Amount	Outstanding as on August 31, 2018	Amount to be repaid		
IKF Finance Ltd	June 30, 2017	92.64	72.86	69.47	9.42%	General Business Purpose
India Infoline Finance Ltd	Various agreement between 01.06.2016 to 31.12.2017	227.78	129.22	118.53	15.01%	General Business Purpose
Manappuram Finance Ltd	Various agreement between 01.12.2016 to 31.12.2017	166.10	118.38	112.13	19.34%	General Business Purpose
ORIX	Various agreement between 25.11.2014 to 31.12.2017	963.00	646.61	199.87	14.00%	Vehicle purchase
<b>TOTAL</b>		<b>1449.52</b>	<b>967.07</b>	<b>500.00</b>		

\* As certified by Statutory Auditors of the Company M/s. AGKR & Co., Chartered Accountants vide their certificate dated September 29, 2018.

Our Statutory Auditors M/s. AGKR & Co., Chartered Accountants vide their certificate dated September 29, 2018 has further confirmed that these borrowings have been utilized for the purposes for which they were availed, as provided in the relevant borrowing documents.

Payment of pre-payment penalty, if any, shall be paid from the internal accruals of our Company.

We believe that such repayment or prepayment will help reduce our outstanding indebtedness and debt servicing costs and enable utilization of the internal accruals for further investment in business growth and expansion. In addition, we believe that the leverage capacity of our Company will improve our ability to raise further resources in the future to fund potential business development opportunities and plans to grow our business in the future.

### 4. To meet Working Capital Requirement

Our business is working capital intensive. Considering the existing and future growth, the total working capital needs of our Company (as assessed based on the internal workings of our Company) is expected to reach Rs. [●] Lakhs for FY 2018-19. The Company has sanctioned the working capital Limit from Axis Bank amounting Rs. 1400.00 Lacs and from South Indian Bank amounting to Rs. 200 Lakhs. The balance requirement to the extent of Rs. [●] Lakhs will be met from the Net Proceeds of the Issue.

The details of our Company working capital requirement and funding of the same are based on the Restated standalone financial Statement as at March 31, 2016, March 31, 2017 and March 31, 2018 along with expected working capital requirement as at March 31, 2019.

S. No.	Particulars	Actual (Restated)			(Rs. in Lacs)
		31/03/2016	31/03/2017	31/03/2018	Estimated 31/03/2019
I	<b>Current Assets</b>				
	Trade Receivables	2,283.53	3,322.83	3,776.56	[●]
	Cash and Cash Equivalents	183.02	297.69	173.74	[●]
	Short-term Loans and Advances	850.98	858.49	1,492.85	[●]
	Other Current Assets	0.20	-	-	[●]



S. No.	Particulars	Actual (Restated)			Estimated
		31/03/2016	31/03/2017	31/03/2018	31/03/2019
	<b>Total(A)</b>	<b>3317.74</b>	<b>4479.00</b>	<b>5443.15</b>	[●]
II	<b>Current Liabilities</b>				
	Trade Payables	37.18	134.94	253.08	[●]
	Other Current Liabilities	855.43	1,358.88	1,006.73	[●]
	Short-term Provisions	4.20	52.70	43.91	[●]
	<b>Total (B)</b>	<b>896.81</b>	<b>1546.52</b>	<b>1303.72</b>	[●]
III	<b>Total Working Capital Gap (A-B)</b>	<b>2420.93</b>	<b>2932.48</b>	<b>4139.43</b>	[●]
IV	<b>Funding Pattern</b>				[●]
	Short term borrowing from Bank	1185.00	1416.32	1954.22	[●]
	Internal Accruals	1235.93	1516.16	2185.21	[●]
	<b>IPO Proceeds</b>				[●]

#### Justification:

S. No.	Particulars
<b>Inventories</b>	[●]
<b>Debtors</b>	[●]
<b>Creditors</b>	[●]

### 5. General Corporate Purposes

Our management, in accordance with the policies of our Board, will have flexibility in utilizing the proceeds earmarked for general corporate purposes. We intend to deploy the balance Fresh Issue proceeds aggregating Rs. [●] towards the general corporate purposes to drive our business growth. In accordance with the policies set up by our Board, we have flexibility in applying the remaining Net Proceeds, for general corporate purpose including but not restricted to, meeting operating expenses, initial development costs for projects other than the identified projects, and the strengthening of our business development and marketing capabilities, meeting exigencies, which the Company in the ordinary course of business may not foresee or any other purposes as approved by our Board of Directors, subject to compliance with the necessary provisions of the Companies Act.

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

### 6. To Meet the Issue Expenses

The estimated Issue related expenses includes Issue Management Fee, Underwriting and Selling Commissions, Printing and Distribution Expenses, Legal Fee, Advertisement Expenses, Registrar's Fees, Depository Fee and Listing Fee. The total expenses for this Issue are estimated to be approximately Rs. [●] Lacs which is [●] % of the Issue Size. All the Issue related expenses shall be met out of the proceeds of the Issue and the break-up of the same is as follows:

All the Issue related expenses shall be met out of the proceeds of the Issue and the break-up of the same is as follows:

Activity	(Rs. in Lacs)	% of Total Expenses	% of Total Issue size
Payment to Merchant Banker including underwriting and selling commissions, brokerages, payment to other intermediaries such as Legal Advisors, Registrars, etc and other out of pocket expenses	[●]	[●]	[●]
Printing and Stationery and postage expenses, Advertising and Marketing expenses	[●]	[●]	[●]
Statutory & other expenses	[●]	[●]	[●]
<b>Total Estimated Issue Expenses</b>	<b>[●]</b>	<b>[●]</b>	<b>[●]</b>

\*SCSBs will be entitled to a processing fee of Rs. [●]/- per Application Form for processing of the Application Forms procured by other Application Collecting Intermediary and submitted to them on successful allotment. Selling commission payable to Registered broker, SCSBs, RTAs, CDPs on the portion directly procured from Retail Individual Applicants and Non Institutional Applicants, would be [●]% on the Allotment Amount or Rs [●]/- whichever is less on the Applications wherein shares are allotted.

### **Proposed Schedule of Implementation:**

The proposed year wise break up of deployment of funds and Schedule of Implementation of Net Issue Proceeds is as under:

(Rs. in Lakhs)

S. No.	Particulars	Amount to be deployed and utilized in	
		F.Y. 18-19	F.Y. 19-20
1.	Purchase of Cash Handling Vehicles	246.20	351.72
2.	Expansion of Branch Network	143.00	226.00
3.	Repayment and pre-payment of a portion of certain outstanding indebtedness	500.00	--
4.	To meet Working Capital Requirement	[●]	--
5.	General Corporate Purposes*	[●]	--
6.	Public Issue Expenses*	[●]	--
	<b>Total</b>	<b>[●]</b>	<b>[●]</b>

\*To be finalized on determination of the Offer Price and updated in the Prospectus prior to filing with the RoC.

### **Funds Deployed and Source of Funds Deployed:**

Our Statutory Auditors M/s AGKR & Co., Chartered Accountants vide their certificate dated September 22, 2018 have confirmed that as on date of certificate the following funds have been deployed for the proposed object of the Issue:

Particulars	Amt (Rs. in Lakh)
Issue Expenses	16.17
<b>Total</b>	<b>16.17</b>

### **Sources of Financing for the Funds Deployed:**

Our Statutory Auditors M/s AGKR & Co., Chartered Accountants vide their certificate dated September 22, 2018 have confirmed that as on date of certificate the following funds have been deployed for the proposed object of the Issue:

Particulars	Amt (Rs. in Lakh)
Internal Accruals	16.17
<b>Total</b>	<b>16.17</b>

### **Appraisal**

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

### **Shortfall of Funds**

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

### **Bridge Financing Facilities**

As on the date of the Draft Prospectus, we have not raised any bridge loans which are proposed to be repaid from the Net Proceeds.

### **Monitoring Utilization of Funds**

The Audit committee & the Board of Directors of our Company will monitor the utilization of funds raised through this public issue. Pursuant to Regulation 32 of SEBI Listing Regulation 2015, our Company shall on half-yearly basis disclose to the Audit Committee the Applications of the proceeds of the Issue. On an annual basis, our Company shall prepare a statement of funds utilized for purposes other than stated in the Draft Prospectus and place it before the Audit Committee. Such disclosures shall be made only until such time that all the proceeds of the Issue have been utilized in full. The statement of funds utilized will be certified by the Statutory Auditors of our Company.

### **Interim Use of Proceeds**

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

Our Company confirms that it shall not use the Net Proceeds for buying, trading or otherwise dealing in shares of any listed company or for any investment in the equity markets or investing in any real estate product or real estate linked products.

### **Variation in Objects**

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

### **Other confirmations**

There is no material existing or anticipated transactions with our Promoter, our Directors, our Company's key Managerial personnel and Group Companies, in relation to the utilisation of the Net Proceeds. No part of the proceeds of the Issue will be paid by us to the Promoters and Promoter Group, Group Companies, the Directors, associates or Key Management Personnel, except in the normal course of business and in compliance with applicable law.

## **BASIC TERMS OF ISSUE**

### **Authority for the Present Issue**

#### **Fresh Issue**

This Issue in terms of this Draft Prospectus has been authorized by the Board of Directors pursuant to a resolution dated March 14, 2018 and by the shareholders pursuant to a special resolution passed in an Extra Ordinary General Meeting held on March 14, 2018 under section 62 (1) (c) of the Companies Act, 2013.

#### **Terms of the Issue**

The Equity Shares, being issued, shall be subject to the provisions of the Companies Act, ICDR Regulations, SCRA, SCRR, the Memorandum and Articles of Association, the terms and conditions of the Draft Prospectus, Prospectus, Application form, Confirmation of Allocation Note (“CAN”), the guidelines for listing of securities issued by the Government of India and the Depositories Act, Stock Exchange, RBI, RoC and/or other authorities as in force on the date of the Issue and to the extent applicable.

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

<b>Face Value</b>	Each Equity Share shall have the face value of Rs. 10.00 each.
<b>Issue Price</b>	Each Equity Share is being issued at a price of Rs. [●] each and is [●] times of Face Value.
<b>Market Lot and Trading Lot</b>	The Market lot and Trading lot for the Equity Share is [●] and the multiple of [●]; subject to a minimum allotment of [●] Equity Shares to the successful applicant.
<b>Terms of Payment</b>	100% of the issue price of Rs. [●] per share shall be payable on Application. For more details please refer “Terms of the Issue” beginning to page 223 of the Draft Prospectus.
<b>Ranking of the Equity Shares</b>	The Equity Shares being issued pursuant to this issued shall be subject to the provisions of Companies Act, 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 the Articles of Association</i> ” on page 273 of the Draft Prospectus.

#### **Minimum Subscription**

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

If our Company does not receive subscription of 100% of the Issue including devolvment of Underwriters within 60 (Sixty) days from the date of closure of the Issue, our Company shall forthwith refund the entire subscription amount received. If there is a delay beyond the prescribed time, our Company shall pay interest prescribed in the Companies Act, the SEBI (ICDR) Regulations and other applicable Laws, if any.

Further, In accordance with Regulation [106R] of SEBI ICDR Regulations, No allotment shall be made pursuant to the Issue, if the number of prospective allottees is less than 50 (fifty).

For further details, please refer to section titled "Terms of the Issue" beginning on page 223 of the Draft Prospectus.

## **BASIS FOR ISSUE PRICE**

Investors should read the following summary with the section titled “**Risk Factors**”, the details about our Company under the section titled “**Our Business**” and its financial statements under the section titled “**Financial Information of the Company**” beginning on page 16, 96 and 144 respectively of this Draft Prospectus. The trading price of the Equity Shares of our Company could decline due to these risks and the investor may lose all or part of his investment.

The Issue Price has been determined by the Company in consultation with the LM on the basis of the key business strengths of our Company. The face value of the Equity Shares is Rs. 10.00 each and the Issue Price is [●] which is [●] times of the face value.

### **Qualitative Factors**

Some of the qualitative factors which form the basis for computing the Issue Price are:

1. Diverse portfolio of manned guarding, cash management and E commerce management services
2. Widespread and integrated branch network in India
3. Wide and Diversified customer base
4. Experienced management and operational team
5. In-house training and development

For further details, see “Our Business – Our Competitive Strengths” beginning on page 96.

### **Quantitative Factors**

The information presented below relating to our Company is based on the Restated Financial Statements. For further details, see “Financial Information of the Company” beginning on page 144.

Some of the quantitative factors which may form the basis for calculating the Issue Price are as follows:

#### **1. Basic & Diluted Earnings per share (EPS) (Face value of Rs. 10 each), as adjusted for change in capital:**

As per the restated Standalone Financial Statements:

<b>Period ended</b>	<b>Basic (Rs.)</b>	<b>Diluted (Rs.)</b>	<b>Weights</b>
March 31, 2018	10.52	10.41	3
March 31, 2017	5.63	5.52	2
March 31, 2016	1.51	1.48	1
<b>Weighted Average</b>	<b>7.39</b>	<b>7.29</b>	
June 30, 2018 (Not annualized)	<b>2.76</b>	<b>2.76</b>	

Notes:

- I. The figures disclosed above are based on the restated financial statements of the Company.
- II. The face value of each Equity Share is Rs. 10.00.
- III. Earnings per Share has been calculated in accordance with **Accounting Standard 20 – “Earnings per Share”** issued by the Institute of Chartered Accountants of India.
- IV. The above statement should be read with **Significant Accounting Policies and the Notes to the Restated Financial Statements as appearing in Annexure IV.**
- V. The ratios have been computed as below:
  - Basic EPS (in Rs.) = Net profit after tax as restated, attributable to equity shareholders divided by weighted average number of equity shares outstanding
  - Diluted EPS (in Rs.) = Net profit after tax as restated, divided by weighted average number of diluted equity shares outstanding during the year

#### **2. Price Earning (P/E) Ratio in relation to Price of ₹ [●] per Equity Share:**

Particulars	P/E
Based on basic EPS for the year ended March 31, 2018 on an standalone basis	[•]
Based on the Weighted Average EPS on an standalone basis	[•]

### 3. Average Return on Net worth (RoNW)\*

As per Restated Financial Statements:

Period	RONW (%)	Weights
March 31, 2018	23.82	3
March 31, 2017	16.57	2
March 31, 2016	5.33	1
<b>Weighted Average</b>	<b>18.32</b>	
June 30, 2018 (Not annualized)	5.94	

\*Return on Net worth (%) = Restated Profit after tax/Net Worth as restated

### 4. Minimum Return on Net Worth after Issue to maintain Pre-Issue EPS

- (a) Based on Basic and Diluted EPS, as restated of FY 2017-18 at the Issue price of Rs. [•] per share:
- [•]
- (b) Based on Weighted average Basic and Diluted EPS, as restated of FY 2017-18 at the Issue price of Rs. [•] per share:
- [•]

### 5. Net Asset Value (NAV) per Equity Share (Face Value ₹ 10 each) :

As at	NAV (Rs.)
March 31, 2018	44.17
March 31, 2017	33.99
March 31, 2016	28.39
At Issue Price	[•]
June 30, 2018	46.46

Net Asset Value per Equity Share = Net Worth at the end of the period/year divided by Number of Equity Shares outstanding at the end of year/period (as adjusted).

### 6. Comparison of Accounting Ratios with Industry Peers

S No	Name of Company	Face Value (Rs.)	EPS (Rs.)	PE	RoNW (%)	Book Value (Rs.)
1.	Security And Intelligence Services India Ltd	10	22.14	41.91	21.91	138.38
2.	Shiva Industrial Security (Gujarat) Limited	10	10.52	[•]	23.82	44.17

<sup>1</sup>\*Source: ACE Equity data dated September 28, 2018

<sup>2</sup>Based on March 31, 2018 restated financial statements

<sup>3</sup>Basic & Diluted Earnings per share (EPS), as adjusted

<sup>4</sup>Price Earning (P/E) Ratio in relation to the Issue Price of [•] per share

<sup>5</sup>Book Value has been calculated based on the weighted average number of shares of the company.

Considering the nature of business of the company the peers are not strictly comparable, however same have been included for board comparison.

### 7. The Issue price is [•] times of the face value of the Equity Shares.

The Issue Price of Rs. [•] has been determined by our Company in consultation with the LM, is justified in view of the above qualitative and quantitative parameters. The investors may also want to peruse the risk factors and financials of the Company



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

Investors should read the above mentioned information along with "**Risk Factors**", "**Our Business**", "**Management's Discussion and Analysis of Financial Condition and Results of Operations**" and "**Financial Information of the Company**" on pages 16, 96, 181 & 144, respectively, to have a more informed view. The trading price of the Equity Shares could decline due to the factors mentioned in the "**Risk Factors**" and you may lose all or part of your investments.

**STATEMENT OF TAX BENEFITS**

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

The Board of Directors  
Shiva Industrial Security Agency (Gujarat) Limited  
Sameer Complex, R S No 71, Navsarjan Society GIDC,  
Pandesara, Surat, Gujarat

Dear Sirs,

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

We hereby confirm that the enclosed annexure, prepared by Shiva Industrial Security Agency (Gujarat) Limited ('the Company') states the possible special tax benefits available to the Company and the shareholders of the Company under the Income – tax Act, 1961 ('Act') or any other law, presently in force in India. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the Act. Hence, the ability to derive the tax benefits is dependent upon fulfilling such conditions, which based on the business imperatives, the company may or may not choose to fulfil.

The benefits discussed in the enclosed Annexure cover only special tax benefits available to the Company and do not cover any general tax benefits available to the Company. Further, these benefits are not exhaustive and the preparation of the contents stated is the responsibility of the Company's management. We are informed that this statement is only intended to provide general information to the investors and hence is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences, the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the issue.

Our confirmation is based on the information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company.

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

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

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

**For AGKR & Co.**

*Chartered Accountants*

**Firm Registration No.: - 00470C**

**Kushal Ashok Surana**

*Partner*

Membership No. 154729

Place: Surat, Gujarat

September 24, 2018

## ANNEXURE

### Statement of Possible Special Tax Benefits available to the Company & its Shareholders under the Income tax Act, 1961 ('Act') or any other tax law presently in force in India

#### PART A

##### I. Benefits available to the Company

There are no special tax benefits available to the Company except for the benefit mentioned below:-

The company is entitled to claim deduction of benefit under chapter VIA of The Income Tax, 1961 u/s 80JJAA - Employment of New Workman. Section 80JJAA states that "Where the gross total income of an assessee to whom section 44AB applies, includes any profits and gains derived from business, there shall, subject to the conditions specified in sub-section (2), be allowed a deduction of an amount equal to thirty per cent of additional employee cost incurred in the course of such business in the previous year, for three assessment years including the assessment year relevant to the previous year in which such employment is provided."

The company has claimed the deduction benefit of Rs. 223.52 Lacs under the said section in Financial Year 2017-18, relevant Assessment Year 2018-19.

##### II. Benefits available to the Shareholders

There are no special tax benefits available to the shareholders of the company.

**For AGKR & Co.**

*Chartered Accountants*

**Firm Registration No.: - 00470C**

**Sd/-**

**Kushal Ashok Surana**

*Partner*

Membership No. 154729

Place: Surat, Gujarat

## SECTION IV – ABOUT THE ISSUER COMPANY

### INDUSTRY OVERVIEW

#### **Global Economic Scenario**

The past decade has been characterized by fragile growth, high investor uncertainty and periodic spikes in global financial market volatility. As crisis-related fragilities and the adverse effects of other recent shocks gradually subside, the world economy has strengthened. Towards the end of 2016, global economic activity began to see a modest pickup, which extended into 2017.

World industrial production has accelerated, in tandem with a recovery in global trade that has been predominantly driven by stronger demand in East Asia. Confidence and economic sentiment indicators have also generally strengthened, especially in developed economies.

Investment conditions have improved, amid stable financial markets, strong credit growth, and a more solid macroeconomic outlook. In 2017, global economic growth is estimated to have reached 3.0 per cent when calculated at market exchange rates, or 3.6 per cent when adjusted for purchasing power parities — the highest growth rate since 2011. Currently, all major developed economies are experiencing a synchronized upturn in growth. Compared to the previous year, growth strengthened in almost two thirds of countries worldwide in 2017.



(Source: [https://www.un.org/development/desa/dpad/wp-content/uploads/sites/45/publication/WESP2018\\_Full\\_Web-1.pdf](https://www.un.org/development/desa/dpad/wp-content/uploads/sites/45/publication/WESP2018_Full_Web-1.pdf))

At the global level, world gross product (WGP) is forecast to expand at a steady pace of 3.0 per cent in 2018 and 2019. Developing economies remain the main drivers of global growth. However, stronger economic activity has not been shared evenly across countries and regions, with many parts of the world yet to regain a healthy rate of growth.

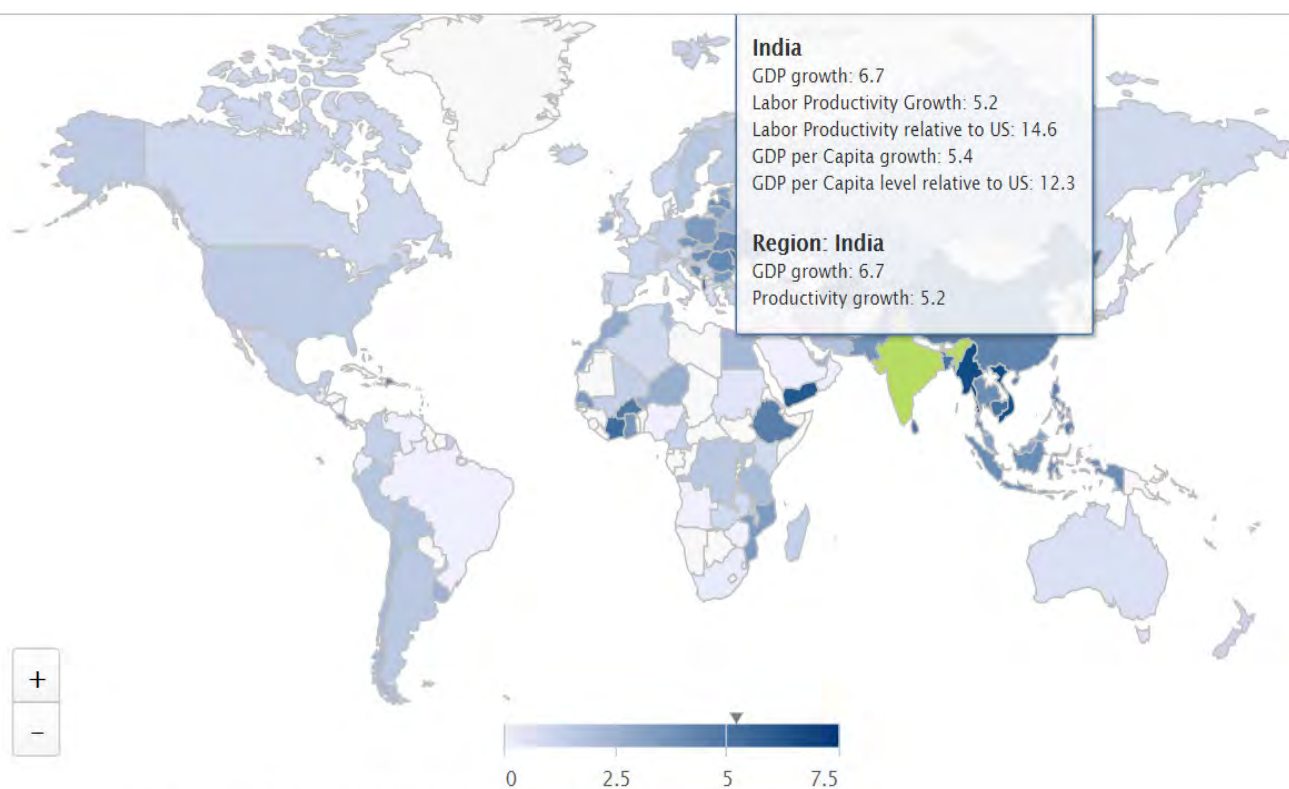
Global growth is firming, contributing to an improvement in confidence. A recovery in industrial activity has coincided with a pickup in global trade, after two years of marked weakness (Figure 1.1). In emerging market and developing economies (EMDEs), obstacles to growth among commodity exporters are gradually diminishing, while activity in commodity importers remains generally robust. As a result, and despite substantial policy uncertainty, global growth is projected to accelerate to 2.7 percent in 2017, up from a post-crisis low of 2.4 percent in 2016, before strengthening further to 2.9 percent in 2018-19, broadly in line with January projections.

## Indian Economic Overview

India remains the fastest growing economy in the world - economic fundamentals are strong, and reform momentum continues. The fundamentals of the Indian economy remain strong, with robust economic growth, strong fiscal consolidation, low current account deficit, higher agricultural output, growing FDI, low inflation and higher wages in rural areas. Timely and smooth implementation of landmark reforms such as the GST and a new code to deal with bankruptcies, as well as decisive action to resolve the NPA challenge of public sector banks, is crucial to enhance the economy's potential growth.

Despite the slowdown observed in early 2017 and the lingering effects from the demonetization policy, the outlook for India remains largely positive, underpinned by robust private consumption and public investment as well as ongoing structural reforms. GDP growth slowed to 7.0 per cent year-on-year (y/y) during the third quarter of 2016-2017 from 7.3 percent in the first quarter.

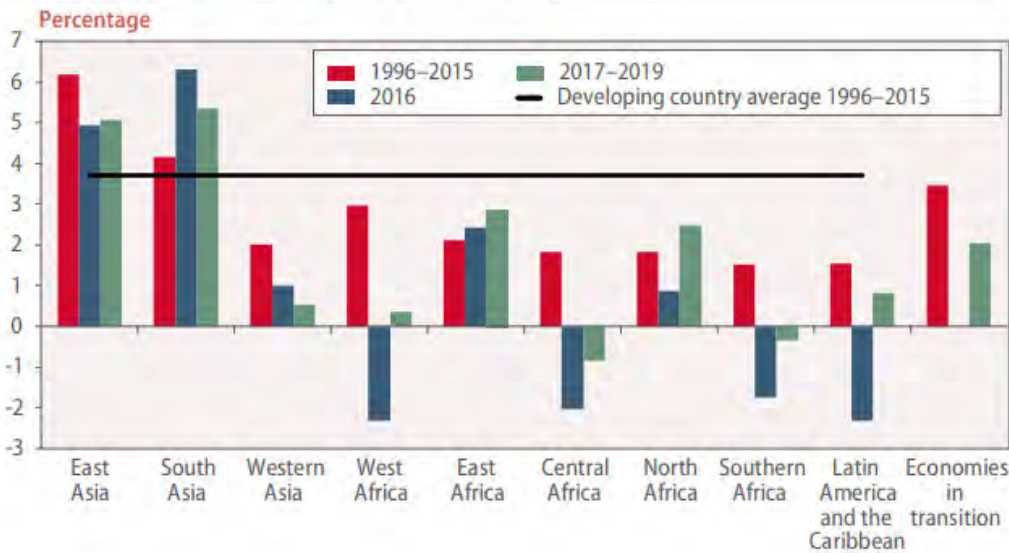
As a result, after a modest slowdown in the GDP growth in FY 2016-2017 of 6.8 percent, the growth is expected to recover in FY 2017-2018 to 7.2 percent and is projected to gradually increase to 7.7 percent in FY 2018-2019.



(Source: <https://www.conference-board.org/data/economydatabase/>)

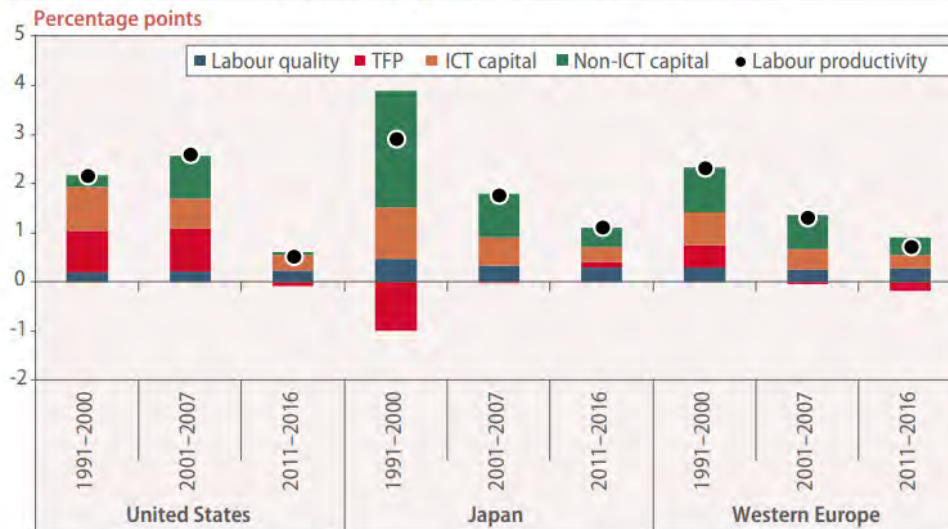
## GDP Growth in Percentage

Average annual GDP per capita growth by region



Source: UN/DESA, based on United Nations Statistics Division National Accounts Main Aggregates Database, United Nations Population Division World Population Prospects and UN/DESA forecasts.

Contribution to labour productivity growth in developed economies



Source: UN/DESA, based on data from The Conference Board Total Economy Database™, May 2017 Update.

Inflation prospects remain benign across the region. Consumer price inflation reached a multi-year record low of 4.9 per cent in 2017, due to relatively low commodity prices, waning depreciation pressures and good harvest seasons in most countries that have supported lower food prices, notably in India. In 2017, inflation declined to record lows in India and Nepal, while it remained relatively muted in comparison to historical figures in Pakistan, Bangladesh and the Islamic Republic of Iran.

## Labour Productivity Growth

Labor productivity growth saw a modest improvement for the aggregate of emerging markets and developing countries in 2016, despite largely unchanged output and employment growth rates. This is because regional employment shares are



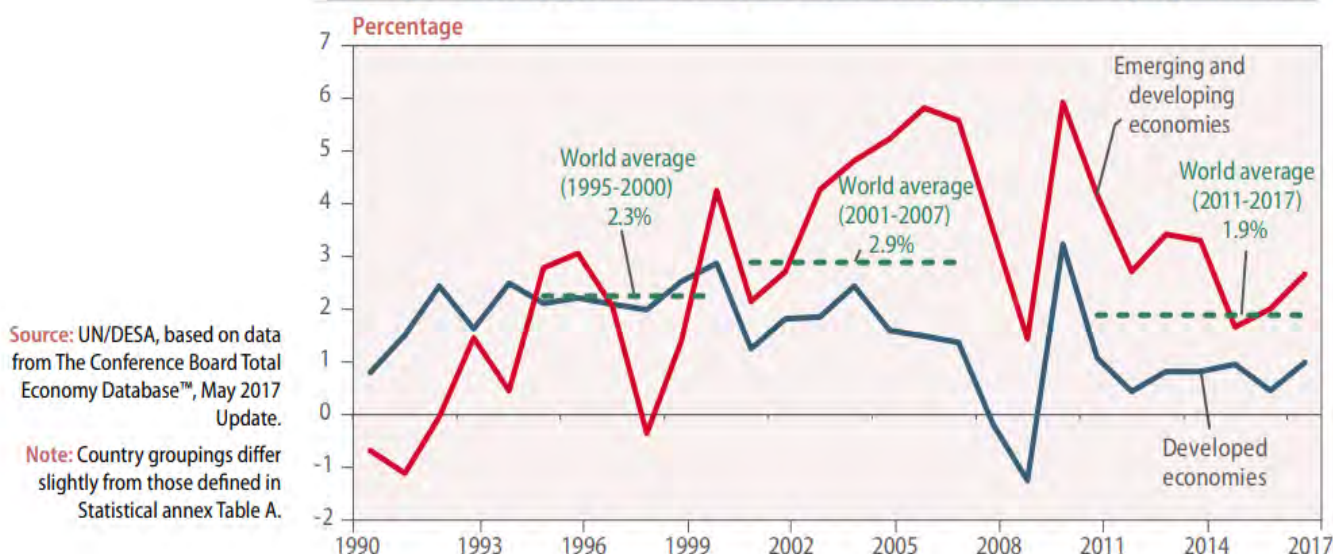
shifting from countries like China, whose share in regional GDP is increasing, to regions like the Middle East and Africa, where output shares are shrinking or stagnating.

India experienced a modest slowdown in labor productivity growth in 2016 as output growth weakened, but remained among the highest growth rates in the region. Moreover, TFP growth rates were positive and strengthened as India's input growth (especially capital) slowed substantially in 2016. Overall the projection for labor productivity growth in 2017 in emerging markets shows a strengthening trend, in all regions except in Middle East and North Africa, though it remains well below its long-term trend.

The improvement in the world economy since mid-2016 has been accompanied by a moderate pickup in productivity growth. After growing by only 1.3 per cent in both 2015 and 2016, global labour productivity is projected to increase by 1.9 per cent in 2017. The recent upturn in productivity growth has been geographically broad-based, with most developed, developing and transition economies posting gains.

In developing and transition economies, average productivity growth has also improved notably over the past two years, rising from 1.7 per cent in 2015 to an estimated 2.7 per cent in 2017. For the first time since 2011, all regions are expected to record positive labour productivity growth. Despite a modest recovery, however, growth in Africa and Latin America and the Caribbean is still subdued. Furthermore, average productivity growth in these regions remains far lower than in Asian economies, including China and India.

**Labour productivity growth, developed versus emerging and developing economies**



(Source: [https://www.un.org/development/desa/dpad/wp-content/uploads/sites/45/publication/WESP2018\\_Full\\_Web-1.pdf](https://www.un.org/development/desa/dpad/wp-content/uploads/sites/45/publication/WESP2018_Full_Web-1.pdf))

## Security Services Industry

The private security industry is a crucial component of security and safety all over the world. The industry was born in the 60's with a handful of players. According to industry sources today, private security is responsible not only for protecting many of the nation's institutions and critical infrastructure systems, but also for protecting intellectual property and sensitive corporate information. Companies also rely heavily on private security for a wide range of functions, including protecting employees and property, conducting investigations, pre-employment screening, providing information technology security, and many other functions.

The private security industry has assumed a more critical role in recent years. It is essential to ensure the security and safety of persons and property, as well as intellectual property and sensitive corporate information. It was the opportunity and nature



of the private security industry which enabled employment to a hitherto large section of the populace, which, if not employed in this industry, may have remained outside the fold of formal employment. It is in this sense that contribution of the private security industry to employment generation in India is unique.

With the exponential growth of the Indian economy over the last two decades, the need for security arrangements of industrial complexes, offices, IT parks and other public infrastructures such as airports, metro stations, shopping malls and public utilities has grown manifold. In order to meet this demand, the industry has significantly scaled its operational capabilities to supplement government machinery towards maintaining safety and security of citizens and their assets. The private security industry in India is estimated to be INR 350 billion, is expected to grow exponentially at a CAGR of 20 per cent, operating across 550 districts, directly employing more than 60 lakh individuals, notably finding traction from the youth population of the BPL category as an employment opportunity. This is indeed a sunrise sector, with potential to be the second-largest employment generator and a major source of revenue for the exchequer by way of taxes.

The industry growth could be attributed to the key drivers like growing urbanization and increasing insecurity, mushrooming of shopping malls and self contained townships, frequent terror attacks, shortage of police personnel and last but not the least security agency itself being a profitable business. A more economic justification for engaging private security is that insurance companies particularly fire insurance carriers will give substantial discount to sites as presence of security reduces odds of incidence.

The security industry is a large and expanding area of the economy with an estimated global market worth of 173 billion USD. The private security industry in India, valued at 570 billion INR is also promising. The safety and security industry in India is still at a nascent stage and is poised for a strong growth, in the years ahead. The industry is dominated largely by the unorganized sector which accounts for a larger share in the market. The Indian security equipment and services market is primarily driven by the rapid urbanization and the ongoing globalization wherein, the need for robust and updated security technologies is gaining momentum with each passing day.

India is estimated to be amongst the top 10 security markets in the world by 2020, which leads to significant opportunities to be leveraged. Besides adding to the economy, it has the potential to become an extended arm of law enforcement authorities. It is the most buoyant, emerging and fastest growing market in the world. The flourishing economy and rapid growth in sectors such as airports, construction, energy, ports, telecom, railways, road and retail, coupled with the influx of multinational companies has been the primary driving force for creating demand for the security industry. The unprecedented terrorism incidents in the recent times and ever increasing crime rates have triggered the demand for security and surveillance products.

Growing urbanization, coupled with retail boom and increasing concerns regarding security has led to a rise of organizations catering to the private security segment in the country. Development of infrastructure and industries, residential complexes offers a sea of opportunities to the growing security industry. Government initiatives such as the development of 100 smart cities and 'Make in India' campaign will add to the overall growth of the industry,

(Source: <https://www.export.gov/article?id=India-Safety-and-Security>)

The private security industry is one of the largest employers in India and is continuously growing. The private security industry is amongst the largest employers in India, employing almost 8.5 million people and has the potential to employ 3 million more people by 2020. Manned Security Service accounts for the largest share of security services market with maximum employment and contributing approximately 75-80 percent share in revenues followed by Cash Security Services with 20-25 percent business share.

The 570 billion<sup>4</sup> INR private security industry in India is likely to witness rapid expansion, with the market share going up to 990 billion INR by 2020. Government policies like making guards in schools and ATMs mandatory and mandatory installation of CCTV cameras at various locations have also accelerated the demand for private security guards in the country. Considering the growing demand for security services, security firms in India are seeking capital to expand their business.

### **The challenges faced by the security industry**

1. **PSARA 2005 implementation and licensing related issues:** The Private Security Agencies (Regulation) Act 2005 was passed by the parliament. However the states implement this act as per their requirements, based on state-specific guidelines. Regulatory conditions are different in every state thus makes the uniform management practices difficult. Prospective private security agency faces delays in granting license to start a security agency. For the ease of doing business, there could be one nodal department which the private agencies can contact for the sub-segments.
2. **Compliance requirements & Labour Laws:** Increasing compliance related requirements such as training and minimum wages will lead to escalation of costs. They will also reduce the attractiveness of certain opportunities for leading players, where the unorganized sector, with low compliance costs, will be more cost competitive. Currently security guards are being classified as semiskilled workers. Whereas, a security guard and supervisors performs skilled jobs at many security sensitive establishments like airports, IT parks, metro stations and luxury hotels etc.
3. **Ownership and management restrictions:** Currently, Foreign Direct Investment is allowed only up to 49 percent in the security services industry. Some of the leading players have suggested to increase the FDI limit, so as to have more funds for their growth plans.
4. **Workmen related problems:** Private security officers are expected to provide similar nature of services to their counterparts in the police forces. However, the salary paid to them is much lower than their counterparts and inadequate social security and training. Despite providing highly skilled services, private security person draws minimum wages for the semi-skilled category. This is needed to be corrected to attract much skilled and experienced workforce for better end results.

(Source: <http://ficci.in/PressRelease/2198/ficci-press-dec2-hls.pdf>)

## OUR BUSINESS

*Some of the information in the following section, especially information with respect to our plans and strategies, contain certain forward-looking statements that involve risks and uncertainties. You should read the section entitled “Forward Looking Statements” on page 14 for a discussion of the risks and uncertainties related to those statements and the section entitled “Risk Factors” on page 16 for a discussion of certain risks that may affect our business, financial condition, or results of operations. Our actual results may differ materially from those expressed in, or implied by these forward-looking statements.*

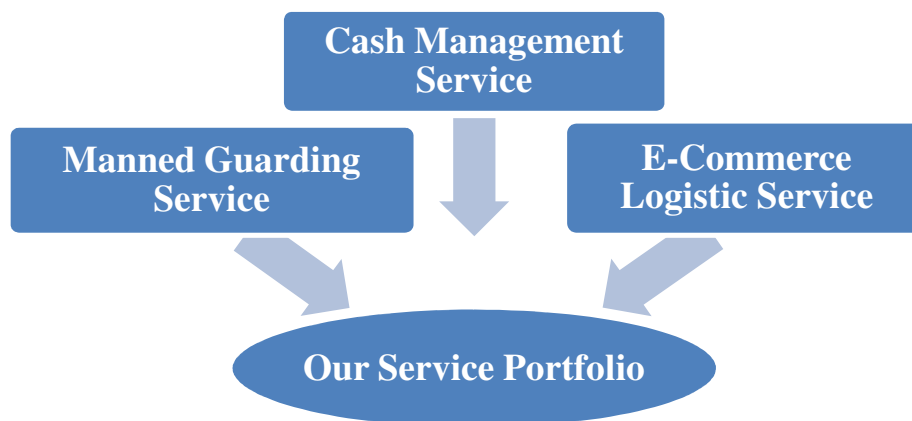
*Unless otherwise stated, or the context otherwise requires, the financial information used in this section is derived from our Restated Financial Statements included in this Draft Prospectus on page 144.*

### Overview

We are an ISO 9001:2008 Certified Company providing Manned guard Services, Cash Management Service and E-Commerce logistics services in India. We have created a niche for ourselves in the market since the commencement of our operations during the past decades. We have developed our portfolio of services in order to cater to the needs of diverse consumer segments including, business entities, Government organizations and households, and to leverage the growth and potential security needs of such customer segments in India. To serve our esteemed clients in the most effective manner we have fully operational 18 Branches at an all India level and 5 Regional Offices situated at Ahmedabad, Bangalore, Mumbai, New Delhi and Kolkata.

Our Company was incorporated in the year 1997 with a view to provide security services to businesses across various sectors. Since incorporation we have been involved in the business of providing the manned guarding service. Subsequently in the 2007, sensing the opportunity in the Cash management service, we added Cash management service in our portfolio of service. During the year 2015-16, we further expanded our operations by diversifying into the business of E-Commerce Logistic services.

Our portfolio of services includes:



1. **Manned Guarding Service:** -We provide comprehensive security services solution to our customers in India. Our security services comprise of providing security solutions which ranges from, including planning and deployment deploying of security guards, security officers, armed guards, firemen, dog handlers, investigation works investigators, event security services and command and control centre employees. As on August 31, 2018, our security services business employed around 5000 security guards which are servicing around 1100 customers. Our key customers in India include leading businesses in and across various wide range of sectors such as banking and financial services, IT/ ITeS information technology and telecom, automobile, steel and heavy industries, governmental undertakings, hospitality and real estate, utilities, educational institutions, healthcare, consumer goods, manufacturing, engineering and construction.

We also provide security services to several Government organizations and public sector undertakings in India. The following table sets forth information pertaining to revenue earned from our security services business segment in India for the periods indicated:

Particular	Revenue from operations (Rs. in lakhs)					
	Fiscal Year 2018		Fiscal Year 2017		Fiscal Year 2016	
	Amount	Amount	Amount	% of total	Amount	% of total
Revenue from operations	8695.44	73.07	6064.64	68.57	4163.36	72.54
Percentage of total revenue	<b>11900.79</b>	<b>100.00</b>	<b>8844.72</b>	<b>100.00</b>	<b>5739.42</b>	<b>100.00</b>

2. **Cash Management Service:** - Our cash management service business consists of the following heads of operations: (a) cash in transit, including cash handling, cash collection and delivery, transportation of bank notes, coins and other valuables, (b) doorstep banking, including pickup and delivery of cash, coins and any other valuables as well as cash processing, (c) ATM related services including Machine Installation & Maintenance, Cash Replacements, Cash Cycle Management & Load Forecasting, Defect Prevention and update existing programmes, Depository Collection, Processing & Banking, Intelligent Lock Installation & Management, Alarm Response Services etc. Through our cash management service we serve a diverse set of clients which include leading banks, financial institutions, the organized retail industry and jewelry processing units, thus reducing our reliance on any particular set of customers or business segments. The following table sets forth information pertaining to the revenue relating to our cash management business in India for the periods indicated:

Particular	Revenue from operations (Rs. in Lakhs)					
	Fiscal Year 2018		Fiscal Year 2017		Fiscal Year 2016	
	Amount	Amount	Amount	% of total	Amount	% of total
Revenue from operations	2619.45	22.01	2144.04	24.24	1471.72	25.64
Percentage of total revenue	<b>11900.79</b>	<b>100.00</b>	<b>8844.72</b>	<b>100.00</b>	<b>5739.42</b>	<b>100.00</b>

3. **E-Commerce Logistics Service:** - Our E-Commerce operation handles the last Mile (final movement of the goods to the customers) and the First Mile operations (movement of the goods from the E-commerce companies to couriers for delivery) for the E-Commerce Companies. Our company has its own fleet of Vehicles with Field executives, which are provided to E-Commerce Company to handle their First and Last Mile operations. The Major clientele is Flipkart, Grofers, DTDC and First Flight. The following table sets forth the information pertaining to the revenue relating to our E-Commerce logistic business in India for the periods indicated:

Particular	Revenue from operations (in Rs. Lakhs)					
	Fiscal Year 2018		Fiscal Year 2017		Fiscal Year 2016	
	Amount	% of total	Amount	% of total	Amount	% of total
Revenue from operations	585.90	4.92	636.04	7.19	104.34	1.82
Percentage of total revenue	<b>11900.79</b>	<b>100.00</b>	<b>8844.72</b>	<b>100.00</b>	<b>5739.42</b>	<b>100.00</b>

The revenue from the Major clientele in E-Commerce logistics business:-

(in Rs. Lakhs)

Sr. No.	Customer Name	2018		2017		2016	
		Amount	% of total	Amount	% of total	Amount	% of total
1.	Flipkart	151.97	30.33	449.57	70.7	104.34	100
2.	Grofers,	4.81	0.96	21.82	3.4	-	-
3.	DTDC	36.63	7.24	38.87	6.1	-	-
4.	First Flight	5.33	1.06	8.01	1.3	-	-

We have set up an extensive employee platform which spans recruitment, customized training and development, deployment, incentivization and management of personnel. We have deep geographical reach for manpower sourcing and training and currently operate our own training of such manpower. Presently we operate our own training Institute situated next to our Corporate Office at Surat where our security services personnel undergo extensive physical and classroom training. We employ man power from all over India. We have appointed our Area Officers in the selected districts of our country for the

same. These Area Officers also re-employ Ex-servicemen through Zila Sainik Welfare Boards and State Ex-servicemen Association. We have kept Ex-Army staff to train civilian boys in security, fire fighting and first aid duties.

Our Promoters, Major Sushil Kumar Sharma (retd.), Mr. Sameer Sharma have over two decades of experience in operating our business. In addition, we are led by a well-qualified and experienced management team, which we believe has demonstrated its ability to manage and grow our operations organically and also acquire and integrate businesses. For further details see "Our Management" on page 120 of this Draft Prospectus. We have been benefited from the strategic inputs and support of our Promoters who are also the Directors of our company. Our promoter have established our company with a view to provide security cover to Industrial Units, shopping complexes, Apartments, Hospitals and other properties with trained and motivated Ex-servicemen as well as civilian security staff and has given two mottos i.e. "EVER ALERT" & "BORN TO PROTECT".

Our revenue from operations (gross) was Rs. 11900.79 lakhs, Rs. 8844.72 lakhs and Rs. 5739.42 lakhs during the fiscals 2018, 2017 and 2016 respectively and Rs. 2843.29 Lakhs for the three months period ending June 30, 2018, in terms of our Restated Financial Statements. The profit after tax of our company as per the restated financial statements for the fiscal 2018, 2017 and 2016 is Rs. 770.85 lakhs, Rs. 408.46 lakhs and Rs. 109.61 lakhs respectively and Rs. 204.53 Lakhs for the three months period ending June 30, 2018.

### **Our Competitive Strengths**

We believe that the following are our primary competitive strengths:

#### ***1. Diverse portfolio of manned guarding, cash management and E commerce management services***

Our diverse portfolio of services comprises of security services, cash management services and E commerce logistic management services. Our security services range from providing trained security personnel for general guarding to specialized security roles in India. Our cash logistics business includes services such as cash in transit including transportation of bank notes and other valuables, doorstep banking as well as cash processing, ATM related services including ATM replenishment and first line maintenance and safekeeping, and vault related services for bullion and cash. We also provide E commerce logistic services which include first mile and last mile connectivity for the E-commerce companies.

We believe that our extensive portfolio of services enables us to grow our customer relationships and scope of engagements and serve as a single point of contact for multiple services, driving high customer retention. Our multiple service offerings allow us to derive operational efficiencies, by centralizing certain key functions such as finance and sales and also certain other administrative functions. Given our operational experience, we believe that we have developed in-house expertise to handle all stages of deployment and management and cater to the varying requirements of our customers, which has enabled us to grow our market share and instill our customers with confidence in our ability to address their diverse and dynamic business needs.

#### ***2. Widespread and integrated branch network in India***

We have 18 branches in India, which cover 9 states and rendered security services at around 1100 customer premises, giving us a nation-wide presence and reducing our dependence on any one particular region. We believe that locating our branches in proximity to our customer premises is a significant factor for success in our business and our widespread branch network results in greater focus to our customers. At the same time, by offering different services under one roof have enable us to offer services to customers who prefer a single service provider for their operations.

We believe knowledge sharing across our branches and business segments enables sales lead generation and development of location specific know-how for particular geographical areas. Further, we believe that through our extensive branch infrastructure, we have been able to gain economies of scale, which allow us to provide efficient and cost-effective solutions to our customers.

#### ***3. Wide and Diversified customer base***

We provide our manned guarding services to several customer segments such as business entities, Government organizations, Industries, Hospitals, Shopping, Malls and households. These customer segments range across a variety of industries and

sectors, which include banking and financial services, IT/ ITeS and telecom, automobile, steel and heavy industries, governmental undertakings, hospitality and real estate, utilities, educational institutions, healthcare, consumer goods, engineering and construction, which reduces our vulnerabilities to economic cycles and dependence on any particular set of customers. We believe our ability to offer our manned guarding services to fit the needs of our customers across our various business segments allows us to deepen our relationships with our customers and enables us to target a greater share of their requirements. We believe that we have been able to retain existing customers and attract new customers because of our brand, strong market position and delivery of quality services.

#### ***4. Experienced management and operational team***

Our Promoters, Major Sushil Kumar Sharma (retd.) and Mr. Sameer Sharma have over two decades of experience in operating our business. Major S. K. Sharma Chairman has served Indian Army for around 23 years. He also has experience of Industrial Security, Fire Fighting and Military Intelligence. He also has in-depth practical knowledge and experience of training and motivating for guarding sensitive defence installations. Mr. Sameer Sharma is a Nautical Science graduate and has served in Merchant Navy as 2nd officer for eight years. In addition, we are led by a well-qualified and experienced management team, which we believe has demonstrated its ability to manage and grow our operations organically and also acquire and integrate businesses. For further details please refer chapter “Our Management” on page 120 of this Draft Prospectus.

#### ***5. In-house training and development***

We have set up an extensive employee platform which spans recruitment, customized training and development, deployment, incentivization and management of personnel. We have setup our own training Institute situated next to our Corporate Office at Surat “SISA Management Training Institute”. Our security services personnel undergo extensive physical and classroom training at our training institute. We employ man power from all over India. We have appointed our Area Officers in the selected districts of our country for the same. These Area Officers also re-employ Ex-servicemen through Zila Sainik Welfare Boards and State Ex-servicemen Association. We have kept Ex-Army staff to train civilian boys in security, fire fighting and first aid duties. We believe that our personnel recruitment and training initiatives drive employee loyalty and retention and quality assurance, and ensure that we deliver uniform services to our customers.

### **Our Strategies**

#### ***1. Leveraging our capabilities and growing our business***

We intend to cater to the increasing demand of our existing customers and also to increase our existing customer base by enhancing our reach to different parts of the country and to new/different customer in new industries. We also propose to provide our customer with the best services which will help us in maintaining and establishing cordial relationship with customers. We also want to enhance our presence in additional regions which will enable us to reach out to a larger population.

#### ***2. Improving operational efficiencies***

Increasing our operational efficiencies result not only in increased customer satisfaction which will as a result improve our margins and profitability. Further, we plan to increase our productivity by leveraging our network to realize economies of scale, improving our processes and planning. We also plan to continue to focus on cost management, as well as optimizing the cost, improve connectivity and communication across our branches and operations and with our customers, to further increase efficiencies and productivity.

#### ***3. Develop and maintain relationships with our Customers***

We believe in maintaining good relationship with our Customers which is the most important factor to keep our Company growing. Our dedicated and focused approach and efficient and performance has helped us build strong relationships over a number of years. Based on our performance we are entrusted by our customers. For us, establishing strong, mutually beneficial long-term relationships with our customer is a critical step in improving performance and enabling the business to grow and develop.



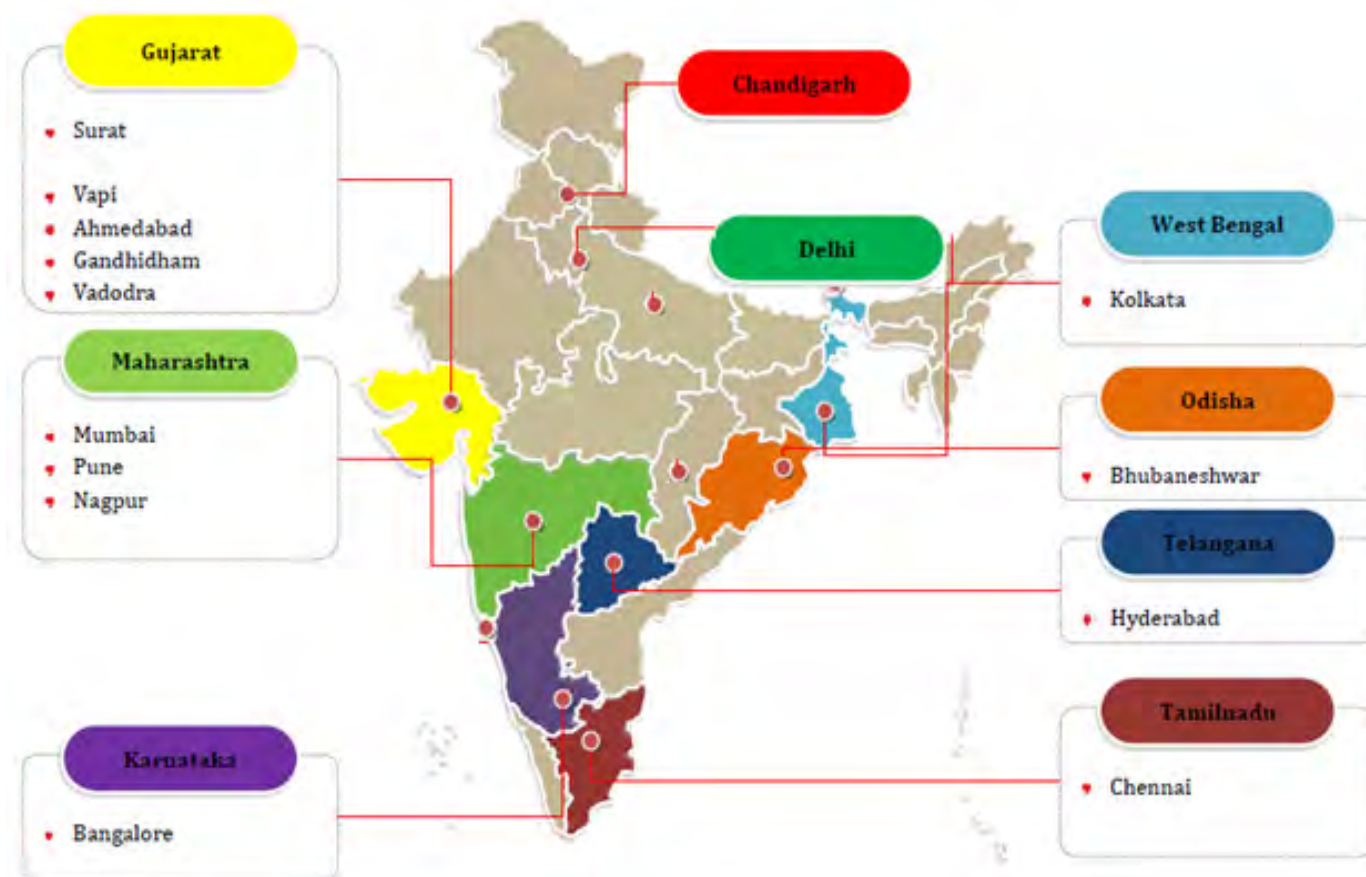
#### 4. Enhancing our organizational capabilities

We aim at providing to our employees a compelling place to work and striving to attract the best talent in the industry by focusing on our employees' development, retention and contribution to our success. We believe that this, together with providing our with comprehensive training and development resources on ongoing and as-needed basis, benefits our employees and creates efficiencies within our business by improving the ability of our employees to perform their jobs. We have SISA Management Training Institute, which focuses on enhancing the skills and knowledge of our workforce in areas relevant to our business. We also plan to continue to focus on diversity in hiring, health programs for our employees and offering specialized safety programs to our workforce to ensure they conduct their jobs safely and efficiently.

#### Our Presence

The registered and corporate office of our company is situated at SISA House, Sameer Complex, RS No. 71, Navsarjan Society, Pandesara, Surat. We have also established our own training institute "SISA Management Training Institute" for our employees which are located at Surat.

We have an established branch network in India consisting of 18 branches and rendered security services at around 1100 customer premises.



#### Revenue from Operations from our Business Lines

The following table sets forth our revenue from operations from our business lines for the periods indicated:

Particular	Revenue from operations (Rs. in Lakhs)		
	Fiscal Year 2018	Fiscal Year 2017	Fiscal Year 2016



	Amount	% of total	Amount	% of total	Amount	% of total
Manned Guarding Service	8,695.44	73.07	6064.64	68.57	4163.36	72.54
Cash Handling Service	2,619.45	22.01	2144.04	24.24	1471.72	25.64
Logistic Management Service	585.90	4.92	636.04	7.19	104.34	1.82
<b>Total</b>	<b>11900.79</b>	<b>100.00</b>	<b>8844.72</b>	<b>100.00</b>	<b>5739.42</b>	<b>100.00</b>

## Our Clients

We believe in maintaining long-term relationships with our key customers. Our customers operate across a variety of industries and sectors, which include banking and financial services, IT sector, telecom, automobile, steel and heavy industries, governmental undertakings, hospitality and real estate, utilities, educational institutions, healthcare, consumer goods, engineering and construction. We believe our ability to offer our security, cash management and E Commerce Logistic services under one roof to fit the needs of our customers across our various business segments allows us to deepen our relationships with our customers. Some of our esteemed clients are Adani Wilimar Ltd, Bank of Baroda, Allahabad Bank, Federal bank, HDFC Bank, Chemisynth, C S Speciality, Gateway Distripark, German Express, GIPCL, GMDC, MALCO – Chennai, Micro Ink, Reliance Re Logistics, Saurabh Society – Vapi, Torrent Power and Uttam Steel.

Below are the details of the revenue generated from mentioned customers in financial year 2018, 2017 and 2016:-

(in Rs lakhs)

Sr. No.	Customer Name	2018		2017		2016	
		Amount	% of total	Amount	% of total	Amount	% of total
1	Adani Wilimar Ltd	0.00	0.00	54.48	0.62	192.32	3.35
2	Bank of Baroda	1064.54	8.95	927.61	10.49	652.30	11.37
3	Allahabad Bank	88.13	0.74	2.62	0.03	0.00	0.00
4	Federal bank	338.26	2.84	332.46	3.76	373.35	6.51
5	Chemisynth	9.08	0.08	8.23	0.09	8.04	0.14
6	C S Speciality	14.75	0.12	13.17	0.15	12.32	0.21
7	Gateway Distripark	82.64	0.69	78.45	0.89	62.83	1.09
8	German Express	23.55	0.20	80.68	0.91	88.29	1.54
9	GIPCL	0.00	0.00	0.00	0.00	180.59	3.15
10	GMDC	0.00	0.00	0.00	0.00	87.78	1.53
11	MALCO – Chennai	133.74	1.12	117.70	1.33	132.42	2.31
12	Micro Ink	0.00	0.00	140.88	1.59	125.70	2.19
13	Reliance Re Logistics	83.10	0.70	587.68	6.64	394.28	6.87
14	Saurabh Society – Vapi	20.06	0.17	15.36	0.17	14.82	0.26
15	Torrent Power	850.48	7.15	898.50	10.16	713.00	12.42

## Collaborations/Tie Ups/ Joint Ventures

There are no collaborations, tie ups or joint ventures as on the date of this Draft Prospectus.

## Export Obligation:

Our Company does not have any export obligation as on date of this Draft Prospectus.

## Capacity and Capacity Utilization

Capacity and Capacity Utilization is not applicable to our Company.

## Information Technology

### SISA I-Connect

We use technology in tracking and carrying out surveillance of our field staff, so that we give Quality service to our clients at all times across the country. We have developed an Integrated Mobile Application (SISA I-Connect) which is used by all the

Permanent Employees of the company. Whenever the Field officer visits our clients anywhere in the country immediately the Visit Report is Generated and mailed to the respective client as a result client is updated as to when Field Officer visited the unit. Through this application we are able to track the day Visit and Night Visit Conducted by each and every Field officer across the country. This monitoring helps us in controlling the operation of the employees and also achieves client satisfaction among our clients.

### **Health and Safety**

We aim to comply with applicable health and safety regulations and other requirements in our operations and have adopted all health and safety measures that are aimed at ensuring the safety of our employees and the people working at our customer sites or under our management. We believe that accidents and occupational health hazards can be significantly reduced through a systematic analysis and control of risks and by providing appropriate training to our management and our employees. We have implemented work safety measures to ensure a safe working environment at our customer sites and to the general public.

### **Client Management Cell**

At SISA we have established a client management cell which is based at our corporate office and is responsible to monitor the Client Complaint and ensure that the Complaints are resolved at the earliest for our Elite clients. The team calls up each and every client of our company at regular intervals to get the feedback on the services. Based on this feedback the Client satisfaction is measured. With the help of the feedback received from the clients we can direct the operation team to immediately take the Corrective and Preventive action. This cell ensures that our Clients remain satisfied at all times.

### **Sales and Marketing**

The sales for all the three Verticals are generated by our team through following ways.

- Tenders: - many of the contracts procured by our company are based on the tender and bidding process. On receipt of the details of the ongoing we submit the bids for the contracts.
- Sales Team: - Our each branch has a Sales Executive who is responsible to generate leads and ensure that the leads are connected.
- Client Reference

### **Competition**

We currently operate in three segments of the industry viz. manned guarding, cash management service and E commerce logistics service, and these segments in India has a number of participants. We believe that competition in our industry is based on a number of factors, including quality of service, price, scale of distribution and service networks, scope of services, geographic locations, reliability and customer relationships. Our main competitors are:-

1. Manned Guarding Segment
  - Checkmate Security Services Private Limited
  - Security And Intelligence Services (India) Limited
  - Bombay Intelligence Security: BIS
  - TOPS Detectives & Security Services Limited
  - TRIG
2. Cash Management Segment
  - Checkmate Security Services Private Limited
  - Security And Intelligence Services (India) Limited
  - TOPS Detectives & Security Services Limited
3. E-Commerce Logistic Segment
  - Busy Bee
  - Dependo Pvt Ltd.

- Truckbhejo Pvt. Ltd. Delhivery Ltd.

### Corporate Social Responsibility

We have adopted a Corporate Social Responsibility (“CSR”) policy in compliance with the requirements of the Companies Act, 2013 and the Companies (Corporate Social Responsibility) Rules, 2014 notified by Central Government. Our CSR Committee was constituted in March 2018. Our CSR activities are monitored by the CSR Committee of our Board. For details of our CSR Committee, see “Our Management – Corporate Governance – Corporate Social Responsibility Committee” on page 120 of this Draft Prospectus.

### Human Resource:-

As of August 31, 2018, we had an employee base in India of around 5881 personnel, which includes our security personnel staff, Cash Management staff, E Commerce Logistic management staff and employees engaged in our overall administration.

We have set up our own training Institute situated next to our Corporate Office at Surat “SISA Management Training Institute”. Our training have been certified by the Security Sector Skill Development Council (SSSDC) a Sector Skill Council of the National Skill Development Corporation (NSDC). Candidates are trained in skills such as computer operation, vehicle driving, unarmed combating, fire fighting and first aid apart from the regular training.




### Insurance

Our operations are subject to certain risk faced by our security guards and security officers in the course of their employment, conduct of our employees and security personnel, work accidents, theft, burglary, vandalism, fire, earthquakes, flood 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, equipment or cash that is in our possession and environmental damage. Our principal types of insurance coverage include:

- group personal accident policy;
- workmen’s compensation insurance;
- fidelity guarantee policy;
- standard fire and special perils policy; and
- vehicle insurance policy.

### Intellectual Property

Below are the details of the trademark of our company:-

Trademark/Logo	Application no.	Date	Class	Current Status
	3780276	March 16, 2018	45	Objected
	1537553	March 07, 2007	42	Abandoned
	1537552	March 07, 2007	42	Abandoned

For further details, see “Government and Other Statutory Approvals” and “Risk Factors” on pages 201 and 16, respectively.

### Property

Sr. No.	Details of the Property	Owned/ Rented	Use	Vendor/ Lessor	Consideration/Lease Rental
1.	SISA House, Sameer Complex, RS No. 71,	Rented without	Registered Office	Tanu Gas Agency (through its	Mr. Shushil Pyrelal Sharma has provided a No objection

	Navsarjan Society, Pandesara, Surat	consideration		partners Mr. Sushil Pyarelal Sharma and Anubha Sameer Sharma)	certificate dated January 01, 2018 to our company for use of the said property.
2.	204, Sheel Office Complex, 4 Mayur Colony, Mithakhali, 6 Road, Ahmedabad - 380009	Owned	Regional Office & Branch Office	--	The said property has been acquired by our company vide Sale deed executed between our company and New Samkeet Members Association on February 27, 2001 for a consideration of Rs. 251250.
3.	Flat No. 4003, Arihant Complex, Udhna Main Road, Udhna Surat	Owned	--	--	The said property has been acquired by our company vide Sale deed executed between our company and Orient Organizer Private limited on November 12, 2003 for a consideration of Rs. 367000.
4.	Plot No-277/278, Bomikhal, OPP:- Durga Mandap, PO:- Rasul Garh, PS:- Laxmi Sagar, Bhubeneshwar - 751010, Dist:- Khordha (Odisha)	Rented*	Branch office	Dwarikanath Patra s/o late Pratap Singh Patra	The said premises has been taken on rent vide Rent Agreement dated October 28, 2017 at rent of Rs. 200000/- p.m. for a period of 1 year.
5.	467 1st stage, 2nd Main, 3rd Block, H.B.R. Layout (Near B.D.A. Complex) Bangalore - 56004	Rented	Regional Office & Branch Office	V. B. Nanjamma w/o M Devraju	The said premises has been taken on rent vide Rent Agreement dated January 10, 2018 at rent of Rs. 19,950/- p.m. for a period of 11 months
6.	No. 208, 2nd Floor, M T H Road, Near Villivakkam Police Station, Villivakkam, Chennai - 600049	Rented	Branch office	V Devanath s/o E Vijayakumar	The said premises has been taken on rent vide Rent Agreement dated February 27, 2018 at rent of Rs. 8500/- p.m. for a period of 11 months
7.	Arihant Nagar, House Mangalam, Nearby Shyam Hardware, Opp Old Petrol Pump Baroi Road Mundra Kutch	Rented*	Branch office	Joshi Hiteshbhai Rameshchandra	The said premises has been taken on rent vide Leave License Agreement dated November 03, 2017 at rent of Rs. 5500/- p.m. for a period of 11 months
8.	Plot no. 11, Sai Nagar Colony, Picket Wellington Road. Near Ambedkar Statue, Opp. Akshita Biryani Mahal, Hyderabad - 500009.	Rented	Branch office	Beeru Sharada	The said premises has been taken on rent vide Rent Agreement dated February 07, 2018 at rent of Rs. 7150/- p.m. for a period of 11 months
9.	No.3 Damji Shamji Industrial Complex, 9 L.B.S. Marg, Kurla (W), Mumbai 400070	Rented without consideration	Regional Office & Branch Office	Mr. Shushil Pyarelal Sharma	Mr. Shushil Pyarelal Sharma has provided a No objection certificate dated January 01, 2018 to our company for use of the said property.
10.	224, Topaz, Seven Jewels (City Point), Geeta Nagar Road, Near Mohan Hospital, Vapi, Dist Valsad	Rented	Branch office	Manisha Sanjay Shah	The said premises has been taken on rent vide Rent Agreement dated January 08, 2018 at rent of Rs. 5940/- p.m.

	- 396191				for a period of 11 months
11.	Unit No 1, GF 51, Classique Tower, Rajouri Garden Delhi	Rented without consideration	Regional Office & Branch Office	Mr. Shushil Pyrelal Sharma	Mr. Shushil Pyrelal Sharma has provided a No objection certificate dated January 01, 2018 to our company for use of the said property.
12.	204, Ganga Apartment, Sarvodaya Society, Kalawad Road, Rajkot	Owned	Branch office	--	The said property has been acquired by our company vide Sale deed executed between our company and Narendra Chotalal Kotecha during September 2004 for a consideration of Rs. 400000.
13.	Cabin No. 106/107, 1st Floor, SCO 7 KLM Chambers, Sector 7/C, Madhya Marg, Chandigarh - 160019.	Rented	Regional Office & Branch Office	Rahul Malhotra s/o Narinder Malhotra	The said premises has been taken on rent vide Rent Agreement dated March 21, 2017 at rent of Rs. 34730/- p.m. from 1.12.2017 to 31.11.2018
14.	Ground floor Shop No. 22, Chitrakut Complex opp. Narmada Canel, Chhani road, Baroda	Rented without consideration	Branch office	Mr. Shushil Pyrelal Sharma	Mr. Shushil Pyrelal Sharma has provided a No objection certificate dated January 01, 2018 to our company for use of the said property.
15.	Ground Floor, Chandrakala Apartment, HF/2, Baguipara Park, PO - Ashwininagar, PS - Baguiati, Kolkata - 700159.	Rented	Regional Office & Branch Office	Kakoli Maitra w/o Dr. Bhaskar Maitra	The said premises has been taken on rent vide Rent Agreement dated July 01, 2018 at rent of Rs. 11000/- p.m.
16.	Plot No. 208, Perfect Co-Operative Housing Society Ltd., Mouza Bhamti, Behind NIT Garden, Off Ring Road, Trimurty Nagar, Nagpur - 440022.	Rented	Branch office	Anantharaman Ganesh	The said premises has been taken on rent vide Rent Agreement dated September 01, 2016 at rent of Rs. 22000/- p.m. and consent letter dated August 11, 2018, extending the lease till May 31, 2019
17.	Shop No. 192, Sahara Shopping, Centre, Ground Floor, Near Lekhraj Market, Faizabad Road, Lucknow .	Rented	Branch office	Sanjay Tripathi	The said premises has been taken on rent vide Rent Agreement dated February 21, 2018 at rent of Rs. 3000/- p.m. for a period of 11 months
18.	Adv. Vandana Abhijit Market, Shree Kanhya Dreams, Flat no. 9, Anand Park, Dhanori, Pune - 411015.	Rented	Branch office	Vandana A Maratkar	The said premises has been taken on rent vide Rent Agreement dated July 29, 2017 at rent of Rs. 15000/- p.m. for a period of 36 months with escalation clause.
19.	L - 13, Anupam Nagar, P.O. - Anupam Nagar Raipur, Tehsil & Dist. - Raipur, Chhattisgarh,	Rented	Branch office	Mrs. Chandika Diwedi	The said premises has been taken on rent vide Rent Agreement dated March 01, 2018 at rent of Rs. 15950/- p.m. for a period of 11 months

\*The said agreement has expired and is yet to be renewed

## **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. Business related Laws**

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

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

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

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

The Government has proposed an amendment to the Act whereby, it proposes to define units producing goods and rendering services in terms of the annual turnover as follows:

- A micro enterprise will be defined as a unit where the annual turnover does not exceed five crore rupees;
- A small enterprise will be defined as a unit where the annual turnover is more than five crore rupees but does not exceed Rs 75 crore;
- A medium enterprise will be defined as a unit where the annual turnover is more than seventy five crore rupees but does not exceed Rs 250 crore.

Additionally, the Central Government may, by notification, vary turnover limits, which shall not exceed thrice the limits specified in Section 7 of the MSMED Act. This proposal has been approved by the Cabinet and is pending the approval of the Lok Sabha.

#### **Private Security Agencies (Regulation) Act, 2005**

The Private Securities Agencies Regulation Act, 2005 ("**PSARA**") is the primary legislation for the regulation of private security agencies in India. Any person or body of persons other than a government agency, department or organisation engaged in the business of (a) providing private security services or (b) providing training to private security guards or their supervisors or (c) providing private security guards to any industrial or business undertaking or a company or any other person or property, are regulated by the PSARA, and are required to obtain a license for undertaking such activities.

Private security agencies licensed under the PSARA are required to obtain prior permission for providing private security services abroad. A license granted under PSARA is valid for a period of five years, unless cancelled earlier. In this regard, the PSARA sets forth eligibility requirements to become a private security guard and eligibility conditions for obtaining a license



for employing or engaging of private security guards. It also authorises state governments to frame rules for issuance of licenses and prescribes conditions for cancellation and suspension of licenses. Carrying on or commencing the business of a private security agency without a valid licence is an offence punishable with imprisonment for a term of up to one year, or with fine which may extend to Rs. 25,000, or with both.

Conditions for commencement of operations and engagement of supervisors outlined in the PSARA require the licensee to *inter alia*, commence activities within six months of obtaining the license, impart training and skills to its private security guards and supervisors and employ such number of supervisors as specified under the state specific rules. Every private security agency is required to maintain a register containing details of its managers, private security guards, customers and other prescribed details as may be specified by respective state governments. In the event of non-compliance with conditions prescribed in the PSARA, namely, appointment of eligible staff or failure to impart requisite training, the private security agency shall be punishable with a fine extending to Rs. 25,000 and can also be subject to suspension or cancellation of its license. Additionally, upon non-compliance with laws mentioned below, the licenses under the PSARA of private security agencies may be cancelled:

- (i) The Payment of Wages Act, 1936
- (ii) The Minimum Wages Act, 1948
- (iii) The Employees' Provident Funds and Miscellaneous Provisions Act, 1952
- (iv) The Payment of Bonus Act, 1965
- (v) The Contract Labour (Regulation and Abolition) Act, 1970
- (vi) The Payment of Gratuity Act, 1972
- (vii) The Equal Remuneration Act, 1976
- (viii) The Industrial Disputes Act, 1947
- (ix) The Inter-State Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979

#### ***Rules for administration of Private Security Agencies***

The Central Government has framed the Private Securities Agencies Central Model Rules, 2006 ("**PSA Model Rules**"). Further, State Governments, while making any rules in respect of matters under the PSARA, are required to conform to the Model Rules. The Model Rule set out, *inter alia*, the verification process for private security agencies, conditions of training, standard of physical fitness for security guards, minimum number of supervisors, manner of application/renewal and conditions of license. Pursuant to the Model Rules, numerous states have framed rules in relation to registration and licensing of private security agencies. Our Company is required to follow the Gujarat Private Security Agencies Rule, 2007.

#### ***Information Technology Act, 2008***

The Information Technology Act, 2008 ("**IT Act**") creates liability on a body corporate which is negligent in implementing and maintaining reasonable security practices and procedures, and thereby causing wrongful loss or wrongful gain to any person, while possessing, dealing or handling any sensitive personal data or information in a computer resource owned, controlled or operated by it but affords protection to intermediaries with respect to third party information liability. The IT Act also provides for civil and criminal liability including compensation, fines and imprisonment for various computer related offences. These include offences relating to unauthorized disclosure of confidential information and committing of fraudulent acts through computers, tampering with source code, unauthorized access, publication or transmission of obscene material etc.



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

The Motor Vehicles Act ("**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. Further, 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 authorising him to use the vehicle for transportation purposes.

The Central Motor Vehicles Rules, 1989, prescribed under the Motor Vehicles Act, sets 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. Motor Vehicles (Amendment) Bill, 2016 ("**Motor Vehicles Bill**") was passed by the Lok Sabha on April 10, 2017, pending President's assent. The Motor Vehicles Bill aims to provide for a national database of vehicles and driving licences, aimed at aiding safety and security and avoid malpractices. The Motor Vehicles Bill shall amend the Motor Vehicles Act to address issues such as third-party insurance, regulation of taxi aggregators and road safety.

### ***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 utilising 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.

## **II. Intellectual Property Laws**

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

The Copyright Act, 1957 ("**Copyright Act**") governs copyright protection in India. Under the Copyright Act, a copyright may subsist in original literary, dramatic, musical or artistic works, cinematograph films, and sound recordings. While copyright registration is not a prerequisite for acquiring or enforcing a copyright in an otherwise copyrightable work, registration constitutes *prima facie* evidence of the particulars entered therein and may expedite infringement proceedings. Once registered, copyright protection of a work lasts for a period of sixty years from the demise of the author. Reproduction of a copyrighted work for sale or hire, issuing of copies to the public, performance or exhibition in public, making a

translation of the work, making an adaptation of the work and making a cinematograph film of the work without consent of the owner of the copyright are all acts which amounts to an infringement of copyright.

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

Indian trademark law permits the registration of trademarks for goods and services. The Trade Marks Act, 1999 ("**Trademark Act**") governs the statutory protection of trademarks and for the prevention of the use of fraudulent marks in India. An application for trademark registration may be made by individual or joint applicants and can be made on the basis of either use or intention to use a trademark in the future. Once granted, trademark registration is valid for ten years, unless cancelled. If not renewed after 10 (ten) years, the mark lapses and the registration have to be restored. The Trademark (Amendment) Act, 2010 has been enacted by the government to amend the Trademark Act to enable Indian nationals as well as foreign nationals to secure simultaneous protection of trademark in other countries. It also seeks to simplify the law relating to transfer of ownership of trademarks by assignment or transmission and to align the law with international practice.

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

The Patents Act, 1970 ("**Patents Act**") governs the patent regime in India. Being a signatory to the Agreement on Trade Related Aspects of Intellectual Property Rights, India is required to recognise product patents as well as process patents. In addition to broad requirement that an invention satisfy the requirements of novelty, utility and non-obviousness in order for it to avail patent protection, the Patents Act further provides that patent protection may not be granted to certain specified types of inventions and materials even if they satisfy the above criteria. The Patents Act prohibits any person resident in India from applying for patent for an invention outside India without making an application for the invention in India. The term of a patent granted under the Patents Act is for a period of twenty years from the date of filing of the application for the patent.

### **III. 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 Inter-State Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979***

The Inter-State Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979 ("**Inter-State Migrant Workmen**") regulates the employment of inter-State migrant workmen and provides conditions of service and matters connected to the same. It applies to every establishment in which five or more inter-State Migrant workmen are employed or to ever contractor who employs or who employed five or more inter-State migrant workmen.

#### ***The Employees' Provident Funds and Miscellaneous Provisions Act, 1952***

The Employees' Provident Funds and Miscellaneous Provisions Act, 1952 ("**EPF Act**") applies to factories employing 20 (twenty) or more employees and such other establishments and industrial undertakings as notified by the government from time to time. The EPF Act requires all such establishments to be registered with the Regional Provident Fund Commissioner and requires the employers and their employees to contribute in equal proportion to the employees' provident fund, the prescribed percentage of basic wages and dearness and other allowances payable to employees. The EPF Act also requires the employer to maintain registers and submit a monthly return to the State Provident Fund Commissioner.

#### ***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. In addition, the employer is required to register such factory or establishment under the ESI Act and maintain prescribed records and registers.

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

The Payment Gratuity Act, 1972, as amended from time to time ("**Gratuity Act**") prescribes compulsory gratuity payable by factories, mines, plantations and other establishments where 10 (ten) or more persons are employed. The Gratuity Act entitles every employee who has completed 5 (five) years of service to gratuity calculated at the rate of 15 (fifteen) days wage for each year of completed service or part thereof in excess of 6 (six) months, subject to a maximum of Rs. 1 million.

### ***The Payment of Bonus Act, 1965***

The Payment of Bonus Act, 1965, as amended from time to time ("**PB Act**") provides for payment of bonus on the basis of profit to people employed in factories and establishments employing 20 (twenty) or more persons on any day during an accounting year. This statute presently applies to employees whose wages do not exceed Rs. 21,000 (Twenty One Thousand) per month. Every employer is bound to pay to every employee, in respect of the accounting year, a minimum bonus which is 8.33% of the salary or wage earned by the employee during the accounting year or Rs. 100 (One Hundred) whichever is higher provided that an employee has worked in the establishment for not less than 30 (thirty) days in that year.

### ***The Contract Labour (Regulation and Abolition) Act, 1970***

The Contract Labour (Regulation and Abolition) Act, 1970, as amended ("**CLRA Act**") requires companies employing 20 or more contract labourers to be registered as a principal employer and prescribes certain obligations with respect to welfare and health of contract labourers. Under the CLRA Act, both the principal employer and the contractor are to be registered with the registering officer. The CLRA Act imposes certain obligations on the contractor in relation to establishment of canteens, rest rooms, drinking water, washing facilities, first aid, other facilities and payment of wages. However, in the event the contractor fails to provide these amenities, the principal employer is under an obligation to provide these facilities within a prescribed time period.

### ***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 ("**SHWWA**") has been introduced in 2013 to combat and redress the issue of workplace sexual harassment. SHWWA requires every employer having 10 (ten) or more employees (defined to include workers engaged through a contractor) to set up an internal complaints committee to receive, investigate and redress grievances of workplace sexual harassment in a confidential and time bound manner. SHWWA also prescribes the constitution and quorum, process and timelines for the inquiry and obligations of the employer and internal complaints committee.

### ***The Maternity Benefits Act, 1961***

The Maternity Benefit Act ("**MB Act**"), as amended from time to time entitles a woman employee who has been in employment with the employer for 80 (eighty) days in the 12 (twelve) months immediately preceding her delivery to maternity leave of 12 (twelve) weeks, of which not more than 6 (six) weeks can precede the date of her delivery. The MB Act further provides for (i) paid leave of 6 (six) weeks for miscarriage or medical termination of pregnancy; (ii) paid leave of 2 (two) weeks following the date of tubectomy operation; (iii) 1 (one) month's paid leave on account of any illness occurred after pregnancy, delivery, miscarriage, medical termination of pregnancy or tubectomy operation; and (iv) medical bonus of Rs. 3,500 (Rupees Three Thousand Five Hundred) from the employer if no pre-natal confinement or post-natal care is provided by the employer free of charge. The Lok Sabha passed the Maternity Benefit (Amendment) Act, 2016 to increase paid maternity leave from 12 (twelve) weeks to 26 (twenty six) weeks for women having two surviving children and provides for 12 (twelve) weeks maternity leave for women having more than 2 (two) children.

## **Tax Laws**

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

The Income Tax Act, 1961 ("**Income Tax Act**") deals with the taxation of individuals, corporate, partnership firms and others. As per the provisions of the Income Tax 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 Income Tax Act. The maintenance of books of Accounts and relevant supporting documents and registers are mandatory

under the Income Tax Act. Filing of returns of Income is compulsory for all assesses. The maintenance of books of Accounts and relevant supporting documents and registers are mandatory under the Income Tax Act.

#### ***The Central Goods and Services Tax Act, 2017***

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.

#### ***Professional Tax***

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

### **IV. 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 SR 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 CA 2013 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.

### ***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 Gujarat. Accordingly, the provisions of the Gujarat Shops and Establishments Act, 1948 are applicable to our Company. The Gujarat Shops and Establishments Act, 1948, as amended, regulates the conditions of work in shops, commercial establishments, restaurants, theatres and other establishments in Gujarat 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.

### ***Foreign Direct Investment***

The Government of India, from time to time, has made policy pronouncements on Foreign Direct Investment ("**FDI**") through press notes and press releases. The department of Industrial Policy and Promotion ("**DIPP**") has issued consolidated FDI Policy of 2017, which supersedes all previous press notes, press releases and clarifications on FDI Policy issued by the DIPP that were in force. The Reserve Bank of India ("**RBI**") also issued Master Circulars on Foreign investment in India. In terms of the Master Circular, an Indian company may issue fresh shares to people resident outside India. Such Indian companies making fresh issues of shares would be subject to the reporting requirement, inter-alia with respect to consideration for issue of shares and also subject to making certain financial including filing of Form FC-GPR. Outbound investments are also regulated by RBI under the Foreign Exchange Management Act, 2000 and Foreign Exchange Management (Transfer or issue of any foreign security) Regulations, 2004. An Indian party can make direct investments in JVs/ WOSs outside India (except Pakistan) without obtaining any prior RBI approval. RBI has also made available Master Direction on direct investment in JV/WOS abroad.

### ***The Arbitration and Conciliation Act, 2015***

The Arbitration and Conciliation Act ("**Arbitration Act**") was enacted to consolidate and amend the law relating to domestic arbitration, international commercial arbitration and enforcement of foreign arbitral awards as also to define the law relating to conciliation and for matters connected therewith or incidental thereto. The main objectives of the Act is to comprehensively cover international and commercial arbitration and conciliation as also domestic arbitration and conciliation, to make provision for an arbitral procedure which is fair, efficient and capable of meeting the needs of the specific arbitration. The Act provides for the arbitral tribunal to give reasons for its arbitral award, to ensure that the arbitral tribunal remains within the limits of its jurisdiction and thus minimizing the supervisory role of courts in the arbitral process. There are many provisions that also permit an arbitral tribunal to use mediation, conciliation or other procedures during the arbitral proceedings to encourage settlement of disputes, to provide that every final arbitral award is enforced in the same manner as if it were a decree of the court, to provide that a settlement agreement reached by the parties as a result of conciliation proceedings will have the same status and effect as an arbitral award on agreed terms on the substance of the dispute rendered by an arbitral tribunal and to provide that, for purposes of enforcement of foreign awards, every arbitral award made in a country to which one of the two International Conventions relating to foreign arbitral awards to which India is a party applies, will be treated as a foreign award.



## **HISTORY AND CERTAIN CORPORATE MATTERS**

### **Our History and Background**

Our Company was originally incorporated as “Shiva Industrial Security Agency (Gujarat) Private Limited” on July 11, 1997 vide Registration Certificate No. 02-32649/1997-1998 under the provisions of the Companies Act, 1956 with the Registrar of Companies, Gujarat, Dadra & Nagar Haveli. Subsequently, our Company was converted into a Public Limited Company pursuant to Special Resolution passed at the Extra Ordinary General Meeting of the Company held on February 27, 2018 and the name of our Company was changed from “Shiva Industrial Security Agency(Gujarat) Private Limited” to “Shiva Industrial Security Agency (Gujarat) Limited” vide a fresh Certificate of Incorporation dated March 10, 2018 having CIN U67120GJ1997PLC032649 issued by the Registrar of Companies, Gujarat, Ahmedabad.

Mr. Sushil Pyarelal Sharma, Mr. Shiv Shankar Singh and Mr. Mahendar Singh were the initial subscribers to the Memorandum of Association of our Company.

For information on our Company’s profile, activities, market, growth, technology, managerial competence, standing with reference to prominent competitors, please refer the sections titled “*Our Business*”, “*Industry Overview*”, “*Our Management*”, “*Financial information of the Company*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” on pages 96, 90, 120, 144 & 181 respectively of this Draft Prospectus.

### **Address of Registered Office:-**

<b>Registered Office</b>	Sameer Complex, R S No 71, Navsarjan Society, GIDC, Pandesara, Surat, Gujarat, India, 394224
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### **Changes in the Registered Office**

There has not been any change in our Registered Office since inception till the date of the Draft Prospectus.

### **Our Main Objects**

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

1. To provide all or any services such as security, protection, guarding, detective, defence placement, recruitment, employment and allied services to persons, firms, companies, establishments, Government and Semi Government agencies, small and/or big sized industries, plants, works, factories, establishments, commercial or non-commercial organizations and any or all other undertakings, airports, railway stations, bus-stations, ports, offices, shops either directly indirectly and to engage into sale, purchase, service, repair, import, export, refurbish, deal or distribute all or any gadgets, apparatus, things, vehicles, devices, tricks, tackles, tools used or meant for off line or online detection or prevention of frauds, finding locations of persons, properties, vehicles, surveillance and camera systems and to provide emergency rescue services anywhere in the world, subject to compliance of applicable laws.
2. To carry on in India or elsewhere the business of providing services including logistic support and services for e-commerce and cash management systems of Banks and other organizations or authorities of in all its branches for transporting goods, passengers, articles, or things on all routes and lines on nation-wide basis, subject to the laws in force, through all sorts of carriers like trucks, lorries, trawlers, dumpers, coaches, tankers, tractors, haulers, jeeps, trailers, motor buses, omnibuses, motor taxies, or any other vehicle now in vogue or hereafter may be invented whether propelled by petrol, diesel, electricity, steam, oil, atomic power or any other form of energy.
3. To act as contractors for User Fee Collections at Toll Plazas in cash, credit card, net-banking, ETC Tag, Direct Debit or any other permitted method now in vogue or hereafter that may be invented and applied on any or all allotted toll roads in India and all or any airports, railway stations, bus stations (other operating assets) whether such roads or other operating assets are owned by Government or any quasi government or private entity and to take part in bidding process, subcontract or sub-let where permissible, and to provide staff, workmen, armed and unarmed security forces, provide CC TV or other camera or computer or IT based surveillance systems, operate food plazas or rest rooms or other amenities



and facilities created on toll roads or other operating assets and generally to do all acts conducive attainment of this or similar objects and employ all techniques whether in vogue now or hereafter that may be invented and applied.

### 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.	Increase in the authorized share capital of the company from Rs. 1,00,000 divided into 10000 Equity Shares of Rs.10/- each to Rs. 25,00,000 divided into 2,50,000 Equity Shares of Rs. 10/- each	December 22, 2004	EGM
2.	Addition in the object clause by way of inserting clause-2 after the existing clause-1 to the main objects of the Company to be persued on its incorporation. 1. To carry on in India or elsewhere the business of providing services of drivers in all its branches on land for transporting goods, passengers, articles, or things on all routes and lines on national level, subject to the laws in force, through all sorts of carriers like trucks, lorries, trawlers, dumpers, coaches, tankers, tractors, haulers, jeeps, trailers, motor buses, omnibuses, motor taxis, etc. whether propelled by petrol, diesel, electricity, steam, oil, atomic:	June 9, 2004	EGM
3.	Increase in the authorized share capital of the company from Rs. 25,00,000 divided into 2,50,000 Equity Shares of Rs. 10/- each to Rs. 50,00,000 divided into 5,00,000 Equity Shares of Rs. 10/- each	July 13, 2009	EGM
4.	Increase in authorized share capital of the Company from Rs. 50.00 Lakhs divided into 5,00,000 Equity Shares of Rs. 10/- each to Rs. 11,00,00,000 divided into 9,99,988 Equity Shares of Rs. 10/- each and 1,00,00,012 12% Optionally convertible cumulative Redeemable preference shares of Rs. 10/- each.	March 24, 2015	EGM
5.	Re-Classification of authorised Share capital of Company from Rs. 1100 Lakhs divided into 9,99,988 Equity Shares of Rs. 10/- each and 1,00,00,012 12% Optionally convertible cumulative Redeemable preference shares of Rs.10/- each to Rs. 1100 Lakhs divided into 45,454 CVCFL Class A Equity Shares of Rs. 10/- each 9,54,534 Equity Shares of Rs.10/- each and 1,00,00,012 12% Optionally convertible cumulative Redeemable preference shares of Rs.10/- each.	May 07, 2015	EGM
6.	Re-Classification of authorised Share capital of Company from Rs. 1100 Lakhs divided into 45,454 number of CVCFL Class A Equity Shares of Rs.10/- each 9,54,534 Equity Shares of Rs.10/- each and 1,00,00,012 12% Optionally convertible cumulative Redeemable preference shares of Rs. 10/- each to Rs. 1100 Lakhs divided into 1,10,00,000 Equity Shares of Rs.10/- each	September 30, 2017	AGM
7	Conversion of the Company from Private limited to Public limited and a subsequent change in the name of our Company from “Shiva Industrial Security Agency(Gujarat) Private Limited” to “Shiva Industrial Security Agency(Gujarat)Limited”	February 27, 2018	EGM
8	Adoption of Memorandum of Association as per Companies Act, 2013	February 27, 2018	EGM
9	Increase in the authorized share capital of the company from Rs. 11,00,00,000 divided into 1,10,00,000 Equity Shares of Rs. 10/- each to Rs. 15,00,00,000 divided into 1,50,00,000 Equity Shares of Rs. 10/- each	February 27, 2018	EGM
10	Addition in the object clause by way of inserting clause-3 after the existing clause-2 to the main objects of the Company to be persued on its incorporation. 1. To act as contractors for User Fee Collections at Toll Plazas in cash, credit card, net-banking, ETC Tag, Direct Debit or any other permitted method now in vogue or hereafter that may be invented and applied on any or all allotted toll roads in India and all or any airports, railway stations, bus stations (other operating assets) whether such roads or other operating assets	June 11, 2018	EGM

	are owned by Government or any quasi government or private entity and to take part in bidding process, subcontract or sub-let where permissible, and to provide staff, workmen, armed and unarmed security forces, provide CC TV or other camera or computer or IT based surveillance systems, operate food plazas or rest rooms or other amenities and facilities created on toll roads or other operating assets and generally to do all acts conducive attainment of this or similar objects and employ all techniques whether in vogue now or hereafter that may be invented and applied.		
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### Adopting New Articles of Association of the Company

Our Company has adopted a new set of Articles of Association of the Company, in the Extra-Ordinary General Meeting of the Company dated February 27, 2018.

### Key Events and Mile Stones

Year	Key Events / Milestone / Achievements
1997	Incorporation of the Security Service providing Company in the name and style of “Shiva Industrial Security Agency (Gujarat) Private Limited”
2007	Commencement of the Cash handling service division
2011	Crossed turnover of Rs. 2000 lacs
2015	Canbank Venture Capital Fund Limited (CVCFL) invested in our company through its fifth fund viz. Emerging India Growth Fund amounting to Rs. 1100 lacs.
2016	Commencement of the E Commerce Logistic service division
2017	Crossed total business of Rs. 8800 Lacs
2018	Addition of the toll collection business in the main objects of the Company.

### Other details about our Company

For details of our Company’s activities, products, growth, technology, marketing strategy, competition and our customers, please refer section titled “*Our Business*”, “*Management’s Discussion and Analysis of Financial Conditions and Results of Operations*” and “*Basis for Issue Price*” on pages 96, 181 and 85 respectively of this Draft Prospectus. For details of our management and managerial competence and for details of shareholding of our Promoters, please refer to sections titled “*Our Management*” and “*Capital Structure*” beginning on page 120 & 55 of the Draft Prospectus respectively.

### Capital raising (Debt / Equity)

For details in relation to our capital raising activities through equity, please refer to the chapter titled “*Capital Structure*” beginning on page 55 of the Draft Prospectus.

For a description of our Company’s debt facilities, see “*Statement of Financial Indebtedness*” on page 179 of the Draft Prospectus.

### Defaults or Rescheduling of borrowings with financial institutions/banks

There have been no defaults or rescheduling of borrowings with any financial institutions/banks as on the date of the Draft Prospectus. Furthermore, none of the Company's loans have been converted into equity in the past.

### Time and Cost overruns in setting up projects

There has been no time / cost overrun in setting up projects by our Company.

### Revaluation of Assets

Our Company has not revalued its assets since incorporation.

### **Lock-out or strikes**

There have been no lock-outs or strikes in our Company since inception.

### **Changes in activities of Our Company during the last five (5) years**

Except as set forth below, there have been no changes in the activities of our Company during the last five years, which may have had a material effect on our profits or loss, including discontinuance of our lines of business, loss of agencies or markets and similar factors :-

- We commenced the business of E Commerce logistic management Service during the year 2015-16.

### **Holding Company**

As on the date of this Draft Prospectus, our Company is not a subsidiary of any company.

### **Subsidiary of our Company**

As on date of this Draft Prospectus, our Company has no Subsidiary Company.

### **Injunction or restraining order**

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

### **Details regarding acquisition of business/ undertakings, mergers, amalgamation, revaluation of assets etc.**

Our Company has not acquired any business or undertaking, or entered into any scheme of merger or amalgamation since incorporation.

### **Number of Shareholders of our Company:**

Our Company has 96 shareholders as on the date of this Draft Prospectus. For further details on the shareholding pattern of our Company, please refer to the chapter titled “*Capital Structure*” beginning on page 55 of the Draft Prospectus.

### **Changes in the Management**

For details of change in Management, please see chapter titled “*Our Management*” on page 120 of the Draft Prospectus.

### **Material Agreement**

#### **Collaboration Agreements**

As on date of this Draft Prospectus, Our Company is not a party to any collaboration agreements.

#### **Shareholders Agreements**

Except as mentioned below, there are no subsisting 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 Prospectus.

#### **A. Share Subscription cum Shareholder Agreement**

- Share Subscription cum Shareholder Agreement dated April 18, 2015 (“Agreement”), executed between Canbank Venture Capital Fund Limited (“CVCFL”), Our Company and Mr. Sushil Pyarelal Sharma, Sameer Sushilkumar Sharma and Mrs. Anubha Sameer Sharma (Promoters) of our Company. In terms of this agreement company has issued and allotted 45,454 (Forty Five Thousand Four Hundred Fifty Four) CVCFL class A equity shares of Rs. 10 (Rupees Ten) each at a premium of Rs. 210/- (Rupees Two Hundred Ten only) per share and 1,00,00,012 (One Crore and Twelve)

Optionally Convertible Cumulative Redeemable Preference Shares (OCCPS) of the Company of Rs.10/- (Rupees Ten) each, aggregating to Rs. 10,00,00,120/- (Rupees Ten Crores One Hundred Twenty only) carrying a fixed rate of dividend of 12% (Twelve percent) per annum. Some of the important terms of the agreement are reproduced below:

1. During the term of this Agreement, the Company undertake to use the Subscription Amount solely for the purpose approved by CVCFL in writing, including inter alia towards meeting the cost of the Project. It is hereby clarified that the company has represented to CVCFL that it shall not utilize the subscription amount for any other purpose.
  2. The CVCFL Class A Equity Shares issued to / acquired by CVCFL shall have rights in such proportion as shall enable CVCFL to collectively exercise 34% voting rights, with respect to voting at a shareholders meeting of equity share holders. The said right of CVCFL to exercise 34% voting rights by holding the CVCFL Class A Equity Shares shall be available up to the date of conversion / redemption of the entire CVCFL OCCPS into equity shares, in terms of this Agreement. On and from the date of conversion / redemption of the entire CVCFL OCCPS into equity shares in the manner as contemplated in this Agreement, the CVCFL Class A Equity Shares shall be declassified by the Company and will be treated as ordinary equity shares with voting rights in proportion to the equity shares held by CVCFL in the Company.
  3. CVCFL hereby reserves the right to convert partly or in full the CVCFL OCCPS into fully paid up equity shares or to require the Company and / or the Promoters to redeem / purchase the same, at its sole discretion, within 6 (Six) months from the date the Company approves the audited statement of accounts and Financial Statements of the Company at its Annual General meeting for the Financial Year ending March 31, 2016 or before the close of the next financial year, whichever is later, or at such extended date as may be intimated by CVCFL to the Company.
- Agreement dated September 24, 2018 ("Agreement"), executed between Canbank Venture Capital Fund Limited ("CVCFL"), Our Company and Mr. Sushil Pyarelal Sharma, Sameer Sushilkumar Sharma and Mrs. Anubha Sameer Sharma (Promoters) of our Company. In terms of this agreement company shall undertake the IPO and the Company shall keep CVCFL informed of the details of the prospectus and should consult CVCFL in relation to the IPO. Some of the important terms of the agreement are reproduced below:
    1. CVCFL will have the right to nominate a director on the Company's Board ('CVCFL Nominee Director') till such time that CVCFL holds any Shares in the Company.
    2. CVCFL reserves the right to sell all or any of the Shares held by it in the Company to any third party / strategic investor at its sole discretion.
    3. CVCFL hereby agrees not to claim the Dividend Amount (Dividend for the period April 2017 to October 2017, by virtue of being holder of CVCFL OCCPS) subject to the Promoters and the Company fulfilling their obligations and agreeing to list its shares in the manner as set out in this Agreement. In the event the Company does not list its shares in the manner as set out in the Agreement, CVCFL will be entitled to the Dividend Amount. The Promoters and the Company will immediately make payment of the Dividend Amount within 7(Seven) days from the date of issue of a notice from CVCFL.
    4. The Promoters jointly and severally guarantee CVCFL a minimum price of Rs. 156 per share which CVCFL will receive on sale of its equity shares to any third party, post the IPO. In the event the price offered for shares of CVCFL is less than the per Share Guarantee Amount, the Promoters will make payment of the balance amount to CVCFL.

#### **Exclusive Agreement**

As on date of this Draft Prospectus, Our Company has not entered into an exclusive agreement.

#### **Other Agreements**

#### **Non Compete Agreement**

Our Company has not entered into any Non- compete Agreement as on the date of filing of this Draft Prospectus.

#### **Joint Venture Agreement**

Our Company has not entered into any Joint Venture Agreement as on the date of filing of this Draft Prospectus.

### **Strategic Partners**

Except as mentioned in this Draft Prospectus, Our Company does not have any strategic partners as on the date of this Draft Prospectus.

### **Financial Partners**

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

### **Corporate Profile of our Company**

For details on the description of our Company's activities, the growth of our Company, please see "***Our Business***", "***Management's Discussion and Analysis of Financial Conditions and Results of Operations***" and "***Basis of Issue Price***" on page 96, 181 and 85 respectively of this Draft Prospectus.

## OUR MANAGEMENT

### Board of 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:

Sr. No.	Name, Father's, Age, Designation, Address, Experience, Occupation, Qualifications, Nationality & DIN	Term of Appointment	No. of Equity Shares held & % of Share holding (Pre Issue)	Other Directorships
1.	<b>Mr. Sushil Pyarelal Sharma</b> <b>Father's Name:</b> Mr. Pyarelal Sharma <b>Age:</b> 73 Years <b>Designation:</b> Chairman & Non Executive Director <b>Address:</b> RS No, 71 Sameer Complex, Navsarjan Soc., Pandesara, Surat, Gujarat, India, 394224 <b>Experience:</b> 21 Years <b>Occupation:</b> Business <b>Qualifications:</b> High School <b>Nationality:</b> Indian <b>DIN:</b> 01121236	Originally appointed as first director on July 11, 1997  Further designated as Managing Director for a term of 5 years vide Board Meeting dated August 24, 2013  Further redesignated as Chairman & Non Executive Director vide EGM dated March 14, 2018.	5,11,390 Equity Shares;  [6.91% of Pre-Issue Paid up capital]	Nil
2.	<b>Mr. Sameer Sushilkumar Sharma</b> <b>Father's Name:</b> Mr. Sushil Pyarelal Sharma <b>Age:</b> 41 Years <b>Designation:</b> Managing Director <b>Address:</b> RS No, 71 Sameer Complex, Navsarjan Soc., Pandesara, Surat, Gujarat, India, 394224 <b>Experience:</b> 21 Years <b>Occupation:</b> Business <b>Qualification:</b> Second Officer in Merchant Navy <b>Nationality:</b> Indian <b>DIN:</b> 01565999	Originally appointed as Additional Director on May 12, 1999  Further designated as Managing Director for a term of 5 years vide Board Meeting dated August 24, 2013  Further reappointed as Managing Director for a term of 3 years w.e.f. March 14, 2018 vide EGM dated March 14, 2018.	28,31,290* Equity Shares;  [38.00% of Pre-Issue Paid up capital]	Nil
3.	<b>Mrs. Anubha Sameer Sharma</b> <b>Father's Name:</b> Mr. S. C. Chhabra <b>Age:</b> 37 Years <b>Designation:</b> Whole Time Director <b>Address:</b> RS No, 71 Sameer Complex, Navsarjan Soc., Pandesara, Surat, Gujarat, India, 394224 <b>Experience:</b> 14 Years <b>Occupation:</b> Business <b>Qualifications:</b> Bachelors of Arts	Originally appointed as Additional Director on March 31, 2004.  Further designated as Managing Director for a term of 5 years vide Board Meeting dated August 24, 2013  Further reappointed as Whole time Director for a term of 3 years w.e.f.	18,70,990 Equity Shares;  [25.26% of Pre-Issue Paid up capital]	Nil

Sr. No.	Name, Father's, Age, Designation, Address, Experience, Occupation, Qualifications, Nationality & DIN	Term of Appointment	No. of Equity Shares held & % of Share holding (Pre Issue)	Other Directorships
	<b>Nationality:</b> Indian <b>DIN:</b> 01121475	March 14, 2018 vide EGM dated March 14, 2018.		
4.	<b>Mr. Baskaran Kesavareddiyar</b> <b>Father's Name:</b> Mr. Kesavareddiyar <b>Age:</b> 57 Years <b>Designation:</b> Nominee Director <b>Address:</b> 116, Reddiyar Street, East Kathalhampattu, Mekkalur, Tiruvannamalai, Tamil Nadu - 604601 <b>Experience:</b> 34 Years <b>Occupation:</b> General Manager, Canara Bank <b>Qualifications:</b> M Sc. (Agriculture) <b>Nationality:</b> Indian <b>DIN:</b> 07176788	Appointed as Nominee Director on February 22, 2016	Nil	1. Bionees India Pvt. Ltd. 2. Scotts Garments Ltd. 3. Ravi Technoforge Pvt. Ltd. 4. Shera Metal Pvt. Ltd. 5. Him Teknoforge Limited 6. Prolific Systems And Technologies Pvt. Ltd. 7. Shera Energy Pvt. Ltd. 8. Vinyas Innovative Technologies Pvt. Ltd. 9. N Soft (India) Services Pvt. Ltd. 10. Ramakrishna Hospitals Pvt. Ltd. 11. Canbank Venture Capital Fund Limited
5.	<b>Mr. Anoop Anand Malhotra</b> <b>Father's Name:</b> Mr. Anand Prakash Malhotra <b>Age:</b> 62 Years <b>Designation:</b> Independent Director <b>Address:</b> Fl 301, Bld-A, Ganga Melrose, SN 60a/1/2/1b, Ghorpadi Gaon, Sopan Baug, Pune, Maharashtra - 411001 <b>Experience:</b> 43 Years <b>Occupation:</b> Retired Army Officer <b>Qualifications:</b> M Sc. <b>Nationality:</b> Indian <b>DIN:</b> 08075416	Appointed as Additional Independent Director vide a Board meeting dated February 27, 2018,  Further regularized as Independent Director on March 14, 2018.	Nil	Nil
6.	<b>Mr. Nareshkumar Chamanlal Seth</b> <b>Father's Name:</b> Mr. Chamanlal Seth <b>Age:</b> 64 Years <b>Designation:</b> Independent Director <b>Address:</b> 903, Nutan Niwas Near Rupali Naher, Bhatar Road, Surat - 395017 <b>Experience:</b> 39 Years <b>Occupation:</b> Business <b>Qualifications:</b> B. Com, CA <b>Nationality:</b> Indian <b>DIN:</b> 08082501	Appointed as Independent Director on March 14, 2018.	Nil	Nil



\*2,41,065 Equity Shares are jointly held with Mrs. Anubha Sameer Sharma

### Brief Biography of Directors

**Mr. Sushil Pyarelal Sharma** is the Promoter, Chairman & Non-Executive Director of our Company. He has been one of the initial founders of our Company. He possesses an experience of 21 years in the security service industry and has established "SISA" with a view to provide security cover to Industrial Units, shopping complexes, Apartments, Hospitals and other properties with trained and motivated Ex-servicemen as well as civilian security staff. He has in-depth practical knowledge and experience of training and motivating new staff for guarding sensitive defense installations. He has given us two mottoes i.e. "EVER ALERT" & BORN TO PROTECT".

**Mr. Sameer Sushilkumar Sharma** is the promoter and Managing Director of our Company. He is a Nautical Science graduate and has served in Merchant Navy as 2nd officer for eight years successfully. As Managing Director, he has been entrusted with the additional responsibility of Management Representative in ISO for its smooth functioning. As Managing Director, he is solely responsible to the Chairman for the growth and the expansion of the Group.

**Mrs. Anubha Sharma** is the Whole Time Director of our Company. She has taken over as Director of our company since December 2003. She is responsible for the overall Budgeting, Planning, Cash Flow Management, Fund Flow Management, Receiving and analyzing daily Cash Balance Reports and overseeing the accounting function.

**Mr. Baskaran Kesavareddiyar** is the Nominee Director of the company appointed by Canbank Venture Capital Fund Ltd. He has completed his post graduation in Agriculture Science. He has around 34 years of Experience and is currently working as the General Manager, Canara bank.

**Mr. Anoop Anand Malhotra**, is the Independent Director of the company. He has completed his post graduation in Science. He has around 43 years of Experience. He is the retired Lt. General of the Indian Army.

**Mr. Nareshkumar Chamanlal Seth** is the Independent Director of the company. He is Chartered Accountant by profession. He has around 39 years of Experience in the field of Finance.

### Confirmations

None of our Directors is or was a director of any listed company whose shares have been or were suspended from being traded on the BSE or the NSE during his tenure of directorship in last five years prior to the date of this Draft Prospectus.

None of our Directors is or was a director of any listed company which has been or was delisted from any stock exchanges during the tenure of their directorship in such company.

None of the Directors are on the RBI list of willful defaulters as on the date of filing of this Draft Prospectus.

Further, our Company, Promoters, persons forming part of our Promoter Group, Directors or person in control of our Company has not been not debarred from accessing the capital market by SEBI or any other Regulatory Authority.

### Nature of any family relationship between our Directors or Key Managerial Personnel:

Except as mentioned below, none of our Directors or Key Managerial Personnel is related to each other within the meaning of section 2 (77) of the Companies Act, 2013:

Sr. No	Name and designation of the Director	Relationship with other Directors
1.	Mr. Sushil Pyarelal Sharma	Father of Mr. Sameer Sushilkumar Sharma and Father – in – law of Mrs. Anubha Sharma
2.	Mr. Sameer Sushilkumar Sharma	Son of Mr. Sushil Pyarelal Sharma and Spouse of Mrs. Anubha Sharma
3.	Mrs. Anubha Sharma	Spouse of Mr. Sameer Sushilkumar Sharma and Daughter – in – law of Mr. Sushil Pyarelal Sharma

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

Except as disclosed under chapter titled “*History and certain Corporate matters*” beginning on page 114 of this Draft Prospectus, We have not entered into any arrangement or understanding with our major shareholders, customers, suppliers or others, pursuant to which any of our Directors were selected as Directors or members of the senior management.

### Service Contracts:

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

### Details of Borrowing Powers of Directors

Our Company has passed a special resolution in the Annual General Meeting of the members held on March 14, 2018 authorizing the Directors of the Company under Section 180 (1) (c) of the Companies Act, 2013 to borrow from time to time all such money as they may deem necessary for the purpose of business of our Company notwithstanding that money borrowed by the Company together with the monies already borrowed by our Company may exceed the aggregate of the paid up share capital and free reserves provided that the total amount borrowed by the Board of Directors shall not exceed the sum of Rs.300.00 Crores (Rupees Three Hundred Crores only).

### Compensation of our Managing Director & Whole-time Director

The compensation payable to our Managing Director and Whole-time Directors will be governed as per the terms of their appointment and shall be subject to the provisions of Sections 2(54), 2(94), 188, 196, 197, 198 and 203 and any other applicable provisions, if any of the Companies Act, 2013 read with Schedule V to the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof or any of the provisions of the Companies Act, 1956, for the time being in force).

**The following compensation has been approved for Managing Director and Whole Time Directors:**

Particulars	Mr. Sameer Sushilkumar Sharma	Mrs. Anubha Sharma
Re-appointment/Change in Designation	Further reappointed as Managing Director for a term of 3 years w.e.f. March 14, 2018 vide EGM dated March 14, 2018	Further reappointed as Whole time Director for a term of 3 years w.e.f. March 14, 2018 vide EGM dated March 14, 2018
Designation	Managing Director	Whole Time Director
Term of Appointment	3 years	3 years
Remuneration & Perquisites	Rs. 42,00,000 /- p.a.	Rs. 36,00,000/- p.a.
Compensation paid in the year 2017-18	Rs. 31,20,000 /-	Rs. 31,20,000 /-

### Bonus or Profit Sharing Plan for our Directors

We have no bonus or profit sharing plan for our Directors.

### Sitting Fees

The Articles of Association of our Company provides for payment of sitting fees to Directors (other than Managing Director & Whole-time Directors), not exceeding Rs. 1.00 Lac to be fixed by Board of directors from time to time, for attending a meeting of the Board or a Committee thereof. Our Board of Directors has resolved & approved in their meeting dated March 14, 2018 for payment of an amount of Rs. 10,000/- per Board Meeting and Rs. 10,000/- per Committee meeting to all Non-executive Directors for attending each such meeting of the Board or Committee thereof.

### Shareholding of our Directors as on the date of this Draft Prospectus:

Sr. No.	Name of the Director	No. of Shares Held	Holding in %
1.	Mr. Sushil Pyarelal Sharma	5,11,390	6.91%
2.	Mr. Sameer Sushilkumar Sharma	28,31,190	38.23%
3.	Mrs. Anubha Sharma	18,70,990	25.26%
	<b>Total</b>	<b>52,13,670</b>	<b>70.40%</b>

\*2,41,665 Equity Shares are jointly held with Mrs. Anubha Sameer Sharma

None of the Independent Directors of the Company holds any Equity Shares of Company as on the date of this Draft Prospectus.

Our Articles of Association do not require our Directors to hold any qualification Equity Shares in the Company.

## INTEREST OF DIRECTORS

All the Directors may be deemed to be interested to the extent of remuneration and reimbursement of expenses payable to them under the Articles, and to the extent of remuneration paid to them for services rendered as an officer or employee of the Company. For further details, see- **“Compensation of our Managing Director and Whole time Directors”** beginning on Chapter titled **“Our Management”** page 120 of this Draft Prospectus.

Our Directors may also be regarded as interested to the extent of their shareholding and dividend payable thereon, if any, and to the extent of Equity Shares, if any held by them in our Company or held by their relatives. Further our Director are also interested to the extent of unsecured loans, if any, given by them to our Company or by their relatives or by the companies/ firms in which they are interested as directors/Members/Partners. Further our Directors are also interested to the extent of loans, if any, taken by them or their relatives or taken by the companies/ firms in which they are interested as Directors/Members/Partners and for the details of Personal Guarantee given by Directors towards Financial facilities of our Company please refer to **“Statement of Financial Indebtedness”** and **“Annexure C”** of Section **“Financial Information of the Company”** on page 179 and 144 respectively of this Draft Prospectus.

Except as stated otherwise in this Draft Prospectus, our Company has not entered into any Contract, Agreements or Arrangements during the preceding two years from the date of the Draft Prospectus in which the Directors are interested directly or indirectly and no payments have been made to them in respect of the contracts, agreements or arrangements which are proposed to be entered into with them.

Except as stated in this section **“Our Management”** or the section titled **“Financial information of the Company – Related Party Transactions”** beginning on page 120 and 144 respectively of this Draft Prospectus, and except to the extent of shareholding in our Company, our Directors do not have any other interest in our business.

## Interest in the property of our Company

Except as mentioned hereunder our Directors do not have any other interest in any property acquired/rented by our Company in a period of two years before filing of this Draft Prospectus or proposed to be acquired by us as on date of Draft Prospectus.

Sr. No.	Name of Director	Address of Property	Interest and nature of interest
1.	Mr. Sushilkumar Pyarelal Sharma	SISA House, Sameer Complex, RS No. 71, Navsarjan Society, Pandesara, Surat	Mr. Sushilkumar Pyarelal Sharma has provided a No objection certificate dated January 01, 2018 to our company for use of the said property.
2.	Mr. Sushilkumar Pyarelal Sharma	Classique Tower, Rajouri Garden. New Delhi	Mr. Sushilkumar Pyarelal Sharma has provided a No objection certificate dated January 01, 2018 to our company for use of the said property.
3.	Mr. Sushilkumar Pyarelal Sharma	Ground floor Shop No. 22, Chitrakut Complex opp. Narmada Canel, Chhani road, Baroda	Mr. Sushilkumar Pyarelal Sharma has provided a No objection certificate dated January 01, 2018 to our company for use of the said property.
4.	Mr. Sushilkumar Pyarelal Sharma	No.3 Damji Shamji Industrial Complex, 9 L.B.S.	Mr. Sushilkumar Pyarelal Sharma has provided a No objection certificate dated January 01, 2018 to our company

		Marg, Kurla (W), Mumbai 400070	for use of the said property.
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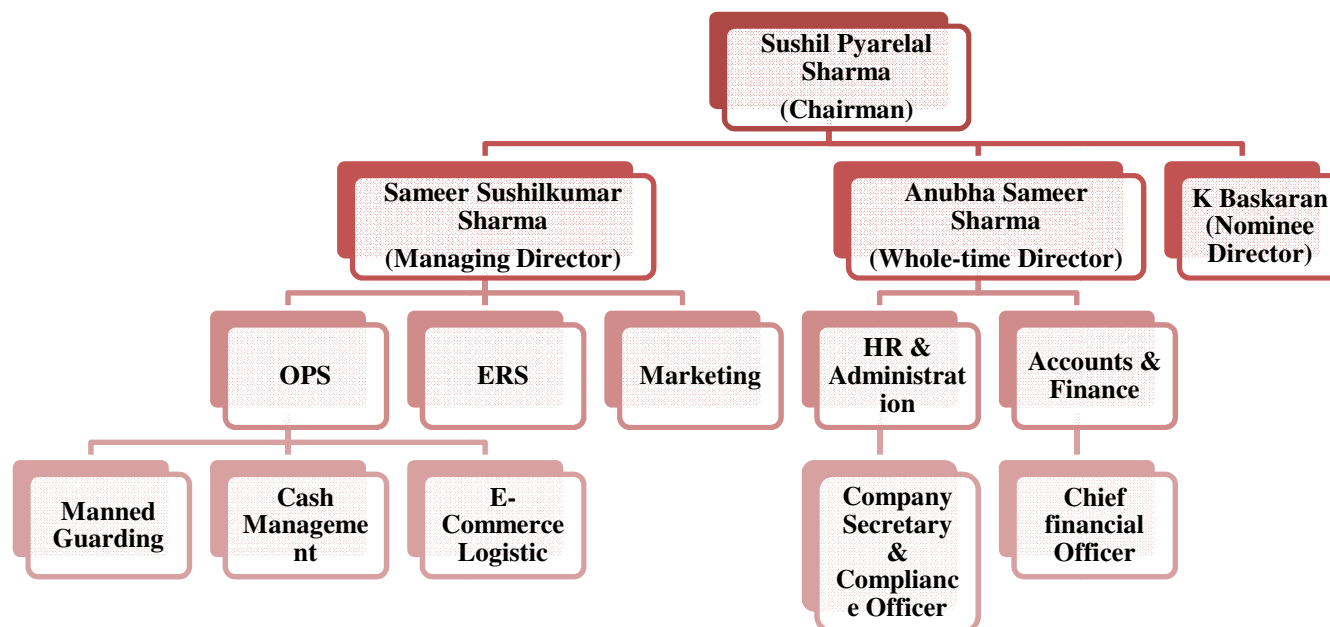
Other than those stated above, Our Director Mr. Sushil Pyarelal Sharma and Mr Sameer Sushilkumar Sharma has also provided some properties registered in his name as security for the credit facilities availed by the Company from Axis Bank limited & South Indian Bank.

#### Changes in Board of Directors in Last 3 Years

Sr. No.	Name	Date of Appointment / Re – Appointment	Reasons for Change
1.	Mr. Senthilarumugam Thiruvadi	May 27, 2015	Appointment of Nominee Director
2.	Mr. Senthilarumugam Thiruvadi	February 22, 2016	Cessation of Nominee Director
3.	Mr. Baskaran Kesavareddiyar	February 22, 2016	Appointment of Nominee Director
5.	Mr. Sushil Pyarelal Sharma	March 14, 2018	Appointment as Chariman and Non-Executive Director
6.	Mr. Sameer Sushilkumar Sharma	March 14, 2018	Re-appointment as Managing Director
7.	Mrs. Anubha Sharma	March 14, 2018	Re-appointment as Whole time Director
8.	Mr. Anoop Anand Malhotra	February 27, 2018	Appointment as Independent Director
9.	Mr. Naresh Chamanlal Seth	March 14, 2018	Appointment as Independent Director

## **MANAGEMENT ORGANISATION STRUCTURE**

The following chart depicts our Management Organization Structure:-



## **COMPLIANCE WITH CORPORATE GOVERNANCE**

In addition to the applicable provisions of the Companies Act, 2013, provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SEBI (ICDR) Regulations, 2009 will be applicable to our Company immediately upon the listing of our Company's Equity Shares on the SME Platform of NSE. The requirements pertaining to the Composition of the Board of Directors and the constitution of the committees such as the Audit Committee, Stakeholders Relationship Committee and Nomination and Remuneration Committees, as applicable on us, have been complied with.

Our Board has been constituted in compliance with the Companies Act and in accordance with the best practices in corporate governance. Our Board functions either as a full board or through various committees constituted to oversee specific operational areas. The executive management provides our Board detailed reports on its performance periodically.

Our Board of Directors consist of six (6) directors of which two (2) are Independent Directors, and we have one women director on the Board. The constitution of our Board is in compliance with Section 149 of the Companies Act, 2013.

Our Company has constituted the following committees:

### **1. Audit Committee**

Our Company has constituted an Audit Committee ("Audit Committee"), vide Board Resolution dated March 14, 2018, as per the applicable provisions of the Section 177 of the Companies Act, 2013 and also to comply with Regulation 18 of SEBI Listing Regulations, 2015 applicable upon listing of the Company's Equity shares on SME platform of NSE ("NSE Emerge"), The constituted Audit Committee comprises following members:

Name of the Director	Status in Committee	Nature of Directorship
Mr. Nareshkumar Chamanlal Seth	Chairman	Independent Director
Mr. Anoop Anand Malhotra	Member	Independent Director
Mr. Sameer Sushilkumar Sharma	Member	Managing Director

The Company Secretary of our Company shall act as a Secretary to the Audit Committee. The Chairman of the Audit Committee shall attend the Annual General Meeting of our Company to answer shareholder queries. The scope and function of the Audit Committee and its terms of reference shall include the following:

**A. Tenure:** The Audit Committee shall continue to be in function as a committee of the Board until otherwise resolved by the Board, to carry out the functions of the Audit Committee as approved by the Board.

**B. Meetings of the Committee:** The committee shall meet at least four times in a year and not more than 120 days shall elapse between any two meetings. The quorum for the meeting shall be either two members or one third of the members of the committee, whichever is higher but there shall be presence of minimum two Independent members at each meeting.

**C. Role and Powers:** The Role of Audit Committee together with its powers as Part C of Schedule II of SEBI Listing Regulation, 2015 and Companies Act, 2013 shall be as under:

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;
5. Reviewing, with the management, the half yearly financial statements before submission to the board for approval, with particular reference to;
  - matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
  - changes, if any, in accounting policies and practices and reasons for the same;
  - major accounting entries involving estimates based on the exercise of judgment by management;
  - significant adjustments made in the financial statements arising out of audit findings;
  - compliance with listing and other legal requirements relating to financial statements;
  - disclosure of any related party transactions;
  - modified opinion(s) in the draft audit report;
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. The Audit Committee may call for the comments of the auditors about internal control systems, the scope of audit, including the observations of the auditors and review of financial statement before their submission to the Board and may also discuss any related issues with the internal and statutory auditors and the management of the company.



16. Discussing with the 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. 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;
18. 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;
19. The Audit Committee shall have authority to investigate into any matter in relation to the items specified in section 177(4) of Companies Act 2013 or referred to it by the Board.
20. 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;
21. To review the functioning of the whistle blower mechanism;
22. Approving the appointment of the Chief Financial Officer (i.e. the whole time finance director or any other person heading the finance function) after assessing the qualifications, experience and background, etc., of the candidate; and;
23. Audit committee shall oversee the vigil mechanism.
24. Audit Committee will facilitate KMP/auditor(s) of the Company to be heard in its meetings.
25. Carrying out any other function as is mentioned in the terms of reference of the audit committee or containing into SEBI Listing Regulations 2015.

Further, the Audit Committee shall mandatorily review the following:

- 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
- f) Statement of deviations:
  - Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).
  - Annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7).

## 2. Stakeholders Relationship Committee

Our Company has formed the Stakeholders Relationship Committee as per Regulation 20 of SEBI Listing Regulation, 2015 vide Resolution dated March 14, 2018. The constituted Stakeholders Relationship Committee comprises the following:

Name of the Director	Status in Committee	Nature of Directorship
Mr. Nareshkumar Chamanlal Seth	Chairman	Independent Director
Mr. Anoop Anand Malhotra	Member	Independent Director
Mr. Anubha Sameer Sharma	Member	Whole time Director

The Company Secretary of our Company shall act as a Secretary to the Stakeholders Relationship Committee. The scope and function of the Stakeholders Relationship Committee and its terms of reference shall include the following:

- A. Tenure:** The Stakeholders Relationship Committee shall continue to be in function as a committee of the Board until otherwise resolved by the Board, to carry out the functions of the Stakeholders Relationship Committee as approved by the Board.
- B. Meetings:** The Stakeholders Relationship Committee shall meet at least four times a year with maximum interval of four months between two meetings and shall report to the Board on a quarterly basis regarding the status of redressal of complaints received from the shareholders of the Company. The quorum shall be two members present.
- C. Terms of Reference:** Redressal of shareholders' and investors' complaints, including and in respect of:

- Allotment, transfer of shares including transmission, splitting of shares, changing joint holding into single holding and vice versa, issue of duplicate shares in lieu of those torn, destroyed, lost or defaced or where the space at back for recording transfers have been fully utilized.
- Issue of duplicate certificates and new certificates on split/consolidation/renewal, etc.;
- Review the process and mechanism of redressal of Shareholders' /Investor's grievance and suggest measures of improving the system of redressal of Shareholders' /Investors' grievances.
- Non-receipt of share certificate(s), non-receipt of declared dividends, non-receipt of interest/dividend warrants, non-receipt of annual report and any other grievance/complaints with Company or any officer of the Company arising out in discharge of his duties.
- Oversee the performance of the Registrar & Share Transfer Agent and also review and take note of complaints directly received and resolved them.
- Oversee the implementation and compliance of the Code of Conduct adopted by the Company for prevention of Insider Trading for Listed Companies as specified in the Securities & Exchange Board of India (Prohibition of insider Trading) Regulations, 2015 as amended from time to time.
- Any other power specifically assigned by the Board of Directors of the Company from time to time by way of resolution passed by it in a duly conducted Meeting, and
- Carrying out any other function contained in the equity listing agreements as and when amended from time to time.

### 3. Nomination and Remuneration Committee

Our Company has formed the Nomination and Remuneration Committee as per Regulation 19 of SEBI Listing Regulation, 2015 vide Resolution dated March 14, 2018. The Nomination and Remuneration Committee comprise the following:

Name of the Director	Status in Committee	Nature of Directorship
Mr. Nareshkumar Chamanlal Seth	Chairman	Independent Director
Mr. Anoop Anand Malhotra	Member	Independent Director
Mr. Sushil Pyrelal Sharma	Member	Chairman & Non Executive Director

The scope and function of the Committee and its terms of reference shall include the following:

**A. Tenure:** The Nomination and Remuneration Committee shall continue to be in function as a committee of the Board until otherwise resolved by the Board.

**B. Meetings:** The committee shall meet as and when the need arises for review of Managerial Remuneration. The quorum for the meeting shall be one third of the total strength of the committee or two members, whichever is higher. The Chairperson of the nomination and remuneration committee may be present at the annual general meeting, to answer the shareholders' queries; however, it shall be up to the chairperson to decide who shall answer the queries.

#### C. Role of Terms of Reference:

1. Identify persons who are qualified to become directors and may be appointed in senior management in accordance with the criteria laid down, recommend to the Board for their appointment and removal and shall carry out evaluation of every director's performance;
2. Formulate the criteria for determining the qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to the remuneration for directors, KMPs and other employees;
3. Formulation of criteria for evaluation of performance of independent directors and the board of directors;
4. Devising a policy on diversity of board of directors;
5. Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;
6. Determine our Company's policy on specific remuneration package for the Managing Director / Executive Director including pension rights;
7. Decide the salary, allowances, perquisites, bonuses, notice period, severance fees and increment of Executive Directors;
8. Define and implement the Performance Linked Incentive Scheme (including ESOP of the Company) and evaluate the performance and determine the amount of incentive of the Executive Directors for that purpose.
9. Decide the amount of Commission payable to the Whole time Directors;

10. Review and suggest revision of the total remuneration package of the Executive Directors keeping in view the performance of the Company, standards prevailing in the industry, statutory guidelines etc; and
11. To formulate and administer the Employee Stock Option Scheme.

#### 4. Corporate Social Responsibility Committee (“CSR Committee”)

The CSR Committee was constituted by a resolution of our Board dated March 14, 2018 in compliance with Section 135 of the Companies Act, 2013. The CSR Committee comprises the following:

Name of the Director	Status in Committee	Nature of Directorship
Mr. Nareshkumar Chamanlal Seth	Chairman	Independent Director
Mr. Sameer Sushilkumar Sharma	Member	Managing Director
Mr. K Bhaskaran	Member	Nominee Director

The terms of reference of the CSR Committee include the following:

- (i) Formulate and recommend to our 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;
- (ii) Recommend the amount of expenditure to be incurred on the activities referred to in clause (a) of sub-section (3) of Section 135 of the Companies Act, 2013; and
- (iii) Monitor the Corporate Social Responsibility Policy of our Company from time to time.

#### **POLICY ON DISCLOSURES AND INTERNAL PROCEDURE FOR PREVENTION OF INSIDER TRADING**

The provisions of regulation 9(1) of the SEBI (Prohibition of Insider Trading) Regulations, 2015 will be applicable to our Company immediately upon the listing of its Equity Shares on the SME platform of NSE. We shall comply with the requirements of the SEBI (Prohibition of Insider Trading) Regulations, 2015 on listing of Equity Shares on stock exchanges.

Mr. Mohmed Parvez Ayaz Shaikh, Company Secretary & Compliance Officer will be responsible for setting forth policies, procedures, monitoring and adherence to the rules for the preservation of price sensitive information and the implementation of the Code of Conduct under the overall supervision of the Board.

#### **POLICY FOR DETERMINATION OF MATERIALITY & MATERIALITY OF RELATED PARTY TRANSACTIONS AND ON DEALING WITH RELATED PARTY TRANSACTIONS**

The provisions of the SEBI (Listing Obligation and Disclosures) Regulations, 2015 will be applicable to our Company immediately upon the listing of Equity Shares of our Company on SME Platform of NSE. We shall comply with the requirements of the SEBI (Listing Obligation and Disclosures) Regulations, 2015 on listing of Equity Shares on the SME platform of NSE.

#### **KEY MANAGERIAL PERSONNEL**

Our Company is supported by a team of professionals having exposure to various operational aspects of our business. A brief detail about the Key Managerial Personnel of our Company is provided below:

Name, Designation & Educational Qualification	Age (Years)	Year of joining	Compensation paid for F.Y. ended 2018 (in Rs. Lacs)	Relevant experience (in years)	Previous employment
Mr. Sameer Sushilkumar Sharma Designation – Managing Director Educational Qualification – Second	48	1999	31.20	19	Merchant Navy as 2nd officer

Officer in Merchant Navy					
Mrs. Anubha Sameer Sharma <b>Designation</b> –Whole Time Director <b>Educational Qualification</b> – B.A.	37	2004	31.20	14	Nil
Mr. Vijay Kumar Singh <b>Designation</b> – Chief Financial Officer <b>Educational Qualification</b> – B. Com	44	2011	6.00	21	DGM (Finance) SISA
Mr. Mohmed Parvez Ayaz Shaikh <b>Designation</b> –Company Secretary and Compliance Officer <b>Educational Qualification</b> –CS	31	2018	-	5	Meera Industries Limited

## BRIEF PROFILE OF KEY MANAGERIAL PERSONNEL

For details pertaining to Mr. Sameer Sushilkumar Sharma and Mrs. Anubha Sharma please refer to the Brief profile of our Directors as mentioned in the chapter titled “Our Management

**Mr. Vijay Kumar Singh** is the Chief Financial Officer of our Company. He holds Bachelor’s degree of Commerce from University of Uttar Pradesh. He has been appointed as Chief Financial Officer of our Company with effect from March 15, 2018. He has an experience of around 22 years in accounting, finance and taxation field.

**Mr. Mohmed Parvez Ayaz Shaikh** is the Company Secretary & Compliance Officer of our Company. He holds Bachelor’s degree of Commerce and Company Secretary from ICSI. He has been appointed as the Company Secretary and Compliance officer of the company with effect from April 03, 2018. He has an experience of around 5 years in secretarial, company and corporate law matters.

We confirm that:

- All the persons named as our Key Managerial Personnel above are the permanent employees of our Company.
- Except as disclosed in this Draft Prospectus, there is no understanding with major shareholders, customers, suppliers or any others pursuant to which any of the above mentioned Key Managerial Personnel have been recruited.
- None of our KMPs except Mr. Sameer Sushilkumar Sharma and Mrs. Anubha Sameer Sharma is part of the Board of Directors.
- In respect of all above mentioned Key Managerial Personnel there has been no contingent or deferred compensation accrued for the year ended 31st March 2018.
- Except for the terms set forth in the appointment letters, the Key Managerial Personnel have not entered into any other contractual arrangements or service contracts (including retirement and termination benefits) with the issuer.
- Our Company does not have any bonus/profit sharing plan for any of the Key Managerial Personnel.
- None of the Key Managerial Personnel in our Company hold any shares of our Company as on the date of filing of this Draft Prospectus except as under:-

Sr. No.	Name of the KMP	No. of Shares Held
1	Mr. Sameer Sushilkumar Sharma	28,31,290*
2	Mrs. Anubha Sameer Sharma	18,70,990
	<b>Total</b>	<b>47,02,280</b>

\*2,41,065 Equity Shares are jointly held with Mrs. Anubha Sameer Sharma

- Presently, we do not have ESOP/ESPS scheme for our employees.
- The turnover of KMPs is not high, compared to the Industry to which our company belongs.

**Payment of Benefits to Officers of our Company (non-salary related)** Except for any statutory payments made by our Company upon termination of services of its officer or employees, our Company has not paid any sum, any non-salary amount or benefit to any of its officers or to its employees including amounts towards super-annuation, ex-gratia/rewards.

#### **Changes in the Key Managerial Personnel in last three years:**

Except as mentioned below, there has been no change in the Key Managerial Personnel of our Company during the last 3 (three) year:-

<b>Name</b>	<b>Date of Change</b>	<b>Designation</b>	<b>Change</b>
Anubha Sameer Sharma	March 14, 2018	Whole Time Director	Re-designation from Managing Director to Whole time Director
Sushil Pyrelal Sharma	March 14, 2018	Managing Director	Re-designated to Non Executive Director
Mr. Vijay Kumar Singh	March 15, 2018	Chief Financial Officer	Designated as the Chief Financial Officer
Mr.Subajit Basu	July 29, 2015	Chief Financial Officer	Appointed as Chief Financial Officer
Mr.Subajit Basu	January 01, 2016	Chief Financial Officer	Resignation as Chief Financial Officer
Mr.Ankit Shah	January 01, 2016	Chief Financial Officer	Appointed as Chief Financial Officer
Mr. Ankit Shah	September 10, 2016	Chief Financial Officer	Resignation as Chief Financial Officer
Mr. Mohmed Parvez Ayaz Shaikh	April 03, 2018	Company Secretary and Compliance Officer	Appointed as the Company Secretary and Compliance Officer

#### **Interest of Our Key Managerial Persons**

Apart from the shares held in the Company and to extent of remuneration allowed and reimbursement of expenses incurred by them for or on behalf of the Company and to the extent of loans and advances made to or borrowed from the Company, none of our key managerial personal are interested in our Company. For details, please refer section titled "**Financial information of the Company - Related Party Transactions**" beginning on page 175 of this Draft Prospectus

#### **Interest in the property of our Company**

Our Key managerial personnel do not have any other interest in any property acquired by our Company in a period of two years before filing of this Draft Prospectus or proposed to be acquired by us as on date of filing the Draft Prospectus with ROC.

Other than those stated above, Our Director Mr Sameer Sushilkumar Sharma has also provided some properties registered in his name as security for the credit facilities availed by the Company from Axis Bank limited and South Indian Bank.

Except as provided in this Draft Prospectus, we have not entered into any contract, agreement or arrangement during the preceding 2 (two) years from the date of this Draft Prospectus in which the Key Managerial Personnel are interested directly or indirectly and no payments have been made to them in respect of these contracts, agreements or arrangements or are proposed to be made to them.

For the details unsecured loan taken from or given to our Directors/KMPs and for details of transaction entered by them in the past please refer to "**Annexure R –Statement of Related Party Transactions**" page 175 of this Draft Prospectus.

#### **OTHER BENEFITS TO OUR KEY MANAGERIAL PERSONNEL**

Except as stated in this Draft Prospectus, there are no other benefits payable to our Key Managerial Personnel.

## **EMPLOYEES**

The details about our employees appear under the Paragraph titled **“Human Resource”** in Chapter titled **“Our Business”** beginning on page 96 of this Draft Prospectus.



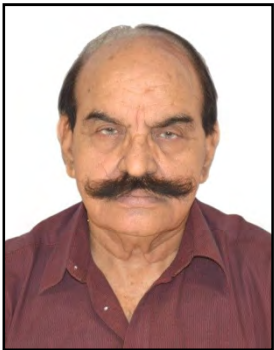

## OUR PROMOTERS AND PROMOTER GROUP


### Our Promoters:

Mr. Sushil Pyarelal Sharma, Mr. Sameer Sushilkumar Sharma and Mrs. Anubha Sameer Sharma are the promoters of our Company.

As on date of this Draft Prospectus, our Promoters hold 52,13,670 Equity Shares of our Company. Our Promoters and Promoter Group will continue to hold the majority of our post-issue paid-up equity share capital of our Company.

*Brief profiles of our promoters are as follows:*

	<p><b>Mr. Sushil Pyarelal Sharma: Chairman &amp; Non Executive Director</b></p> <p>Mr. Sushil Pyarelal Sharmason of Mr. Pyarelal Malavaram Sharma aged 73 years residing at RS No, 71 Sameer Complex, Navsarjan Soc., Pandesara, Surat, Gujarat, India, 394224 is one of the Promoters of our Company. He has been on the Board of Directors of our Company since its incorporation. He has completed his High education from Board of High School and Intermediate education, Uttar Pradesh. He has in-depth practical knowledge and experience of training and motivating new staff for guarding sensitive defense installations. He has established "SISA" purely on professional note, with a view to provide security cover to Industrial Units, shopping complexes, Apartments, Hospitals and other properties with trained and motivated Ex-servicemen as well as civilian security staff and has given two mottos i.e. "EVER ALERT" &amp; BORN TO PROTECT".</p> <p><b>Passport-J3571337</b></p> <p><b>Driving License Number</b> Not held</p> <p><b>Voter Id Card Number</b> RAD3902657</p> <p><b>No. of Equity Shares held in SISA &amp; [% of Shareholding (Pre Issue)]</b> 5,11,390 Equity Shares aggregating to 6.91% of Pre Issue Paid up Capital</p> <p><b>Directorships in other Companies:</b> Nil</p> <p><b>HUF's:</b> Nil</p> <p><b>Other Interests</b> <b>Partnership Firms:-</b> Tanu Gas Agency</p>
	<p><b>Mr. Sameer Sushilkumar Sharma: Managing Director</b></p> <p>Mr. Sameer Sushilkumar Sharmason of Mr. Sushil Pyarelal Sharma aged 41 years residing at RS No, 71 Sameer Complex, Navsarjan Soc., Pandesara, Surat, Gujarat, India, 394224 is one of the Promoters of our Company. He has been on the Board of Directors of our Company since last two decades. He is a Nautical Science graduate and has served in Merchant Navy as 2nd officer for eight years successfully. As Managing Director, he has been entrusted with the additional responsibility of Management Representative in ISO for its smooth functioning. As Managing Director, he is solely responsible to the Chairman for the growth and the expansion of the Group.</p> <p><b>Passport -J3571336</b></p> <p><b>Driving License Number</b> License expired</p> <p><b>Voter Id Card Number</b> RAD3902582</p> <p><b>No. of Equity Shares held in SISA &amp; [% of Shareholding (Pre Issue)]</b> 28,31,290*Equity Shares aggregating to 38.23% of Pre Issue Paid up Capital</p> <p>*(including 2,41,665 shares jointly held by him and Anubha Sameer Sharma)</p> <p><b>Directorships in other Companies:</b> Nil</p> <p><b>HUF's:</b> Nil</p> <p><b>Other Interests</b> <b>Partnership Firms:-</b> Nil</p>

	<b>Mrs. Anubha Sameer Sharma: Whole Time Director</b>
	<p>Mrs. Anubha Sameer Sharma wife of Mr. Sameer Sushilkumar Sharma aged 37 years residing at RS No, 71 Sameer Complex, Navsarjan Soc., Pandesara, Surat, Gujarat, India, 394224 is one of the Promoters of our Company. She has been on the Board of our Company since December 2004. She is responsible for the overall Budgeting, Planning, Cash Flow Management, Fund Flow Management, Receiving and analyzing daily Cash Balance Reports and overseeing the accounting function.</p> <p><b>Passport</b> N4167693  <b>Driving License Number</b> Not held  <b>Voter Id Card Number</b> RAD3902640  <b>No. of Equity Shares held in SISA &amp; [% of Shareholding (Pre Issue)]</b> 18,70,990 Equity Shares aggregating to 25.26% of Pre Issue Paid up Capital  <b>Directorships in other Companies:</b> Nil  <b>HUF's:</b> Nil  <b>Other Interests</b> <b>Partnership Firms:-</b> Tanu Gas Agency</p>

### Confirmations/Declarations

In relation to our individual Promoters, Mr. Sushil Pyarelal Sharma, Mr. Sameer Sushilkumar Sharma and Mrs. Anubha Sameer Sharma, our Company confirms that the Permanent Account Number, Bank Account No. and Passport Number (as available) have been submitted to NSE EMERGE at the time of filing of this Draft Prospectus.

### Relationship between our Promoters

None of our Promoter is related to each other except as stated below:

Sr. No	Name and designation of the Director	Relationship with other Directors
1.	Mr. Sushil Pyarelal Sharma	Father of Mr. Sameer Sushilkumar Sharma and Father – in – law of Mrs. Anubha Sameer Sharma
2.	Mr. Sameer Sushilkumar Sharma	Son of Mr. Sushil Pyarelal Sharma and Spouse of Mrs. Anubha Sameer Sharma
3.	Mrs. Anubha Sameer Sharma	Spouse of Mr. Sameer Sushilkumar Sharma and Daughter – in – law of Mr. Sushil Pyarelal Sharma

### Undertaking/ Confirmations

None of our Promoters or Promoter Group has been (i) prohibited or debarred from accessing or operating in the capital market or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI or any other authority or (ii) refused listing of any of the securities issued by such entity by any stock exchange, in India or abroad. None of our Promoters is or have ever been a promoter, director or person in control of any other company which is debarred from accessing the capital markets under any order or direction passed by the SEBI or any other authority.

Further, neither our Promoters nor the relatives of our Promoters (as defined under the Companies Act) have been declared as a willful defaulter by the RBI or any other government authority nor there are no violations of securities laws committed by them in the past and no proceedings for violation of securities laws are pending against them.

None of our Promoters nor members of the Promoter Group have interest in any companies that have become sick Companies under the IBC and no application has been made in respect of any of them, to the Registrar of Companies for striking off their names. Further no winding up proceedings have been initiated against the Promoters or the Group Company.

### **Common Pursuits/ Conflict of Interest**

There is no Promoter group or group company which is engaged in similar line of business as on the date of this Draft Prospectus.

We cannot assure that our Promoters or Promoter Group will not promote any new entity in the similar line of business and will not favor the interests of the said entities over our interest or that the said Entity will not expand their businesses which may increase our chances of facing competition. This may adversely affect our business operations and financial condition of our Company. For further details, please see Risk Factors on page 16 of this Draft Prospectus. For details of our Promoter Group and Group Companies refer to Section titled “*Our Promoters and Promoter Group*” & “*Our Group Company*” on page 134 and 140 of this Draft Prospectus.

We shall adopt the necessary procedures and practices as permitted by law to address any conflicting situations, as and when they may arise.

### **Interest of our Promoter**

Our Promoters are interested in our Company to the extent that they have promoted our Company and to the extent of their shareholding in our Company and the dividends payable, if any, and any other distributions in respect of the Equity Shares held by them or any of their relatives. For details on the shareholding of our Promoters in our Company, see “Capital Structure” beginning from page 55 of this Draft Prospectus.

Our Promoters who are also the Directors of our Company, may be deemed to be interested to the extent of fees, if any payable to them for attending meetings of the Board or a committee thereof as well as to the extent of remuneration, commission and reimbursement of expenses payable to them as per the terms of the Articles of our Company/Subsidiaries and relevant provisions of Companies Act.

Our Promoters who have been appointed on the Board of our Company and designated as the key managerial personnel are interested in our Company to the extent of their remuneration, fees and commission, as the case may be payable to them. For further details, see “Our Management– Interests of Directors” beginning on page 120 of this Draft Prospectus.

Except as stated below, our Company has not entered into any contract, agreements or arrangements during the preceding two years from the date of this Draft Prospectus or proposes to enter into any such contract which is not on arm’s length basis and in the ordinary course of business, in which our Promoters are directly or indirectly interested, and no payments have been made to them in respect of the contracts, agreements or arrangements which are proposed to be made with them. For further details of the related party transactions see Annexure R “Related Party Transactions” on page 175 of this Draft Prospectus.

### **Interest in the property of our Company**

Except as mentioned hereunder our Directors do not have any other interest in any property acquired/rented by our Company in a period of two years before filing of this Draft Prospectus or proposed to be acquired by us as on date of Draft Prospectus.

Sr. No.	Name of Director	Address of Property	Interest and nature of interest
1.	Mr. Sushilkumar Pyarelal Sharma	SISA House, Sameer Complex, RS No. 71, Navsarjan Society, Pandesara, Surat	Mr. Sushilkumar Pyarelal Sharma has provided a No objection certificate dated January 01, 2018 to our company for use of the said property.
2.	Mr. Sushilkumar Pyarelal Sharma	Classique Tower, Rajouri Garden. New Delhi	Mr. Sushilkumar Pyarelal Sharma has provided a No objection certificate dated January 01, 2018 to our company for use of the said property.
3.	Mr. Sushilkumar Pyarelal Sharma	Ground floor Shop No. 22, Chitrakut Complex opp. Narmada Canel , Chhani road, Baroda	Mr. Sushilkumar Pyarelal Sharma has provided a No objection certificate dated January 01, 2018 to our company for use of the said property.

4.	Mr. Sushilkumar Pyarelal Sharma	No.3 Damji Shamji IndustrialComplex, 9 L.B.S. Marg, Kurla (W), Mumbai 400070	Mr. Sushilkumar Pyarelal Sharma has provided a No objection certificate dated January 01, 2018 to our company for use of the said property.
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Other than those stated above, Our Director Mr. Sushil Pyarelal Sharma and Mr Sameer Sushilkumar Sharma has also provided some properties registered in his name as security for the credit facilities availed by the Company from Axis Bank limited & South Indian Bank.

Our Promoters have no interest in acquisition of land, construction of building and supply of machinery undertaken by our Company. Further, Our Promoters are not interested in the properties acquired or proposed to be acquired by our Company in the two years preceding the filing of this Draft Prospectus. For further details, see section titled “Our Management” and Annexure R “Related Party Transactions” on pages 120 and 175 of this Draft Prospectus respectively

Our Promoters are not interested as a member of a firm or a company, and no sum has been paid or agreed to be paid to our Promoters or to such firm or company in cash or shares or otherwise by any person for services rendered by them or by such firm or company in connection with the promotion or formation of our Company.

#### ***Other Interests in our Company***

Further, our promoters may be interested to the extent of personal guarantees given by them in favour of the Company, for the details of Personal Guarantee given by Promoters towards Financial facilities of our Company please refer to “**Statement of Financial Indebtedness**” and “Annexure B (A)” of Section “**Financial Information of our Company**” on page 179 and 144 respectively of this Draft Prospectus.

#### **Related Party Transactions**

For the transactions with our Promoters and Promoter Group Members/Entities, please refer to section titled “**Annexure - R**” of “**Related Party Transactions**” on page 175 of this Draft Prospectus.

#### **Payment or Benefits to our Promoter and Promoter Group during the last 2 years:**

For details of payments or benefits paid to our Promoter and promoter group, please refer to the paragraph “**Compensation of our Managing Director**” in the chapter titled “**Our Management**” beginning on page 120, also refer Annexure R on “**Related Party Transactions**” on page 175 forming part of “**Financial Information of the Company**” and Paragraph on “**Interest of Promoter**” in chapter titled “Our Promoters and Promoter Group” on page 134 of this Draft Prospectus.

#### **Companies/Firms with which our Promoter has disassociated himself in the last three years**

Except as disclosed below, our Promoters have not disassociated themselves from any of the Companies, Firms or other entities during the last three years preceding the date of this Prospectus:-

Name of Promoter	Name of Company/Firm	Reason for Disassociation
Mr Sushil Pyarelal Sharma, Mr. Sameer Sushilkumar Sharma and Mrs. Anubha Sameer Sharma	Raashi Pecuniary Services Private Limited	Voluntary Strike off of the Company U/s 560 (5) of the Companies Act.
	SISA Guards Private Limited	

#### **Other ventures of our Promoters**

Save and except as disclosed in this section titled “**Our Promoter and Promoter Group**” and “**Our Group Company**” beginning on page 134 and 140 respectively of this Draft Prospectus, there are no ventures promoted by our Promoters in which they have any business interests/ other interests.

### **Litigation details pertaining to our Promoters**

For details on litigations and disputes pending against the Promoters and defaults made by the Promoters, please refer to the section titled “*Outstanding Litigations and Material Developments*” beginning on page 193 of this Draft Prospectus.

### **OUR PROMOTER GROUP**

In addition to the Promoters named above, the following natural persons are part of our Promoter Group:

#### **1. Natural Persons who are part of the Promoter Group**

As per Regulation 2(1)(zb) (ii) of the SEBI (ICDR) Regulations, 2009, the Natural persons who are part of the Promoter Group (due to their relationship with the Promoters) are as follows:

<b>Relationship with Promoter</b>	<b>Mr. Sushil Pyarelal Sharma</b>
Father	Late Mr. Pyarelal Sharma
Mother	Late Mrs. Mayawati Sharma
Spouse	Late Mrs. Varsha Sharma
Brother	Mr. Mahendra Sharma
Sister	Late Veena Kapil
Son	Mr. Sameer Sushilkumar Sharma
Daughter	Mrs. Tanu Narang
Spouse's Father	Late Mr. T. L. Verma
Spouse's Mother	Late Mrs. Yashvanti Verma
Spouse's Brother	Mr. H. K. Verma, Mr. Subash Verma
Spouse's Sister	Late Mrs. Sudesh Kapila

<b>Relationship with Promoter</b>	<b>Mr. Sameer Sushilkumar Sharma</b>
Father	Mr. Sushil Pyarelal Sharma
Mother	Late Mrs. Varsha Sharma
Spouse	Mrs. Anubha Sameer Sharma
Brother	NA
Sister	Mrs. Tanu Narang
Son	Mr. Viraj Sharma
Daughter	Ms. Raashi Sharma
Spouse's Father	Mr. S. C. Chhabra
Spouse's Mother	Late Mrs. Santosh Chhabra
Spouse's Brother	Mr. Ajay Chhabra
Spouse's Sister	Mrs. Anju Dhingra, Mrs. Abha Ranjan

<b>Relationship with Promoter</b>	<b>Mrs. Anubha Sameer Sharma</b>
Father	Mr. S. C. Chhabra
Mother	Late Mrs. Santosh Chhabra
Spouse	Mr. Sameer Sushilkumar Sharma
Brother	Mr. Ajay Chhabra
Sister	Mrs. Anju Dhingra, Mrs. Abha Ranjan
Son	Mr. Viraj Sharma
Daughter	Ms. Raashi Sharma
Spouse's Father	Mr. Sushil Pyarelal Sharma
Spouse's Mother	Late Mrs. Varsha Sharma
Spouse's Brother	NA
Spouse's Sister	Mrs. Tanu Narang

## 2. Corporate Entities or Firms forming part of the Promoter Group

As per Regulation 2(1)(zb) (iv) of the SEBI (ICDR) Regulations, 2009, the following entities would form part of our Promoter Group:

S.No.	Nature of Relationship	Entity
1	Any Body corporate in which 10% or more of the share capital is held by the Promoter or an immediate relative of the Promoter or a firm or HUF in which the Promoter or any one or more of his immediate relatives is a member	Nil
2	Any company in which a company mentioned in (1) above, holds 10% or more, of the equity share capital	Nil
3	Any HUF or Trust or firm in which the aggregate share of the Promoter and his immediate relatives is equal to or more than 10% of the total	Tanu Gas Agency (Partnership Firm)

## OUR GROUP COMPANY

As per the SEBI ICDR Regulations, for the purpose of identification of Group Companies, our Company has considered those companies as our Group Companies which is covered under the applicable accounting standard (AS-18) issued by the Institute of Chartered Accountants of India as per Restated Financial Statements. Further, pursuant to a resolution of our Board dated March 14, 2018 for the purpose of disclosure in relation to Group Companies in connection with the Issue, a company shall be considered material and disclosed as a Group Company if such company fulfils both the below mentioned conditions :-

(i) Such Company forms part of the Promoter Group of our Company in terms of Regulation 2(1)(z)(b) of the SEBI Regulations and;

(ii) Our Company has entered into one or more transactions with such company in preceding fiscal or audit period as the case may be exceeding 10% of total revenue of the company as per Restated Standalone Financial Statements.

Based on the above, following company is considered to be material by our Board to be disclosed as a Group Company of our Company:-

### **Sonata Exports Limited**

As on the date of this Draft Prospectus except as stated above, our Board has determined that there are no other companies connected to our Promoters or the Promoter Group which are material to our Company having regard to the value of the transactions that our Company has entered into in the last five years with such entities, and the limited dependence that our Company has on these related parties from a business continuity perspective.

The details of our Group Companies are provided below:

### **Sonata Exports Limited**

#### **Corporate Information**

Sonata Exports Limited was originally incorporated under the Companies Act, 1956 on September 10, 1993 bearing CIN U19129CH1993PLC013708.

#### **Nature of business**

The group company is engaged in the business of leasing and supply of manpower and security services. The registered office of our group company is situated at SCO 834 II Floor Shivalik Enclave Manimajra Chandigarh 160101, India.

#### **Capital Structure**

(Face value of Rs. 100 each)

Particulars	Amount of Capital (Rs. in Lakhs)
Authorised share capital	10.00
Issued, subscribed and paid-up share capital	9.92
Equity Share Capital	9.92

#### **Equity Shareholding Pattern as on as on this date of Draft Red Herring Prospectus**

Name of Shareholder	No. of Equity Shares	Percentage of Equity holding (%)
Ajay Chhabra	4764	48.00
Subhash Chandra Chhabra	4764	48.00
Narwar Singh Bhogal	393	3.96
Santosh Chhabra	1	0.01
Sarika Chhabra	1	0.01
Kartar Singh Chhabra	1	0.01



Name of Shareholder	No. of Equity Shares	Percentage of Equity holding (%)
G S Bhogal	1	0.01
<b>Total</b>	<b>9925</b>	<b>100.00</b>

### Financial Performance

Particulars	As at March 31 (Rs. in Lakhs)		
	March 31, 2017	March 31, 2016	March 31, 2015
Equity Capital (Face Value of Rs. 100 each)	9.92	9.92	9.92
Reserves and Surplus	152.74	132.77	107.26
Sales	282.55	285.00	281.96
Profit/ (Loss) after tax	23.73	25.52	29.54
Earnings per share (Face Value of Rs. 100 each) (Basic & Dilluted)	239.11	257.16	297.60
Net asset value per share (in Rs.)	1638.94	1437.68	1180.65

### Interest of the Promoters

As on the date of this Draft Prospectus, our Promoters Mr. Shushil Pyrelal Sharma, Mr. Sameer Sushilkumar Sharma and Mrs. Anubha Sameer Sharma donot hold any direct interest in the said group company. However the relative of the Promoters hold shares and directorship in the Group Company.

### Other Confirmations

- ❖ Our Group Company is not sick companies and are not under the process of winding-up.
- ❖ Our Group Company do not hold any Equity Shares, warrants/convertible securities in our Company as of the date of this Draft Prospectus.
- ❖ Our Group Company does not have any interest, including any business or other interest, in our Company.
- ❖ Our Group Company are not interested in any property acquired by our Company within the last two (2) years or proposed to be acquired by our Company.
- ❖ Our Group Company is not listed and have not made any public or rights issue in preceding three (3) years.
- ❖ There are no defaults in meeting any statutory/bank/institutional dues. No proceedings have been initiated for economic offences against our Group Companies.
- ❖ Our Group Companies have not been debarred from accessing the capital market for any reasons by the SEBI or any other authorities.
- ❖ Our Group Companies have not been identified as a willful defaulter by the RBI or other authorities

### Defunct group entities

Our Group Company is not defunct entity as on the date of this Draft Prospectus.

### Common Pursuits

Our Group Company is engaged in the business activity to that of our Company. As on date of this Draft Prospectus there are no non-compete agreement between us and our Group Company. Further, our Company would adopt necessary measures and practice as permitted by law and regulatory guidelines to address any conflict situation as and when it arise..

### Loss making Entity:

None of our Group Company has incurred loss in the immediate preceding year.

### **Related Party Transactions**

For details of related party transactions please see “Restated Statement of Related party disclosures” appearing in the section titled “Financial Statements” beginning on pages 175 of this Draft Prospectus.

### **Companies with negative net worth**

None of our Group Company has negative net worth as per the last audited financial statements mentioned herein.

### **Nature and Extent of Interest of Group Companies**

#### ***In the promotion of our Company***

Our Group Company do not have any interest in the promotion of our Company.

#### ***In the properties acquired or proposed to be acquired by our Company in the past 2 (two) years before filing the Draft Prospectus with Stock Exchange***

Our Group Company do not have any interest in the properties acquired or proposed to be acquired by our Company in the past 2 (two) years preceding the filing the Draft Prospectus with the Stock Exchange.

#### ***Related Business Transactions within the Group Companies and Significance on the Financial Performance of our Company***

For details of related party transactions please see “Restated Statement of Related party disclosures” appearing in the section titled “Financial Statements” beginning on page 175 of this Draft Prospectus.

### **Payment of amount or benefits to our Group Companies during the last two (2) years**

Except as mentioned in the sections titled “Financial Statements” and “Objects of the Issue” beginning on pages 175 and 78 respectively of this Draft Prospectus, no amount or benefits were paid or were intended to be paid to our Group Companies during the last 2 (two) years from the date of filing of this Draft Prospectus.

### **Business Interest of Group Companies**

For details in relation to “Interest of Group Companies” please refer to “Restated Statement of Related party disclosures” appearing under the section “Financial Statements” beginning on pages 175 of this Draft Prospectus.

### **DIVIDEND POLICY**

Under the Companies Act, our Company can pay dividends upon a recommendation by our Board of Directors and approval by the shareholders at the general meeting of our Company. The Articles of Association of our Company give our shareholders, the right to decrease, and not to increase, the amount of dividend recommended by the Board of Directors.

The Articles of Association of our Company also gives the discretion to our Board of Directors to declare and pay interim dividends. No dividend shall be payable for any financial year except out of profits of our Company for that year or that of any previous financial year or years, which shall be arrived at after providing for depreciation in accordance with the provisions of Companies Act, 2013.

Our Company does not have any formal dividend policy for declaration of dividend in respect of the Equity Shares. The declaration and payment of dividend will be recommended by our Board of Directors and approved by the shareholders of our Company at their discretion and may depend on a number of factors, including the results of operations, earnings, Company's future expansion plans, capital requirements and surplus, general financial condition, contractual restrictions, applicable Indian legal restrictions and other factors considered relevant by our Board of Directors.

Our Company has not declared any dividend on the Equity Shares in the past years. Our Company's corporate actions pertaining to payment of dividends in the past are not to be taken as being indicative of the payment of dividends by our Company in the future.

The dividends declared by our Company on the Preference Shares in each of the Fiscal Year 2016 and 2017 as per our Restated Standalone Financial Statements are given below:

Particulars	Fiscal Years	
	2017	2016
Face Value per share (In Rs.)	10	10
Dividend (In Lakhs)	120.00	101.92
Dividend per share (In Rs.)	1.20	1.02
Rate of Dividend (%)	12%	12%
Dividend Tax (In Lakhs)	23.34	19.82
Dividend Tax (%)	19.45	19.45

**SECTION V - FINANCIAL INFORMATION OF THE COMPANY**

**RESTATED FINANCIAL STATEMENT**

**Independent Auditors' Report**

**(As required by Section 26 of Companies Act, 2013 read with Rule 4 of Companies (Prospectus and Allotment of Securities) Rules, 2014)**

To,

**The Board of Directors,  
Shiva Industrial Security Agency (Guj) Pvt. Ltd.  
Sameer complex, R S no. 71, Navsarjan Society  
GIDC Pandesara  
Surat**

Dear Sirs,

**1. Report on Restated Financial Statements**

We have examined the Restated Financial information of Shiva Industrial Security Agency (Guj) Pvt. Ltd. (hereinafter referred as “the Company”), which comprise of the Statement of Assets and Liabilities, Statement of Profit and Loss and the Statement of Cash Flows for the period ended on June 30, 2018 (Stub Period) and the year ended on March 31, 2018, 2017, 2016, 2015 & 2014 and the Summary of the Significant accounting policies approved by the Board of Directors annexed to this report have been prepared in accordance with the requirements of:

- a) Section 26 of Companies Act, 2013 (hereinafter referred to as the “Act”), read with the applicable provisions within Rule - 4 to 6 of Companies (Prospectus and Allotment of Securities) Rules, 2014, as amended;
- b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (“the Regulation”) (“SEBI ICDR Regulations”) issued by the Securities and Exchange Board of India (SEBI) and amendments made thereto from time to time;
- c) The terms of reference to our engagements with the Company requesting us to examine financial statements referred to above and proposed to be included in the Draft Prospectus/Prospectus being issued by the Company for its proposed Initial Public Offering of equity shares in SME Platform of NSE (“IPO” or “SME IPO”);
- d) The (Revised) Guidance Note on Reports in Company Prospectuses issued by the Institute of Chartered Accountants of India (“ICAI”); and

In terms of Schedule VIII of the SEBI (ICDR) Regulations, 2009 and other provisions relating to accounts, We, **N K Sultania & Co., Chartered Accountants**, have been subjected to the peer review process of the Institute of Chartered Accountants of India (ICAI) and hold a valid **Certificate No. 009824 dated 21.04.2017** issued by the “Peer Review Board” of the ICAI.

2. The Restated Summary Statements and Financial information of the Company have been extracted/ prepared by the management from the Audited Financial Statements of the Company for the period ended on June 30, 2018 and financial year ended on March 31, 2018, March 31, 2017, March 31, 2016, March 31, 2015 and March 31, 2014 which have been approved by the Board of Directors.
3. Information of the Company are for the period ended on June 30, 2018 and financial year ended on March 31, 2018, 2017, 2016, 2015 and 2014 which have been audited by M/s AGKR & Co., Chartered Accountants & M/s Malu Jain & Associates, Chartered Accountants (for FY 2013-14 & 2014-15) and books of account underlying those financial statements and other records of the Company, to the extent considered necessary by us, have been examined for the presentation of the Restated Summary Statements under the requirements of Schedule III of the Act.

#### 4. Financial Information as per Audited Financial Statements:

1) We have examined:

- i. The attached Restated Statement of Assets and Liabilities of the Company as at June 30, 2018, March 31, 2018, March 31, 2017, March 31, 2016, March 31, 2015 and March 31, 2014 (Annexure I);
- ii. The attached Restated Statement of Profits and Losses of the Company for the period ended as on June 30, 2018, March 31, 2018, March 31, 2017, March 31, 2016, March 31, 2015 and March 31, 2014 (Annexure II);
- iii. The attached Restated Statement of Cash Flows of the Company for the period ended on June 30, 2018, March 31, 2018, March 31, 2017, March 31, 2016, March 31, 2015 and March 31, 2014 (Annexure III);
- iv. The Significant Accounting Policies adopted by the Company and notes to the Restated Financial Statements along with adjustments on account of audit qualifications / adjustments / regroupings. (Annexure IV);

(Collectively hereinafter referred as “**Restated Financial Statements**” or “**Restated Summary Statements**”)

2) In accordance with the requirements of sub-clauses (i) and (iii) of clause (b) of sub-section (1) of section 26 of the Companies Act, 2013 read with Rule 4 of Companies (Prospectus and Allotment of Securities) Rules, 2014, the SEBI Regulations, the Revised Guidance Note on Reports in Company Prospectus and Guidance Note on Audit Reports/Certificates on Financial Information in Offer Documents issued by the Institute of Chartered Accountants of India (the ‘ICAI’) and the terms of our engagement agreed with you, we report that:

- a) The “**Restated Statement of Assets and Liabilities**” as set out in **Annexure I** to this report, of the Company for the period ended as at June 30, 2018, March 31, 2018, March 31, 2017, March 31, 2016, March 31, 2015 and March 31, 2014 are prepared by the Company and approved by the Board of Directors. This Statement of Assets and Liabilities, as restated have been arrived at after making such adjustments and regroupings to the individual Financial Statements of the Company, as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes to the Restated Summary Statements as set out in **Annexure IV** to this Report.
- b) The “**Restated Statement of Profit and Loss**” as set out in **Annexure II** to this report, of the Company for the period ended as on June 30, 2018, March 31, 2018, March 31, 2017, March 31, 2016, March 31, 2015 and March 31, 2014 are prepared by the Company and approved by the Board of Directors. This Statement of Profit and Loss, as restated have been arrived at after making such adjustments and regroupings to the individual financial statements of the Company, as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes to the Restated Summary Statements as set out in **Annexure IV** to this Report.
- c) The “**Restated Statement of Cash Flow**” as set out in **Annexure III** to this report, of the Company for the period ended as on June 30, 2018, March 31, 2018, March 31, 2017, March 31, 2016, March 31, 2015 and March 31, 2014 are prepared by the Company and approved by the Board of Directors. This Statement of Cash Flow, as restated, have been arrived at after making such adjustments and regroupings to the individual financial statements of the Company, as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes to Restated Summary Statements as set out in **Annexure IV** to this Report.

Based on the above and also as per the reliance placed by us on the audited financial statements of the company and Auditors Report thereon which have been prepared by Statutory Auditor of the Company for the period ended on June 30, 2018, March 31, 2018, March 31, 2017, March 31, 2016, March 31, 2015 and March 31, 2014, we are of the opinion that “**Restated Financial Statements**” or “**Restated Summary Statements**” have been made after incorporating:

- (i) Adjustments for any material amounts in the respective financial years have been made to which they relate; and
- (ii) There are no Extra-ordinary items except as shown in the Restated Profit & Loss Statement of that need to be disclosed separately in the Restated Summary Statements.

- (iii) Adjustments on account of the statutory audit qualifications, if any, have been adjusted and regrouped to the individual financial statements of the Company, as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes to the Restated Summary Statements as set out in **Annexure IV** to this Report.
- (iv) Adjustments in Financial Statements have been made in accordance with the correct accounting policies, which includes the impact of provision of gratuity made on actuarial valuation basis in the Restated Financial statements.
- (v) There are no revaluation reserves, which need to be disclosed separately in the **“Restated Financial Statements”**.
- (vi) The Company has not paid any dividend on its equity shares during any financial years till June 30, 2018.

## 5. Other Financial Information:

1. We have also examined the following financial information as set out in annexure prepared by the Management and as approved by the Board of Directors of the Company for the period ended as on June 30, 2018, March 31, 2018, March 31, 2017, March 31, 2016, March 31, 2015 and March 31, 2014.

Restated Statement of Share Capital, Reserves And Surplus	Annexure-A
Restated Statement of Long Term And Short Term Borrowings	Annexure-B&B(A)
Restated Statement of Deferred Tax (Assets) / Liabilities	Annexure-C
Restated Statement of Long Term Provisions	Annexure-D
Restated Statement of Trade Payables	Annexure-E
Restated Statement of Other Current Liabilities And Short Term Provisions	Annexure-F
Restated Statement of Fixed Assets	Annexure-G
Restated Statement of Long-Term Loans & Advances	Annexure-H
Restated Statement of Inventories	Annexure-I
Restated Statement of Trade Receivables	Annexure-J
Restated Statement of Cash & Cash Equivalents	Annexure-K
Restated Statement of Short-Term Loans And Advances	Annexure-L
Restated Statement of Other Current Assets	Annexure-M
Restated Statement of Other Income	Annexure-N
Restated Statement of Turnover	Annexure-O
Restated Statement of Mandatory Accounting Ratios	Annexure-P
Restated Statement of Capitalization	Annexure-Q
Restated Statement of Related party transaction	Annexure-R
Restated Statement of Contingent liabilities	Annexure-S
Restated Statement of Tax Shelter	Annexure-T

2. The Restated Financial Information contain all the disclosures required by the SEBI ICDR regulations and partial disclosures as required by Accounting Standards notified under the Companies Act, 1956 of India read with the General Circular 15/ 2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Act.
3. We have carried out Re-audit of the financial statements for the Year ended on March 31, 2018 and the period ended on June 30, 2018, as required by SEBI regulations. We have not audited any financial statements of the Company as of any date or for any period subsequent to June 30, 2018. Accordingly, we do not express any opinion on the financial position, results or cash flows of the Company as of any date or for any period subsequent to June 30, 2018.
4. The preparation and presentation of the Financial Statements referred to above are based on the Audited financial statements of the Company in accordance with the provisions of the Act and the Financial Information referred to above is the responsibility of the management of the Company.

5. In our opinion, the above financial information contained in Annexure I to Annexure III and Annexure A to T of this report read along with the Restated Statement of Significant Accounting Policies and related Notes as set out in Annexure IV are prepared after making adjustments and regrouping as considered appropriate and have been prepared in accordance with Section 26 of the Act, read with the applicable provisions within Rule - 4 to 6 of Companies (Prospectus and Allotment of Securities) Rules, 2014, as amended, the SEBI Regulations, The Revised Guidance Note on Reports in Company Prospectuses and Guidance Note on Audit Reports/Certificates on Financial Information in Offer Documents issued by the Institute of Chartered Accountants of India ("ICAI") to the extent applicable, as amended from time to time, and in terms of our engagement as agreed with you. We did not perform audit tests for the purpose of expressing an opinion on individual balances of account or summaries of selected transactions, and accordingly, we express no such opinion thereon.
6. Consequently the financial information has been prepared after making such regroupings and retrospective adjustments as were, in our opinion, considered appropriate to comply with the same. As result of these regroupings and adjustments, the amount reported in the financial information may not necessarily be same as those appearing in the respective audited financial statements for the relevant years.
7. The report should not in any way be construed as a re-issuance or re-drafting of any of the previous audit report, nor should this constructed as a new opinion on any of the financial statements referred to herein.
8. We have no responsibility to update our report for events and circumstances occurring after the date of the report.
9. Our report is intended solely for use of the management and for inclusion in the Offer Document in connection with the IPO-SME for Proposed Issue of Equity Shares of the Company and our report should not be used, referred to or adjusted for any other purpose without our written consent.

#### 6. Auditor's Responsibility

Our responsibility is to express an opinion on these restated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### 7. Opinion

In our opinion and to the best of our information and according to the explanations given to us, the restated financial statements read together with the notes thereon, give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, to the extent applicable;

- a) In the case of Restated Statement of Assets and Liabilities of the Company as at June 30, 2018, March 31, 2018, March 31, 2017, March 31, 2016, March 31, 2015 and March 31, 2014;



- b) In the case of the Restated Statement of Profit and Loss of the Company for the period ended on June 30, 2018, March 31, 2018, March 31, 2017, March 31, 2016, March 31, 2015 and March 31, 2014;
- c) In the case of the Restated Cash Flow Statement of the Company for the period ended on June 30, 2018, March 31, 2018, March 31, 2017, March 31, 2016, March 31, 2015 and March 31, 2014.

**For N.K. Sultania & Co.**  
**Chartered Accountants**  
**Firm Reg. No. 324730E**  
**PRC No. 009824**  
**CA. N.K. Sultania**  
**Proprietor**  
**Membership No. 060859**  
**Place: Surat**  
**Date: 22.10.2018**

**ANNEXURE I**  
**RESTATED STATEMENT OF ASSETS AND LIABILITIES**

(Amt in Rs. Lakhs)

Particulars	As at					
	June 30, 2018	March 31, 2018	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014
<b>I. EQUITY AND LIABILITIES</b>						
<b>Shareholder's Funds</b>						
Share Capital	740.58	740.58	1,051.95	1,051.95	47.40	47.40
Reserves and Surplus (excluding Revaluation Reserves, if any)	2,699.95	2,495.43	1,413.20	1,004.74	796.13	705.10
Money received against share warrants	-	-	-	-	-	-
<b>Share Application Money Pending Allotment</b>	-	-	-	-	-	-
<b>Non Current Liabilities</b>						
Long-term Borrowings	801.45	802.04	688.29	558.50	524.62	369.40
Deferred tax liabilities (Net)	112.09	130.58	64.17	33.95	-	-
Other Long Term Liabilities	-	-	-	-	-	-
Long-term Provisions	101.92	111.80	136.50	113.83	92.80	84.18
<b>Current Liabilities</b>						
Short-term Borrowings	2,127.48	1,954.50	1,416.32	1,185.00	1,136.41	603.68
Trade Payables	146.27	253.08	134.94	37.18	10.96	176.33
Other Current Liabilities	710.39	1,006.31	1,358.88	855.43	632.90	694.11
Short-term Provisions	69.52	43.91	52.70	4.20	3.58	2.17
<b>Total</b>	<b>7,509.66</b>	<b>7,538.23</b>	<b>6,316.95</b>	<b>4,844.77</b>	<b>3,244.80</b>	<b>2,682.37</b>
<b>II. ASSETS</b>						
<b>Non Current Assets</b>						
Fixed assets						
(i) Tangible Assets	1,859.15	1,890.40	1,562.39	1,300.17	500.57	601.16
(ii) Intangible Assets	-	-	-	-	-	-
(iii) Capital Work-In-Progress	-	-	-	9.56	-	-
(iv) Intangible Assets Under Development	-	-	-	-	-	-
Non Current Investments	10.30	10.30	9.40	9.40	9.40	9.40
Deferred Tax Assets (Net)	-	-	-	-	94.78	68.62
Long-term Loans and Advances	234.81	194.51	181.71	351.54	343.88	119.86
Other Non Current Assets	-	-	-	-	-	-
<b>Current Assets</b>						
Current Investments	-	-	-	-	-	-
Trade Receivables	3,570.21	3,776.56	3,322.83	2,283.53	1,631.97	1,610.18
Cash and Cash Equivalents	203.57	173.74	297.69	183.02	252.05	44.91
Short-term Loans and Advances	1,631.61	1,492.72	942.92	707.34	411.94	228.22
Other Current Assets	-	-	-	0.20	0.20	-
<b>Total</b>	<b>7,509.66</b>	<b>7,538.23</b>	<b>6,316.95</b>	<b>4,844.77</b>	<b>3,244.80</b>	<b>2,682.37</b>

Note:- The above statement should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexures IV, II and III.

**ANNEXURE - II**  
**RESTATED STATEMENT OF PROFIT AND LOSS**

(Amt in Rs. Lakhs)

Particulars	For the Year ended					
	June 30, 2018	March 31, 2018	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014
Revenue from Operations	2,843.29	11,900.79	8,844.72	5,739.42	4,604.96	4,478.81
Other Incomes	21.72	50.08	-	-	1.06	-
<b>Total Revenue</b>	<b>2,865.01</b>	<b>11,950.87</b>	<b>8,844.72</b>	<b>5,739.42</b>	<b>4,606.02</b>	<b>4,478.81</b>
Expenses:						
Cost of materials consumed	-	-	-	-	-	-
Purchase of Stock-in-Trade	-	-	-	-	-	-
Employee Benefits Expense	1,684.18	7,246.33	4,976.70	3,671.68	2,875.60	2,938.92
Administrative and other Expenses	733.46	3,000.59	2,622.84	1,435.54	1,199.10	1,125.36
Finance Costs	101.32	381.52	253.03	191.23	210.07	140.02
Depreciation And Amortization Expense	92.21	273.55	240.94	153.13	189.14	173.50
Changes in inventory of Stock in Trade	-		-	-	-	-
<b>Total Expenses</b>	<b>2,611.18</b>	<b>10,901.99</b>	<b>8,093.51</b>	<b>5,451.58</b>	<b>4,473.91</b>	<b>4,377.80</b>
Profit before exceptional and extraordinary items and tax (A-B)	253.83	1,048.89	751.21	287.83	132.11	101.01
Exceptional/Prior Period item	-	-	-	-	-	-
Profit before extraordinary items and tax	253.83	1,048.89	751.21	287.83	132.11	101.01
Extraordinary item	-	-	29.98	154.34	(0.97)	(11.33)
<b>Profit Before Tax</b>	<b>253.83</b>	<b>1,048.89</b>	<b>781.19</b>	<b>442.17</b>	<b>131.15</b>	<b>89.67</b>
Loss on Sale of Fixed Assets					-	
Provision for Tax						
- Current Tax	56.06	223.35	183.18	94.53	66.27	61.23
- Deferred Tax Liability / (Asset)	(18.50)	66.41	30.22	132.28	(21.18)	(33.91)
MAT Credit Entitlement	(11.73)	11.73	(15.99)	15.99	-	-
Short/(Excess) Tax adjustment of prior years	-	-	-	-	-	-
<b>Restated profit after tax for the period from continuing operations</b>	<b>204.53</b>	<b>770.85</b>	<b>551.80</b>	<b>231.35</b>	<b>86.05</b>	<b>62.35</b>
Profit/ (Loss) from Discontinuing operation	-	-	-	-	-	-
Less: Preference Dividend Declared @ 12%	-	-	120.00	101.92		
Less: Dividend Distribution Tax @ 19.45%	-	-	23.34	19.82		
Tax expenses of discontinuing operations	-	-	-	-	-	-
<b>Restated profit for the period</b>	<b>204.53</b>	<b>770.85</b>	<b>408.46</b>	<b>109.60</b>	<b>86.05</b>	<b>62.35</b>

Note: The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, and cash flows appearing in Annexures IV, I and III.

**ANNEXURE - III**  
**RESTATED CASH FLOW STATEMENT**

(Amt in Rs. Lakhs)

Particulars	For the Year ended					
	June 30, 2018	March 31, 2018	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>						
Net Profit before tax	253.83	1048.89	781.19	442.17	131.15	89.67
Adjustment for :						
Interest on Fixed Deposit	(1.28)	(2.05)	0.00	0.00	0.00	0.00
Profit on Sale of Fixed Assets	0.00	0.00	0.00	0.00	0.00	0.00
Dividend Income	0.00	0.00	0.00	0.00	0.00	0.00
Extraordinary Items	0.00	0.00	(49.33)	(155.50)	0.00	0.00
Depreciation	92.21	273.55	240.94	153.13	189.14	173.50
Loss by Sale - Fixed Assets	0.00	0.00	19.34	1.17	0.97	11.33
Provision of Gratuity	(9.16)	(17.24)	22.97	21.48	8.88	33.05
Other Provisions	9.27	-	-	-	-	-
Interest on Borrowed Fund	73.82	263.35	222.88	176.01	148.75	129.90
Operating profit before working capital changes	418.70	1,566.50	1,238.00	638.45	478.88	437.45
Adjustment for :						
(Increase)/Decrease in Inventories	-	-	-	-	-	-
(Increase)/Decrease in Trade Receivables	206.34	(453.73)	(1,039.30)	(651.57)	(21.78)	(142.13)
(Increase)/Decrease in Short Term loans and advances	(138.89)	(549.92)	(235.59)	(279.40)	(183.72)	59.42
(Increase)/Decrease in Other Current Assets	-	-	0.20	(0.00)	(0.20)	-
(Increase)/Decrease in Long Term loans and advances	(40.30)	(12.80)	169.82	(7.65)	(224.02)	(81.60)
(Increase)/Decrease in Long Terms Liabilities	-	-	-	-	-	-
(Increase)/Decrease in Long Terms Provisions	-	-	-	-	-	-
Increase/(Decrease) in trade payables	(106.81)	118.14	97.76	26.22	(165.37)	(183.92)
Increase/(Decrease) in Short Term Borrowings	172.99	538.18	231.32	48.58	532.74	(4.97)
Increase/(Decrease) in Short term provisions	0.33	(1.31)	1.30	0.17	1.15	-
Increase/(Decrease) in other current liabilities	(292.36)	(356.67)	469.00	100.79	(61.21)	260.33
	(198.71)	(717.98)	(305.49)	(762.86)	(122.42)	(92.86)
Cash generated from / (used in) operations	219.98	848.52	932.51	(124.40)	356.46	344.59
Income Tax paid/(refund)	56.06	223.35	152.25	94.53	66.27	61.23
Net cash generated from/(used in) operating activities - (A)	163.92	625.17	780.26	(218.93)	290.19	283.36
0						
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>						

<b>Purchase of tangible fixed assets</b>	(60.97)	(602.08)	(570.70)	(815.98)	(96.02)	(219.83)
<b>Adjusted against accumulated balances write off</b>	-	-	-	-	-	-
<b>(Increase)\Decrease in Capital Work-in-Progress</b>	-	-	-	(9.56)	-	-
<b>sale of fixed assets</b>	-	0.52	107.09	17.58	6.50	21.00
<b>Interest Income on Fixed Deposit</b>	1.28	2.05	-	-	-	-
<b>Dividend Income</b>	-	-	-	-	-	-
<b>Net cash (used in) Investing Activities - (B)</b>	(59.69)	(599.51)	(463.61)	(807.97)	(89.52)	(198.83)
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>						
<b>Proceeds from issue of Share Capital</b>	-	-	-	1,100.00	-	-
<b>Reserve and Surplus</b>	-	-	-	-	-	-
<b>Proceeds from Loan/REPAYMENT OF LONG TERM BORROWING</b>	(0.59)	113.75	129.79	33.88	155.22	35.78
<b>Dividend Paid</b>	-	-	(108.89)	-	-	-
<b>Interest on Borrowed Fund</b>	(73.82)	(263.35)	(222.88)	(176.01)	(148.75)	(129.90)
<b>Net cash(used in) / from financing activities - (C)</b>	(74.41)	(149.59)	(201.99)	957.88	6.47	(94.11)
<b>Net Increase/(decrease) in Cash &amp; Cash Equivalents (A+B+C)</b>	29.83	(123.93)	114.66	(69.03)	207.14	(9.57)
<b>Cash and cash equivalents at the beginning of the year</b>	173.75	297.69	183.03	252.05	44.91	54.49
<b>Cash and cash equivalents at the end of the year</b>	203.57	173.74	297.69	183.02	252.05	44.91
<b>Cash and cash equivalents at the end of year comprises :</b>						
<b>Cash on hand</b>	32.84	64.08	58.58	52.17	29.84	6.91
<b>Balances with banks</b>						
<b>(i) In current accounts</b>	74.12	69.35	199.57	94.65	208.31	13.26
<b>(ii) In fixed deposit accounts</b>	0.77	0.77	0.77	36.20	13.90	24.75
<b>(iii) Earmarked accounts FD</b>	95.84	39.54	38.76			
<b>Total</b>	<b>203.57</b>	<b>173.74</b>	<b>297.69</b>	<b>183.02</b>	<b>252.05</b>	<b>44.91</b>

Notes:-

1. The Cash Flow Statement has been prepared under indirect method as set out in Accounting Standard -3 on Cash Flow Statement, specified under the Companies Act, 1956 (which are deemed to be applicable as Section 133 of the Companies Act, 2013 ("the Act")) read with Rule 7 of Companies (Accounts) Rules, 2014).

2. Figures in Brackets represents outflow.

3. The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses as appearing in Annexures IV, I and II.

## **ANNEXURE-IV**

### **SIGNIFICANT ACCOUNTING POLICY AND NOTES TO THE RESTATED SUMMARY STATEMENTS**

#### **A. BACKGROUND**

**Shiva Industrial Security Agency (Guj) Pvt. Ltd.** having registered office at **Sameer complex, R S no. 71, Navsarjan Society, GIDC Pandesara, Surat**, was incorporated on **11.07.1997** under the provisions of Companies Act, 1956 in Registrar of Companies, Ahmedabad. The company is into 3 segmental businesses: a) Guarding Business b) Cash management Services for Banks and Financial Institutions and c) E - Commerce Logistics Services.

#### **B. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES**

##### **1. BASIS OF PREPARATION OF FINANCIAL STATEMENTS**

The Restated Summary Statement of Assets and Liabilities of the Company as on June 30, 2018, March 31, 2018, March 31, 2017, March 31, 2016, March 31, 2015 and March 31, 2014 and the Restated Summary Statement of Profit and Loss and Restated Summary Statements of Cash Flows for the same period mentioned above and the annexure thereto (collectively, the “**Restated Financial Statements**” or “**Restated Summary Statements**”) have been extracted by the management from the Financial Statements of the Company for the period ended on June 30, 2018, March 31, 2018, March 31, 2017, March 31, 2016, March 31, 2015 and March 31, 2014.

The financial statements are prepared and presented under the historical cost convention and evaluated on a going-concern basis using the accrual system of accounting in accordance with the accounting principles generally accepted in India (Indian GAAP) and the requirements of the Companies Act, 1956 (up to March 31, 2014), and notified sections, schedules and rules of the Companies Act 2013 (with effect from April 01, 2014), including the Accounting Standards as prescribed by the Companies (Accounting Standards) Rules, 2006 as per section 211(3C) of the Companies Act, 1956 (which are deemed to be applicable as Section 133 of the Companies Act, 2013 (“the Act”) read with Rule 7 of Companies (Accounts) Rules, 2014).

##### **2. USE OF ESTIMATES**

The preparation of financial statements in conformity with Generally Accepted Accounting Principles (GAAP) requires the management of the Company to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to the contingent liabilities, if any, as at the date of the financial statements and reported amounts of income and expenses during the year. Examples of such estimates include provisions for doubtful debts, employee retirement benefit plans, provision for income tax and the useful lives of fixed assets. The difference between the actual results and estimates are recognized in the period in which results are known or materialized.

##### **3. FIXED ASSETS**

Fixed assets are stated at historical cost less accumulated depreciation and impairment losses, if any. Cost includes purchase price and all other attributable cost to bring the assets to its working condition for the intended use.

Subsequent expenditures related to an item of tangible asset are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance.

Projects under which assets are not ready for their intended use are shown as Capital Work-in-Progress. Cost includes cost of land, materials, construction, services, borrowing costs and other overheads relating to projects.

Intangible assets are stated at acquisition cost, Net of accumulated amortization and accumulated impairment losses, if any. Intangible assets are amortized on a straight line basis over their estimated useful lives.

Gains or losses arising from the retirement or disposal proceeds and the carrying amount of the asset and recognized as income or expense in the Statement of Profit & Loss.

#### 4. DEPRECIATION

##### Tangible Fixed Assets

Depreciation on tangible fixed assets is computed based on Straight Line Method considering useful life provided in the Schedule - II of the Act. During the preceding years, the Company was providing depreciation on Straight Line Method basis at the rate prescribed in Schedule XIV of the Companies Act, 1956.

Pursuant to Companies Act, 2013 ('the Act') being effective from April 1, 2014, the Company has revised depreciation rates on tangible fixed assets as per useful life specified in Part 'C' of Schedule II of the Act. And due to the same there has been a change in the estimated useful life of depreciable tangible assets which affects the depreciation in the current period and in each period during the remaining useful life of the assets. As the change is only in regard to accounting estimate requiring an adjustment of the carrying amount of tangible assets. The same do not require adjustment in the financial information for the years ended on March 31, 2014 and 2013. The Company has consistently calculated depreciation based on SLM method.

#### 5. BORROWING COSTS

Borrowing cost includes interest and amortization of ancillary costs incurred in connection with the arrangement of borrowings. Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

#### 6. IMPAIRMENT OF ASSETS

1. The company assesses, at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the company estimates the asset's recoverable amount. An asset's (including goodwill) recoverable amount is the higher of an assets net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.
2. After impairment, depreciation/ amortization is provided on the revised carrying amount of the asset over its remaining useful life.

#### 7. INVESTMENTS

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties.

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

#### 8. INVENTORIES



Raw materials, packing materials, store & consumables and finished goods are valued at cost. Cost of inventories comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Cost of semi-finished and finished goods comprise of material cost and conversion cost.

## **9. REVENUE RECOGNITION**

Sales are recognized during the year on Accrual basis.

## **10. FOREIGN CURRENCY TRANSACTIONS**

No foreign currency transaction entered by the company during the year.

## **11. EMPLOYEE BENEFITS**

### **Defined-contribution plans:**

A defined contribution plan is a post-employment benefit plan under which the company pays specified contributions to a separate entity. The Company makes specified monthly contributions towards Provident Fund. The Company's contributions to Employees Provident Fund are charged to statement of profit and loss every year.

Short Term Employee Benefits like leave benefit, if any, are paid along with salary and wages on a month to month basis, bonus to employees are charged to profit and loss account on the basis of actual payment on year to year basis.

## **13. ACCOUNTING FOR TAXES ON INCOME**

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India. The tax rates and tax laws used to compute the amount that are enacted or substantively enacted, at the reporting date.

(i) Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date.

(ii) Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognized for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

The carrying amount of deferred tax assets are reviewed at each reporting date. The company writes-down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

## **14. CONTINGENT LIABILITIES AND PROVISIONS**

Provisions are recognized only when there is a present obligation as a result of past events and when a reliable estimate of the amount of obligation can be made.

Contingent Liability is disclosed for

a) Possible obligation which will be confirmed only by future events not wholly within the control of the Company or

b) Present obligations arising from the past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

c) Contingent Assets are not recognized in the financial statements since this may result in the recognition of income that may never be realized.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation that the likelihood of outflow of resources is remote, no provision or disclosure is made.

## **15. EARNINGS PER SHARE:**

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post-tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post-tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits and bonus shares, as appropriate.

## **15. Leases:**

The Company takes Cash Management Vehicles on lease basis as and when required but has not leased any asset during these periods.

## **16. CASH FLOW:**

As per the accounting standard (AS-3) cash Flow Statements are applicable to level-1 enterprise only whereas the company with the financial data is a level-2 enterprise therefore AS-3 is applicable to the company.

## **C. CHANGES IN ACCOUNTING POLICIES IN THE PERIODS/YEARS COVERED IN THE RESTATED FINANCIALS**

There is no change in significant accounting policies adopted by the Company.

## **D. NOTES ON RESTATEMENTS MADE IN THE RESTATED FINANCIALS**

1. The financial statements including financial information have been prepared after making such regroupings and adjustments, considered appropriate to comply with the same. As result of these regroupings and adjustments, the amount reported in the financial statements/information may not necessarily be same as those appearing in the respective audited financial statements for the relevant years.

2. The Company does not have information as to which of its supplier are Micro small and Medium Enterprise registered under The Micro small and Medium Enterprise Development Act 2006. Consequently the liability, if any, of interest which would be payable under The Micro small and Medium Enterprise Development Act 2006, cannot be ascertained. However, the Company has not received any claims in respect of such interest and as such, no provision has been made in the books of accounts.

## **3. Employee benefits:**

Employee benefits include provident fund and employment medical benefits. The disclosures as envisaged under the standard are as under:-

**3.1: Table Showing Changes in Present Value of Obligations:**

(Rs. In lakh)

Period	30.06.2018	31.03.2018	31.03.2017	31.03.2016	31.03.2015	31.03.2014
Present value of the obligation at the beginning of the period	122.44	139.68	116.71	95.23	86.35	53.30
Interest cost	2.45	10.48	8.75	7.14	6.48	4.00
Current service cost	10.34	52.62	63.21	45.23	37.19	39.46
Benefits paid (if any)	-	-	-	-	-	-
Actuarial (gain)/loss	(21.95)	(80.33)	(49.00)	(30.89)	(34.79)	(10.41)
Present value of the obligation at the end of the period	113.28	122.44	139.68	116.71	95.23	86.35

**3.2: Key results (The amount to be recognized in the Balance Sheet):**

Period	30.06.2018	31.03.2018	31.03.2017	31.03.2016	31.03.2015	31.03.2014
Present value of the obligation at the end of the period	113.28	122.44	139.68	116.71	95.23	86.35
Fair value of plan assets at end of period	-	-	-	-	-	-
Net liability/(asset) recognized in Balance Sheet and related analysis	113.28	122.44	139.68	116.71	95.23	86.35
Funded Status	(113.28)	(122.44)	(139.68)	(116.71)	(95.23)	(86.35)

**3.3: Expense recognized in the statement of Profit and Loss:**

Period	30.06.2018	31.03.2018	31.03.2017	31.03.2016	31.03.2015	31.03.2014
Interest cost	2.45	10.48	8.75	7.14	6.48	4.00
Current service cost	10.34	52.62	63.21	45.23	37.19	39.46
Expected return on plan asset	-	-	-	-	-	-
Net actuarial (gain)/loss recognized in the period	(21.95)	(80.33)	(49.00)	(30.89)	(34.79)	(10.41)
Expenses to be recognized in P&L	(9.16)	(17.24)	22.97	21.48	8.88	33.05

**3.4: Experience adjustment:**

Period	30.06.2018	31.03.2018	31.03.2017	31.03.2016	31.03.2015	31.03.2014
Experience Adjustment (Gain ) / loss for Plan liabilities	(19.65)	(83.56)	(49.00)	(30.89)	(34.79)	-
Experience Adjustment Gain / (loss ) for Plan assets	-	-	-	-	-	-

**3.5: Summary of membership data at the date of valuation and statistics based thereon:**

Period	30.06.2018	31.03.2018	31.03.2017	31.03.2016	31.03.2015	31.03.2014
Number of employees	2516	3,410	4,816	3,603	3,040	3,341
Total monthly salary	220.25	291.09	235.11	150.79	129.93	129.58
Average Past Service(Years)	1.6	1.4	1.6	1.9	1.9	1.8
Average Future Service (yr)	27.9	28.8	25.9	25.6	28.9	28.7
Average Age(Years)	37.1	36.2	39.1	39.4	36.1	36.3
Weighted average duration (based on discounted cash flows) in years	26	27	25	23	28	27
Average monthly salary	8,754	8,536	4,882	4,185	4,274	3,879

**3.6: The assumptions employed for the calculations are tabulated:**

Period	30.06.2018	31.03.2018	31.03.2017	31.03.2016	31.03.2015	31.03.2014
Discount rate	8.00 % p.a.	7.50 % p.a.	7.50 % p.a.	7.50 % p.a.	7.50 % p.a.	7.50 % p.a.
Salary Growth Rate	5.00 % p.a.	5.00 % p.a.	5.00 % p.a.	5.00 % p.a.	5.00 % p.a.	5.00 % p.a.
Mortality	IALM 2006-08 Ultimate	IALM 2006-08 Ultimate	IALM 2006-08 Ultimate	IALM 2006-08 Ultimate	IALM 2006-08 Ultimate	IALM 2006-08 Ultimate
Expected rate of return	0	0	0	0	0	0

Withdrawal rate (Per Annum)	20% p.a	20% p.a	5.00% p.a.	5.00% p.a.	5.00% p.a.	5.00% p.a.
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### 3.7: Benefits valued:

Period	30.06.2018	31.03.2018	31.03.2017	31.03.2016	31.03.2015	31.03.2014
Normal Retirement Age	65 Years	65 Years	65 Years	65 Years	65 Years	65 Years
Salary	Last drawn qualifying salary	Last drawn qualifying salary	Last drawn qualifying salary	Last drawn qualifying salary	Last drawn qualifying salary	Last drawn qualifying salary
Vesting Period	5 Years of service	5 Years of service	5 Years of service	5 Years of service	5 Years of service	5 Years of service
Benefits on Normal Retirement	15/26 * Salary * Past Service (yr)	15/26 * Salary * Past Service (yr)	15/26 * Salary * Past Service (yr)	15/26 * Salary * Past Service (yr)	15/26 * Salary * Past Service (yr)	15/26 * Salary * Past Service (yr)
Benefit on early exit due to death and disability	As above except that no vesting conditions apply	As above except that no vesting conditions apply	As above except that no vesting conditions apply	As above except that no vesting conditions apply	As above except that no vesting conditions apply	As above except that no vesting conditions apply
Limit	2000000.00	2000000.00	1000000.00	1000000.00	1000000.00	1000000.00

### 3.8: Current Liability (\*Expected payout in next year as per schedule III of the Companies Act, 2013):

Period	30.06.2018	31.03.2018	31.03.2017	31.03.2016	31.03.2015	31.03.2014
Current Liability (Short Term)*	11.36	10.64	3.18	2.88	2.43	2.17
Non Current Liability (Long Term)	101.92	111.80	136.50	113.83	92.80	84.18
Total Liability	113.28	122.44	139.67	116.71	95.23	86.35

### 3.9: Projection for next period:

Period	30.06.2018	31.03.2018	31.03.2017	31.03.2016	31.03.2015	31.03.2014
Best estimate for contribution during next Period	17.45	99.85	94.79	62.97	52.77	52.05

The estimate of future salary increase, considered in the actuarial valuation, takes account of inflation, security, promotion and other relevant factors such as supply and demand in the employment market.

## 4. Segment Reporting (AS 17)

### I. Business Segments

As per the accounting standards (AS-17) Segment Reporting are applicable to level-1 enterprise having two or more different segments / areas of business. Since the company's business pertains to more than one segment the segment reporting becomes applicable to the company. The Revenue and expenses allocable to the three segments have been taken into account. Further the Assets and Liabilities could not be allocated to different Segments.

The Company has identified business segments as its primary segment. Business segments are primarily divided into 1) Guarding Business, 2) Cash management Services for Banks and Financial Institutions and 3) E - Commerce Logistics Services. Revenues and expenses directly attributable to segments are reported under each reportable segment. Expenses which are not directly identifiable to each reportable segment have been allocated on the basis of associated revenues of the segment and manpower efforts. All other expenses which are not attributable or allocable to segments have been disclosed as unallocable expenses. Assets and liabilities that are directly attributable or allocable to segments are disclosed under each reportable segment. All other assets and liabilities are disclosed as unallocable. Fixed assets that are used interchangeably amongst segments are not allocated to primary and secondary segments.

Particulars - Continuing Operations	Segment 1 (Guarding Business)				Segment 2 (Cash Management Services)				Segment 3 (E-Commerce Logistic Services)				Total			
	30.06.18	31.03.18	31.03.17	31.03.16	30.06.18	31.03.18	31.03.17	31.03.16	30.06.18	31.03.18	31.03.17	31.03.16	30.06.18	31.03.18	31.03.17	31.03.16
External sales	2066.06	8695.44	6,064.64	4163.36	694.80	2619.45	2,144.04	1471.72	82.43	585.90	636.04	104.34	2843.29	11,900.79	8,844.72	5739.42
Inter-segment sales	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Segment Revenue	2066.06	8695.44	6,064.64	4163.36	694.80	2619.45	2,144.04	1471.72	82.43	585.90	636.04	104.34	2843.29	11,900.79	8,844.72	5739.42
<b>Result</b>																
Segment Result	185.80	808.41	690.26	-	133.03	509.26	303.06	-	5.45	45.41	33.88	-	324.28	1,363.08	1,027.20	500.54
Unallocated corporate expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Operating profit	185.80	808.41	690.26	-	133.03	509.26	303.06	-	5.45	45.41	33.88	-	324.28	1,363.08	1,027.20	500.54
Interest expenses	52.70	212.76	157.46	-	48.02	163.63	91.1	-	0.60	5.12	4.47	-	101.32	381.51	253.03	191.23
Unallocated corporate income	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Income	19.03	42.80	-	-	2.25	5.59	-	-	0.43	1.70	-	-	21.72	50.09	-	-
<b>Profit before tax and Exceptional items</b>	152.13	638.45	532.80	-	87.26	351.22	211.96	-	5.28	41.99	29.41	-	244.67	1,031.66	774.17	309.31
Exceptional items	-	-	-	-	-	-	16.18	-	-	-	13.8	-	-	-	29.98	154.34
Profit Before Tax	152.13	638.45	532.80	-	87.26	351.22	228.14	-	5.28	41.99	43.21	-	244.67	1031.66	804.15	463.65
Current Tax	42.16	130.96	131.96	-	24.18	72.04	56.51	-	1.46	8.61	10.71	-	67.80	211.61	199.18	78.54
Deferred Tax	(17.27)	38.11	26.15	-	(9.90)	20.96	11.2	-	(0.60)	2.51	2.12	-	(27.77)	61.58	39.47	138.92
Prior year tax adjustments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Net Profit after tax</b>	127.24	469.38	374.69	-	72.98	258.22	160.43	-	4.41	30.87	30.38	-	204.64	758.47	565.50	246.19
<b>Other information</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Segment assets	-	-	-	-	-	-	1391.25	-	-	-	-	-	-	-	1391.25	-
Unallocated corporate assets	-	-	-	-	-	-	-	-	-	-	-	-	7509.	7538.	4925.	4844.

													64	22	70	77
Total assets	-	-	-	-	-	-	-	-	-	-	-	-	7509.64	7538.22	6316.95	4844.77
Segment liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Unallocated corporate liabilities	-	-	-	-	-	-	-	-	-	-	-	-	7509.64	7538.22	6316.95	4844.77
Total liabilities	-	-	-	-	-	-	-	-	-	-	-	-	7509.64	7538.22	6316.95	4844.77
Capital expenditure	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Unallocated capital expenditure	-	-	-	-	-	-	-	-	-	-	-	-	-	-	580.26	971.48

II. Geographical Segments						
Particulars	30.06.2018	31.03.2018	31.03.2017	31.03.2016	31.03.2015	31.03.2014
<b>Sales Revenue by Geographical Market (including Service Income)</b>						
India	2865.01	11,950.87	8,844.72	5,739.42	4,604.96	4,478.81
Outside India	-	-	-	-	-	-
Total	2865.01	11950.87	8844.72	5739.42	4604.96	4478.81

Assets and additions to tangible and intangible fixed assets by geographical area: The following table shows the carrying amount of segment assets and addition to segment assets by geographical area in which assets are located:

Particulars	30.06.2018	31.03.2018	31.03.2017	31.03.2016	31.03.2015	31.03.2014
<b>Amount (Rs lakhs)</b>						
<b>Carrying amount of Segment Assets and Intangible Assets</b>						
India	1859.15	1,890.40	1,562.39	1,300.17	500.57	601.16
Outside India	-	-	-	-	-	-
Total	1,859.15	1,890.40	1562.39	1300.17	500.57	601.16
<b>Capital Work In Progress</b>						
India	-	-	-	9.56	-	-
Outside India	-	-	-	-	-	-
Total	1859.15	1890.40	1562.39	1309.73	500.57	601.16

## 5. Change in Accounting Estimate

In Restated financials the Company has calculated the depreciation based on the rates given in Schedule XIV of the Companies Act, 1956 till 31.03.2014 and after 31.03.2014 based on the rates given in Schedule II of the Companies Act, 2013. In respect of assets whose useful life had already exhausted as on 1 April 2015, has been adjusted in Reserves and Surplus in accordance with requirements of Para 7 of Part C of Schedule II of the Act.

## 6. Provisions, Contingent Liabilities and Contingent Assets (AS 29)

Contingent liabilities and commitments (to the extent not provided for). There are no contingent liabilities as on June30, 2018 except as mentioned in Annexure -S, for any of the years covered by the statements.

## 7. Related Party Disclosure (AS 18)

Related party transactions are reported as per AS-18 of Companies (Accounting Standards) Rules, 2006, as amended, in the Annexure – R the enclosed financial statements.

## 8. Accounting For Taxes on Income (AS 22)

Deferred Tax liability/Asset in view of Accounting Standard – 22: “Accounting for Taxes on Income” as at the end of the year/period is reported as under:

Particulars	Amount In Lacs					
	As At					
Deferred Tax Liability	30-06-2018	31-03-2018	31-03-2017	31-03-2016	31-03-2015	31-03-2014
Net WDV as Per Companies Act	1,806.99	1,838.24	1,511.28	1,249.07	460.96	554.96
Net WDV As per Income Tax Act	1,286.91	1,320.86	1,173.85	1,022.50	672.47	680.12
Timing Difference Due to Depreciation	520.08	517.38	337.43	226.56	(211.51)	(125.16)
Deferred tax adjustment	-	-	-	(3.55)	(4.98)	4.02
Incremental Due to Depreciation	(27.76)	61.58	39.47	138.92	(19.77)	(23.19)



Incremental Due to Unabsorbed Depreciation/Gratuity/Exp	(9.27)	(4.83)	9.25	6.64	1.41	10.72
Cumulative Balance of Deferred Tax Liability/(Deferred Tax Assets)	112.09	130.58	64.17	33.95	(94.78)	(68.62)
Opening Deferred Tax Liability/(Deferred Tax Assets)	130.58	64.17	33.95	(94.78)	(68.62)	(38.74)
Debited/(Credit) to Restated Statement of Profit and Loss Account	(18.50)	66.41	30.22	132.28	(21.18)	(33.91)

## 9. Earnings Per Share (AS 20):

Earnings per Share have been calculated is already reported in the Annexure –P of the enclosed financial statements.

## 10. MATERIAL ADJUSTMENTS [AS PER SEBI (ICDR) REGULATIONS, 2009]

Appropriate adjustments have been made in the restated financial statements, whenever required, by reclassification of the corresponding items of assets, liabilities and cash flow statement, in order to ensure consistency and compliance with requirement of Company Act 1956, and as replaced by Company Act 2013 after 01<sup>st</sup> April 2014 and Accounting Standards.

The Summary of results of restatements made in the audited financial statements of the Company for the respective period / years and their impact on the profit / (loss) and assets and liabilities of the Company is as under.

### Statement of adjustments in the Financial Statements

The reconciliation of Profit after tax as per audited results and the Profit after tax as per Restated Accounts is presented below in Table-1. This summarizes the results of restatements made in the audited accounts for the respective years/ period and its impact on the profit & loss of the company.

### 1. Statement of Adjustments to Profit and Loss after Tax

Table 1

Particulars	30.06.2018	31.03.2018	31.03.2017	31.03.2016	31.03.2015	31.03.2014
<b>Net Profit After Tax&amp; Dividend as per audited accounts but before adjustments for restated accounts:</b>	204.63	758.45	422.18	124.45	93.52	84.68
Decrease/(Increase) in Provision for gratuity	9.16	17.23	(22.97)	(21.48)	(8.88)	(33.05)
Decrease/(Increase) in DTL	(9.27)	(4.83)	9.25	6.64	1.41	10.72
<b>Net Increase/ (Decrease)</b>	(0.11)	12.40	(13.72)	(14.84)	(7.47)	(22.33)
<b>Profits after Tax as per Restated Accounts</b>	<b>204.52</b>	<b>770.85</b>	<b>408.46</b>	<b>109.61</b>	<b>86.05</b>	<b>62.35</b>

### a) Accounting of Depreciation

Depreciation on tangible fixed assets is computed based on Straight Line Method considering useful life provided in the Schedule - II of the Act. During the preceding years, the Company was providing depreciation on Straight Line Method basis at the rate prescribed in Schedule XIV of the Companies Act, 1956.

### b) Adjustment on account of Provision of Deferred Tax:

Due to changes in Depreciation and Provision for Gratuity, Disallowances, etc, the Company has recalculated the deferred tax liability and deferred tax assets at the rate of normal Tax rate applicable at the end of relevant year.

**c) Adjustment on account of Tax Provision and MAT Credit Entitlement and Set-off thereof**

Due to changes in accounting policies and other adjustments as stated above, the Company has recalculated the Income-tax provision and MAT Credit Entitlement and Set-off thereof at the rate of normal Tax rate applicable at the end of relevant year and accordingly, their amounts have been readjusted in restated financials.

**11. Realizations:**

In the opinion of the Board and to the best of its knowledge and belief, the value on realization of current assets, loans and advances will, in the ordinary course of business, not be less than the amounts at which they are stated in the Balance sheet.

**12. Contractual liabilities**

All other contractual liabilities connected with business operations of the Company have been appropriately provided for.

**13. Amounts in the financial statements**

Amounts in the financial statements are rounded off to nearest Rupees. Figures in brackets indicate negative values.

**ANNEXURE – A**  
**STATEMENT OF SHARE CAPITAL, RESERVE AND SURPLUS**

(Amt in Rs. Lakhs)

Particulars	As at					
	June 30, 2018	March 31, 2018	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014
<b>Share Capital</b>						
<b>Authorised Share Capital</b>	1,500.00	1,500.00	1,100.00	1,100.00	500.00	500.00
Equity shares of Rs.10 each						
Share Capital						
Issued, Subscribed and Paid up Share Capital	740.58	740.58	51.95	51.95	47.40	47.40
Redeemable preference share of Rs. 10/- each	-	-	1,000.00	1,000.00	-	-
Equity Shares of Rs. 10 each fully paid up						
Share Capital (in Rs.)						
<b>Total</b>	<b>740.58</b>	<b>740.58</b>	<b>1,051.95</b>	<b>1,051.95</b>	<b>47.40</b>	<b>47.40</b>
<b>A) Security Premium</b>	803.06	205.05	205.05	109.60	109.60	109.60
Add: Addition during the year	-	-	-	-	-	-
Add : Premium on shares Issued during the year	-	984.62	-	95.45	-	-
Less: Utilised During the Year (Bonus Issue)	-	386.61	-	-	-	-
<b>Total (A)</b>	<b>803.06</b>	<b>803.06</b>	<b>205.05</b>	<b>205.05</b>	<b>109.60</b>	<b>109.60</b>
<b>B) Surplus in Profit and Loss account</b>						
Opening Balance	1,692.36	921.51	668.04	686.53	595.50	537.16
Add: Profit for the year	204.53	770.85	408.46	109.61	86.05	62.35
Add: Deferred Tax Adjustment				3.55	4.98	(4.02)
Add: Adjustment in opening balance of fixed assets						
Add: Adjustment of Last Years Tax Provision						
Less: Redemption Reserve for CVCFL	-	-	155.00	131.64	-	-
<b>Closing Balance</b>	<b>1,896.89</b>	<b>1,692.36</b>	<b>921.51</b>	<b>668.04</b>	<b>686.53</b>	<b>595.50</b>
<b>Redemption Reserve</b>						
Opening Balance		286.64	131.64	-	-	-
Add : Reserve created during the Year	-	-	155.00	131.64	-	-
Less: Issue of Bonus Shares	-	286.64	-	-	-	-
<b>Closing Balance</b>	<b>-</b>	<b>-</b>	<b>286.64</b>	<b>131.64</b>		
Less: Software Discarded during the year-Not usable since past 2 years				-		
Less: Depreciation changes as per Schedule II of Companies Act 2013			-	-	-	-
<b>Total (B)</b>	<b>1,896.89</b>	<b>1,692.36</b>	<b>1,208.15</b>	<b>799.69</b>	<b>686.53</b>	<b>595.50</b>

<b>Total (A+B)</b>	<b>2,699.95</b>	<b>2,495.43</b>	<b>1,413.20</b>	<b>1,004.74</b>	<b>796.13</b>	<b>705.10</b>

Terms/rights attached to equity shares:

1. The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.
2. The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures IV, I, II and III.
3. The reconciliation of the number of shares outstanding as at: -

Particulars	As at					
	June 30, 2018	March 31, 2018	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014
<b>Equity Shares :-</b>						
Number of shares at the beginning	7,405,805	519,454	519,454	474,000	474,000	474,000
Add: CVCFL Class A Shares Issued during the year	-	-	-	45,454	-	-
Add: OCCPS Converted into Equity Shares of Rs. 10/- each.	-	153,801	-	-	-	-
Add: Bonus Shares Issued (10:1)	-	6,732,550	-	-	-	-
Number of shares at the end	<b>7,405,805</b>	<b>7,405,805</b>	<b>519,454</b>	<b>519,454</b>	<b>474,000</b>	<b>474,000</b>
<b>Preference Shares :-</b>						
Preference Shares at the beginning of the Year	-	10,000,012	10,000,012			
Add: Shares Issued During the Year				10,000,012		
Less: OCCPS Converted into Equity Shares of Rs. 10/- each.	-	10,000,012				
Preference Shares at the end of the Year	-	-	<b>10,000,012</b>	<b>10,000,012</b>		

**4. The detail of shareholders holding more than 5% of Shares as at: -**

Name of Share Holder	As at ( No of Shares)					
	June 30, 2018	March 31, 2018	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014
<b>Equity Shares :-</b>						
1) Sushil Pyarelal Sharma	511,390	511,390	46,500	46,500	46,500	46,500
2) Sameer Sharma	25,90,225	25,90,225	235,485	235,485	235,485	235,485
3) Anubha Sharma	18,70,990	18,70,990	170,100	170,100	170,100	170,100
3) Sameer Sharma Joint with Anubha Sharma	2,41,065	2,41,065	21,915	21,915	21,915	21,915
5) Canbank Venture Capital Fund						
- CVCFL Class A Equity Shares		-	45,454	45,454		
- Ordinary Equity Shares	2,191,805	2,191,805				
<b>Preference Shares :-</b>						
1) Canbank Venture Capital Fund	-	-	10,000,012	10,000,012		

**ANNEXURE - B**  
**STATEMENT OF LONG TERM AND SHORT TERM BORROWINGS**

(Amt in Rs. Lakhs)

Particulars	As at					
	June 30, 2018	March 31, 2018	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014
<b>Long Term Borrowings</b>						
<b>Secured Borrowings:</b>						
From Banks/Financial Institutions	714.05	715.67	522.38	324.63	281.04	259.53
From Others						

<b>Loans and Advances (Unsecured)</b>						
From Promoters/Direcotrs						
From Related Parties	87.21	86.17	93.03	172.81	177.36	67.10
From others	0.20	0.20	72.88	61.07	66.22	42.77
<b>Total</b>	<b>801.45</b>	<b>802.04</b>	<b>688.29</b>	<b>558.50</b>	<b>524.62</b>	<b>369.40</b>
<b>Current portion of long-term borrowings, included under Short term Borrowings</b>						
<b>Short Term Borrowings</b>						
Loans From Banks (Secured)	2127.48	1954.22	1416.32	1185.00	1136.41	0.00
Bank Working Capital Loan/OD/CC				0.00	0.00	603.68
Others	0.00	0.00	0.00	0.00	0.00	0.00
Loan from Promoters/Direcotrs/Related Parties	0.00	0.00	0.00	0.00	0.00	0.00
<b>Total</b>	<b>2127.48</b>	<b>1954.22</b>	<b>1416.32</b>	<b>1185.00</b>	<b>1136.41</b>	<b>603.68</b>
The above amount includes:						
Secured Borrowings	2841.53	2670.17	1938.69	1509.62	1417.45	863.20
Unsecured Borrowings	87.40	86.37	165.91	233.87	243.58	109.87

Notes:

1. The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.
2. The above statement should be read with the significant accounting policies and notes to restated summary, statements of assets and liabilities, profits and losses and cash flows appearing in Annexures IV, I, II and III.
3. List of persons/entities classified as 'Promoters' and 'Promoter Group Companies' has been determined by the Management and relied upon by the Auditors. The Auditors have not performed any procedure to determine whether the list is accurate and complete.
4. The terms and conditions and other information in respect of Unsecured Loans are given in Annexure -B (A)

#### ANNEXURE - B (A)

#### STATEMENT OF PRINCIPAL TERMS OF SECURED LOANS AND ASSETS CHARGED AS SECURITY

(Amt. In Rs. Lakh)

Name of Lender	Purpose	Sanctioned Amount	Rate of interest	Primary Security	Collateral/ Other Security	Re-Payment Schedule	Moratorium	Outstanding amount as on 30.06.2018 as per Books	Outstanding amount as on 31.03.2018 as per Books
<b>Secured Loan</b>									
IKF	General Business Purpose	92.64	9.42	Vehicle	Nil	47	-	76.15	80.91
IIFL	General Business Purpose	227.78	15.01	Vehicle	Nil	48	-	139.64	154.79
MANAPPURAM	Vehicle Purchase	166.10	19.34	Vehicle	Nil	48	-	124.44	133.18
ORIX	Vehicle Purchase	963.00	14.00	Vehicle	Nil	48	-	676.44	651.72
Axis Bank Limited	Cash Credit	1,400.00	9.75%	*	**	On Demand	N/A	1,359.05	1,273.36
The South Indian Bank Limited	Cash Credit	200.00	9.75%	*	**	On Demand	N/A	200.25	81.77
Axis Bank	Bill	600.00	9.75%	*	**	On	N/A	568.18	599.37

Limited	Discounting					Demand			
Axis Bank Limited	Bank Guarantee	250.00	-	*	**	On Demand	N/A	186.03	186.03
The South Indian Bank Limited	Bank Guarantee	300.00	-	*	**	On Demand	N/A	135.84	-

\*Exclusive first charge by way of hypothecation of entire current assets of the company (both present & future). Counter bank guarantee (in case of BG limit) and 15% cash margin

\*\*Collateral Security of the below mentioned properties:-

- Industrial property situated at "SISA House", Sameer Complex, RS No. 71, Navsarjan Society, Pandesara, Surat
- Residential Property situated at 204, Ganga Appt., Kalawad Road, Rajkot
- Commercial Property situated at GF/22, Chitrakul Complex, Chhani Jakat Naka, Baroda
- Residential Property situated at Sargam Appt, Gr Floor, RS - 52-2 & 42-2, City Survey, Surat
- Residential Property situated at Flat No. A/4003, Arihant Complex, Hari Nagar, Udhana, Surat
- Commercial Property at 204, Sheel Complex, Mithakali, Ahmedabad
- 3, Damji Shamji Industrial Complex, situated at 9 LBS Marg, Kurla (W) Mumbai
- Plot No.16 admeasuring area of 115 sq. mtrs & construction 65.835 sq. mtrs built up on the land bearing old Rev . S.No.71 , Sharma New Rev, S No.22/p3, T.P. Scheme No. 21, F.P. NO.54 part of moje, vi llage, Bhestan, Surat City
- Plot No.18 admeasuring area of 115 sq. r.ntrs & construction 65.835 sq. mtrs built up on the land bearing old Rev. S.No.71, Sharma New Rev, S No.22/p3, T.P. Scheme No. 21 , F.P. NO.54 part of moje, village, Bhestan, Surat City, Surat.
- Personal Guarantee or Mr. Sushil Pyrelal Sharma, Mr. Sameer Sharma and Mrs. Anubha Sharma

#### Unsecured Loans From Related Parties

Name of Lender	Purpose	Sanctioned Amount	Rate of interest	Primary Security	Collateral/ Other Security	Re-Payment Schedule	Mora-torium	Outstanding amount as on 30.06.2018 as per Books	Outstanding amount as on 31.03.2018 as per Books
Sameer Sharma	For Business	-	-	-	-	-	-	20.74	20.74
Anubha Sharma	For Business	-	-	-	-	-	-	50.87	49.83
Sushil kumar Sharma	For Business	-	-	-	-	-	-	15.60	15.60
Canbank Venture Capital Fund Ltd A.C FIGF	For Business	-	-	-	-	-	-	0.20	0.20

#### ANNEXURE - C STATEMENT OF DEFERRED TAX (ASSETS) / LIABILITIES

(Amt in Rs. Lakhs)

Particulars	For the Period/year ended					
	June 30, 2018	March 31, 2018	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014
Opening Balance (A)						
Opening Balance of Deferred Tax (Asset) / Liability	130.58	64.17	33.95	(94.78)	(68.62)	(38.74)
Current Year Provision (B)	(18.50)	66.41	30.22	132.28	(21.18)	(33.91)

Deferred Tax Adjustment				(3.55)	(4.98)	4.02
(DTA) / DTL on Depreciation	(27.77)	61.58	39.47	138.92	(19.77)	(23.19)
(DTA) / DTL on Provision for Gratuity/Carry Forward Losses	(9.27)	(4.83)	9.25	6.64	1.41	10.72
<b>Closing Balance of Deferred Tax (Asset) / Liability (A+B)</b>	<b>112.09</b>	<b>130.58</b>	<b>64.17</b>	<b>33.95</b>	<b>(94.78)</b>	<b>(68.62)</b>

Note: The above statement should be read with the significant accounting policies and notes to restated summary statement of profit and loss account and cash flows statement as appearing in Annexures IV, I, I and III .

In the absence of virtual certainty regarding availability of sufficient future taxable income, the recognition of Deferred Tax Assets on carry forward business loss and depreciation is restricted to the closing Deferred Tax Liability less other items of Deferred Tax Assets.

#### ANNEXURE - D STATEMENT OF OTHER LONG TERM LIABILITIES AND LONG TERM PROVISIONS

Long term Provisions

(Amt in Rs. Lakhs)

Particulars	As at					
	June 30, 2018	March 31, 2018	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014
Provision for Gratuity	101.92	111.80	136.50	113.83	92.80	84.18
Provision - Redemption Reserve	-	-	-	-	-	-
Provision for Leave Encashment	-	-	-	-	-	-
<b>TOTAL</b>	<b>101.92</b>	<b>111.80</b>	<b>136.50</b>	<b>113.83</b>	<b>92.80</b>	<b>84.18</b>

#### ANNEXURE - E STATEMENT OF TRADE PAYABLES

(Amt in Rs. Lakhs)

PARTICULARS	As at					
	June 30, 2018	March 31, 2018	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014
<u>Trade Payables</u>						
Micro, Small and Medium Enterprises	-	-	-	-	-	-
Others	146.27	253.08	134.94	37.18	10.96	176.33
<b>Total</b>	<b>146.27</b>	<b>253.08</b>	<b>134.94</b>	<b>37.18</b>	<b>10.96</b>	<b>176.33</b>

Notes

- The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.
- The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures IV, I, II and III.
- Amount due to entities covered under Micro, Small and Medium Enterprises as defined in the Micro, Small, Medium Enterprises Development Act, 2006, have been identified on the basis of information available with the Company. It is informed by the management no provision has been made for interest as required by Interest on Delayed Payments to Small Scale and Ancillary Industrial Undertakings Act, 1993 on amounts due to Small Scale Industries, as the amount is not ascertainable. These will be charged to accounts as and when claimed by the parties and/or paid to them.

#### ANNEXURE - F STATEMENT OF OTHER CURRENT LIABILITIES AND SHORT TERM PROVISIONS

(Amt in Rs. Lakhs)

PARTICULARS	As at					
	June 30, 2018	March 31, 2018	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014
<b>Other Current Liabilities</b>						
Current Maturity of long term debt	302.62	304.93	259.94	71.09	71.09	68.57



Payables on purchase of fixed assets	-	-	-	-	-	-
Trade / security deposits received	-	-	-	-	-	-
Statutory remittances (Contributions to PF, ESIC, TDS Withholding Taxes, Excise Duty, VAT, Service Tax, etc.)	333.41	293.66	683.15	471.14	431.26	625.54
Advances from customers	-	-	-	-	-	-
Salary Payable	28.55	301.91	254.40	191.47	130.55	
Others	45.81	105.81	161.39	121.74	-	-
<b>Total</b>	<b>710.39</b>	<b>1,006.31</b>	<b>1,358.88</b>	<b>855.43</b>	<b>632.90</b>	<b>694.11</b>
<b>Short-Term Provisions</b>						
Provision for Current Year Tax	47.59	31.97	46.92			
Provision for Exp	-	-	-	-	-	-
Provision for L.T.A.	-	-	-	-	-	-
Provision for Audit Fees	1.63	1.30	2.61	1.32	1.15	
Provision for Bonus	-	-	-	-	-	-
Provision for Gratuity	11.36	10.64	3.17	2.88	2.43	2.17
Provision for Leave Encashment	-	-	-	-	-	-
Salary and Other Payables	8.95	-	-	-	-	-
<b>Total</b>	<b>69.52</b>	<b>43.91</b>	<b>52.70</b>	<b>4.20</b>	<b>3.58</b>	<b>2.17</b>

#### Notes

- The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.
- The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures IV, I, II and III.

### ANNEXURE - G STATEMENT OF FIXED ASSETS

(Amt in Rs. Lakhs)

PARTICULARS	As at					
	June 30, 2018	March 31, 2018	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014
<b>(i) Tangible Assets</b>						
Tangible Assets	-	-	-	-	-	-
Freehold land	-	-	-	-	-	-
Buildings	218.56	201.11	125.78	55.90	56.56	52.39
Air Conditioners	-	-	-	-	-	-
Office Equipments	15.80	18.91	11.94	8.95	10.21	21.96
Mobile Sets	7.01	7.20	5.72	2.71	2.45	6.00
Plant and machinery	-	-	-	-	-	-
Solar Power & Water Heater Plant	-	-	-	-	-	-
R & D Equipments	-	-	-	-	-	-
Q.C. Equipments	-	-	-	-	-	-
ETP	-	-	-	-	-	-
Utility	-	-	-	-	-	-
Electrical installation	-	-	-	-	-	-
Computers	11.51	13.10	13.54	10.30	2.33	2.49
Furniture and fixtures	11.68	12.30	14.15	9.52	10.54	12.32
Vehicles	1,594.58	1,637.78	1,391.25	1,212.80	418.47	506.00
Non Erected Machinery	-	-	-	-	-	-
<b>Total Tangible Assets</b>	<b>1859.15</b>	<b>1,890.40</b>	<b>1,562.39</b>	<b>1,300.17</b>	<b>500.57</b>	<b>601.16</b>
<b>(ii) Intangible Assets</b>						

Software	-	-	-	-	-	-
<b>(iii) Capital Work-in-Progress</b>						
Capital Work-in-Progress	-	-	-	9.56	-	-
Intangible assets under development	-	-	-	-	-	-
<b>Grand Total</b>	<b>1,859.15</b>	<b>1,890.40</b>	<b>1,562.39</b>	<b>1,309.74</b>	<b>500.57</b>	<b>601.16</b>

## Notes

1. The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.
2. The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures IV, I, II and III.

## ANNEXURE - H

**STATEMENT OF NON CURRENT INVESTMENTS AND LONG-TERM LOANS AND ADVANCES**  
**NON CURRENT INVESTMENTS**

(Amt in Rs. Lakhs)

PARTICULARS	As at					
	June 30, 2018	March 31, 2018	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014
Investments (At cost):	-	-	-	-	-	-
A. Trade Investments	-	-	-	-	-	-
Total - Trade (A)	-	-	-	-	-	-
B. Other Investments	-	-	-	-	-	-
(a) Investment in government or trust securities	-	-	-	-	-	-
(i) ICICI Prudential	9.40	9.40	9.40	9.40	9.40	9.40
(ii) Jainam Share Consultant Pvt Ltd	0.90	0.90	-	-	-	-
Total - Other Investments (B)	10.30	10.30	9.40	9.40	9.40	9.40
Total (A+B)	10.30	10.30	9.40	9.40	9.40	9.40
Less : Provision for diminution in value of investments	-	-	-	-	-	-
Total	10.30	10.30	9.40	9.40	9.40	9.40

## LONG-TERM LOANS AND ADVANCES

(Amt in Rs. Lakhs)

PARTICULARS	As at					
	June 30, 2018	March 31, 2018	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014
(a) Loans & Advances	-	-	-	-	-	-
Secured, considered good	-	-	-	-	-	-
Unsecured, considered good	189.19	148.89	40.80	168.24	129.20	26.47
Doubtful	-	-	-	-	-	-
(b) Security Deposits	-	-	-	-	-	-
Secured, considered good	-	-	-	-	-	-
Unsecured, considered good	-	-	-	-	-	-
Doubtful	-	-	-	-	-	-
(c) Loans and Advances to related parties	-	-	-	-	-	-
- Secured, Considered good	-	-	-	-	-	-
- Unsecured, Considered good	45.62	45.62	140.91	183.30	214.68	93.39
- Doubtful	-	-	-	-	-	-
TOTAL	234.81	194.51	181.71	351.54	343.88	119.86

**NON CURRENT ASSETS**

PARTICULARS		As at				
		March 31, 2018	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014
Interest accrued but not received on NSC, FD and Others	-	-	-	-	-	-
Preliminary Expenses	-	-	-	-	-	-
<b>Total</b>	-	-	-	-	-	-

Note:-

1. The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.
2. The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures IV, I, II and III.

**ANNEXURE - I  
STATEMENT OF INVENTORIES**

(Amt in Rs. Lakhs)

PARTICULARS		As at				
		June 30, 2018	March 31, 2018	March 31, 2017	March 31, 2016	March 31, 2015
Inventories	-					
(a) Raw materials	-	-	-	-	-	-
(b) Packing material	-	-	-	-	-	-
(c) Work-in-progress	-	-	-	-	-	-
(d) Finished goods	-	-	-	-	-	-
(e) Stock in trade	-	-	-	-	-	-
<b>Total</b>	-	-	-	-	-	-

Note:- As per Management Explanation, Inventory has been physically verified by the management of the Company at the end of respective year.

**ANNEXURE - J  
STATEMENT OF TRADE RECEIVABLES**

(Amt in Rs. Lakhs)

PARTICULARS		As At				
		June 30, 2018	March 31, 2018	March 31, 2017	March 31, 2016	March 31, 2015
(a) Outstanding for a period exceeding six months						
- Secured, Considered good	-	-	-	-	-	-
- Unsecured, Considered good	178.48	212.83	392.79	-	-	-
- Doubtful	-	-	-	-	-	-
Less : Provision for doubtful trade receivables	-	-	-	-	-	-
<b>Subtotal</b>	178.48	212.83	392.79	-	-	-
(b) Outstanding for a period not exceeding 6 months						
- Secured, Considered good	-	-	-	-	-	-
- Unsecured, Considered good	3,391.73	3,563.73	2,930.04	2,283.53	1,631.97	1,610.18
- Doubtful	-	-	-	-	-	-

	3,391.73	3,563.73	2,930.04	2,283.53	1,631.97	1,610.18
Less : Provision for doubtful trade receivables	-	-	-	-	-	-
Subtotal	3,391.73	3,563.73	2,930.04	2,283.53	1,631.97	1,610.18
<b>Total</b>	<b>3,570.21</b>	<b>3,776.56</b>	<b>3,322.83</b>	<b>2,283.53</b>	<b>1,631.97</b>	<b>1,610.18</b>

Note:-

1. The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.
2. The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures IV, I, II and III.

#### ANNEXURE - K STATEMENT OF CASH & CASH EQUIVALENTS

(Amt in Rs. Lakhs)

PARTICULARS	As at					
	June 30, 2018	March 31, 2018	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014
Cash in Hand (As Certified by Management)	32.84	64.08	58.58	52.17	29.84	6.91
<b>Balances with Banks</b>						
- In Current Accounts	74.12	69.35	199.57	94.65	208.31	13.26
- In Fixed Deposits	0.77	0.77	0.77	0.77	0.77	0.77
- In Earmarked Accounts	95.84	39.54	38.76	35.43	13.13	23.98
-Balance held as margin money or security against borrowings	-	-	-	-	-	-
<b>Total</b>	<b>203.57</b>	<b>173.74</b>	<b>297.69</b>	<b>183.02</b>	<b>252.05</b>	<b>44.91</b>

Note:-

1. The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.
2. The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures IV, I, II and III.

#### ANNEXURE - L STATEMENT OF SHORT-TERM LOANS AND ADVANCES

(Amt in Rs. Lakhs)

PARTICULARS	As at					
	June 30, 2018	March 31, 2018	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014
(a) Prepaid expenses : Unsecured, considered good		-	-	-	-	-
(b) Balances with government authorities Unsecured, considered good						
(i) TDS Receivable	104.44	104.44	104.44	104.44	104.36	91.04
(ii) Provident Fund Deposit	-	-	-	-	-	-
(iii) Income Tax Appeal Deposit	5.37	5.37	5.37	5.37	5.37	5.37
(iv) Cenvat Receivable	-	-	0.05	-	-	-
(v) Professional Tax	-	-	-	1.44	1.44	1.44
(vi) MAT Credit Receivable	-	11.73	-	15.99	-	-
(c) Loans and Advances to employees						
- Secured, Considered good	-	-	-	-	-	-
- Unsecured, Considered good	335.33	309.31	281.76	301.86	255.87	15.02

- Doubtful	-	-	-	-	-	-
(d) Security Deposits						
Secured, considered good		-	-	-	-	-
Unsecured, considered good	373.50	320.64	225.35	39.65	38.35	92.86
Doubtful	-	-	-	-	-	-
(e) Others						
- Secured, Considered good	-	-	-	-	-	-
- Unsecured, Considered good	<b>812.97</b>	<b>741.23</b>	<b>325.96</b>	<b>238.58</b>	<b>6.54</b>	<b>22.50</b>
- Branch advance	754.60	682.99	243.47	126.23	5.94	-
- Welfare A/c.	-	-	-	-	0.60	-
- Security Deposits (VMSS)	-	-	-	-	-	22.50
- Fabrication Vendors Advances	-	-	82.48	112.35	-	-
- Other Parties	58.36	58.36	-	-	-	-
- Doubtful	-	-	-	-	-	-
<b>Total</b>	<b>1631.61</b>	<b>1,492.72</b>	<b>942.92</b>	<b>707.34</b>	<b>411.94</b>	<b>228.22</b>

Note:-

1. The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.
2. The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures IV, I, II and III.

#### ANNEXURE - M STATEMENT OF OTHER CURRENT ASSETS

(Amt in Rs. Lakhs)

PARTICULARS	As at					
	June 30, 2018	March 31, 2018	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014
Tax Deducted at Source	-	-	-	-	-	-
Prepaid Expenses	-	-	-	-	-	-
Insurance Claim Receivable	-	-	-	-	-	-
Others	-	-	-	0.20	0.20	-
Advance Income Tax	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.20</b>	<b>0.20</b>	<b>-</b>

Notes:

1. The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.
2. The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures IV, I, II and III.

#### ANNEXURE - N STATEMENT OF OTHER INCOME

(Amt in Rs. Lakhs)

Particulars	For the year ended					
	June 30, 2018	March 31, 2018	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014
<b>Recurring Income</b>						
Interest on						
- Bank deposits	1.28	2.05	-	-	1.06	-
- Others	0.00	-	-	-	-	-
Dividend Received	-	-	-	-	-	-
Discount Received	-	-	-	-	-	-
Exchange Difference (Gain)	-	-	-	-	-	-
<b>Non Recurring Income</b>						

PMRPY Benefits on EPF	20.43	47.55	-	-	-	-
Insurance Claim Received	-	-	-	-	-	-
Miscellaneous Income	-	0.49	-	-	-	-
Notice Pay Received	-	-	-	-	-	-
<b>Total</b>	<b>21.72</b>	<b>50.08</b>	<b>-</b>	<b>-</b>	<b>1.06</b>	<b>-</b>

Notes:

1. The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.
2. The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures IV, I, II and III.

### ANNEXURE - O STATEMENT OF TURNOVER

(Amt in Rs. Lakhs)

Particulars	For the year ended					
	June 30, 2018	March 31, 2018	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014
Revenue from Operations						
Sales of Services (Gross)	2,843.29	11,900.79	8,844.72	5,739.42	4,604.96	4,451.75
- Gaurning Sales	2,066.06	8,695.44	6,064.64	4,163.36	3,558.87	4,451.75
- CMS Service	694.80	2,619.45	2,144.04	1,471.72	1046.09	-
- Logistics Service	82.43	585.90	636.04	104.34	-	-
Less - Service Tax	-	-	-	-	-	-
Other Operating Revenue	-	-	-	-	-	27.06
<b>Total</b>	<b>2,843.29</b>	<b>11,900.79</b>	<b>8,844.72</b>	<b>5,739.42</b>	<b>4,604.96</b>	<b>4,478.81</b>

### ANNEXURE - P STATEMENT OF MANDATORY ACCOUNTING RATIOS

(Amt in Rs. Lakhs)

Particulars	As at					
	June 30, 2018	March 31, 2018	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014
Net Worth (A)	3,440.53	3,236.01	2,465.15	2,056.69	843.53	752.50
Restated Profit after tax	204.53	770.85	408.46	109.61	86.05	62.35
Adjusted Profit after Tax (B)	204.53	770.85	408.46	109.61	86.05	62.35
Number of Equity Share outstanding as on the End of Year/Period ( C)	74.06	74.06	5.19	5.19	4.74	4.74
Number of Preference Share outstanding as on the End of Year/Period ( C)	-	-	100.00	100.00	-	-
Weighted average no of Equity shares at the time of end of the year (D)	74.06	73.27	72.52	72.45	72.07	72.07
Current Assets (E)	5,405.39	5,443.01	4,563.44	3,174.09	2,296.16	1,883.32
Current Liabilities (F)	3,053.67	3,257.80	2,962.84	2,081.81	1,783.85	1,476.29
Face Value per Share (in Rs.)	10.00	10.00	10.00	10.00	10.00	10.00
Restated Basic Earning Per Share (Rs.) (B/D) Refer Note 1 given below	2.76	10.52	5.63	1.51	1.19	0.87
Restated Diluted Earning Per Share (Rs.) (B/D) Refer Note 1 given below	2.76	10.41	5.52	1.48	-	-
Return on Net worth (%) (B/A)	5.94	23.82	16.57	5.33	10.20	8.29

Net asset value per share (A/C)	46.46	43.70	474.57	395.93	177.96	158.75
Adjusted Net asset value per share based on Weighted average number of share (A/D)	46.46	44.17	33.99	28.39	11.71	10.44
Current Ratio (E/F)	1.77	1.67	1.54	1.52	1.29	1.28

Note:-

1) The ratios have been computed as below:

(a) Basic earnings per share (Rs.) - : Net profit after tax as restated for calculating basic EPS / Weighted average number of equity shares outstanding at the end of the period or year

(b) Diluted earnings per share (Rs.) - : Net profit after tax as restated for calculating diluted EPS / Weighted average number of equity shares outstanding at the end of the period or year for diluted EPS

(c) Return on net worth (%) - : Net profit after tax (as restated) / Net worth at the end of the period or year

(d) Net assets value per share - : Net Worth at the end of the period or year / Total number of equity shares outstanding at the end of the period or year

2) Weighted average number of equity shares is the number of equity shares outstanding at the beginning of the period/year adjusted by the number of equity shares issued during period/year multiplied by the time weighting factor. The time weighting factor is the number of days for which the specific shares are outstanding as a proportion of total number of days during the period/year.

3) Net worth for ratios mentioned in note 1(c) and 1(d) is = Equity share capital + Reserves and surplus ( including, Securities Premium, General Reserve and surplus in statement of profit and loss).

4) The figures disclosed above are based on the standalone restated summary statements of the Group.

5) The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures IV, I, II and III."

#### ANNEXURE - Q STATEMENT OF CAPITALISATION

(Amt in Rs. lakhs)

Particulars	Pre-Issue	Post-Issue*
	June 30, 2018	
Debt		
Short Term Debt	2,127.48	--
Long Term Debt	801.45	--
Total Debt	2,928.94	--
Shareholders' Fund (Equity)		
Share Capital	740.58	--
Reserves & Surplus	2,699.95	--
Less: Miscellaneous Expenses not w/off	-	--
Total Shareholders' Fund (Equity)	3,440.53	--
Long Term Debt/Equity	0.23	--
Total Debt/Equity	0.85	--

\* The Corresponding post issue figures are not determinable at this stage pending the completion of public issue and hence have not been furnished.

Notes:

1. Short term Debts represent which are expected to be paid/payable within 12 months.

2. Long term Debts represent debts other than Short term Debts as defined above.

3. The figures disclosed above are based on restated statement of Assets and Liabilities of the Company as at 30/06/2018.

4. The Company has issued Bonus shares in the ratio 10:1 by Capitalising Free Reserves & Redemption Reserves on 14/03/2018.

#### ANNEXURE - R STATEMENT OF RELATED PARTY TRANSACTION

(Amt in Rs. Lakhs)

a) Names of the related parties with whom transaction were carried out during the years and description of relationship:



1) Company/entity owned or significantly influenced by directors/ KMP

2) Key Management Personnels:

Sameer Sharma

Anubha Sharma

Major S K Sharma

Baskaran Kesavareddiyar

Anoop Anand Malhotra

Nareshkumar Seth Chamalan

Vijay Kumar Singh

1. Transaction with Directors/ Key managerial persons:

S. No	Nature of Transaction	As At					
		June 30, 2018	March 31, 2018	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014
1	<b>Sameer Sharma</b>						
	Salary to Director	7.80	31.20	31.20	31.20	24.00	24.00
	<b>Opening Balance {Cr./ (Dr)}</b>	<b>20.74</b>	<b>33.43</b>	<b>60.40</b>	<b>2.35</b>	<b>0.35</b>	<b>0.35</b>
	Expenses						
	Purchase						
	Loan Taken	-	19.00		58.05	2.00	-
	Amount repaid/adjusted	-	31.69	26.97			
	<b>Closing Balance {Cr./ (Dr)}</b>	<b>20.74</b>	<b>20.74</b>	<b>33.43</b>	<b>60.40</b>	<b>2.35</b>	<b>0.35</b>
2	<b>Anubha Sharma</b>						
	Salary to Director	7.80	31.20	31.20	31.20	24.00	24.00
	<b>Opening Balance {Cr./ (Dr)}</b>	<b>49.83</b>	<b>-</b>	<b>57.80</b>	<b>54.40</b>	<b>11.15</b>	<b>-</b>
	Expenses						
	Purchase						
	Interest received						
	Loan Taken	8.29	167.36	-	3.40	43.25	11.15
	Amount repaid/adjusted	7.25	117.53	57.80			
	<b>Closing Balance {Cr./ (Dr)}</b>	<b>50.87</b>	<b>49.83</b>	<b>-</b>	<b>57.80</b>	<b>54.40</b>	<b>11.15</b>
3	<b>Major S K Sharma</b>						
	<b>Opening Balance {Cr./ (Dr)}</b>	<b>15.60</b>	<b>40.65</b>	<b>35.65</b>	<b>51.65</b>	<b>11.65</b>	<b>-</b>
	Loan Taken			5.00		40.00	11.65
	Amount repaid/adjusted	-	25.05		16.00		
	<b>Closing Balance {Cr./ (Dr)}</b>	<b>15.60</b>	<b>15.60</b>	<b>40.65</b>	<b>35.65</b>	<b>51.65</b>	<b>11.65</b>

Transactions with Company/entity owned or significantly influenced by directors/ KMP

S. No	Nature of Transaction	As At					
		June 30, 2018	March 31, 2018	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014
1	<b>Heman Verma</b>						
	<b>Opening Balance {Cr./ (Dr)}</b>	<b>(12.00)</b>	<b>(12.00)</b>	<b>(12.00)</b>	<b>(22.00)</b>	<b>-</b>	<b>-</b>
	Expenses	-	-	-	-	-	-
	Amount Received/credited	-	-	-	10.00	-	-
	Amount paid/adjusted	-	-	-	-	22.00	-
	<b>Closing Balance {Cr./ (Dr)}</b>	<b>(12.00)</b>	<b>(12.00)</b>	<b>(12.00)</b>	<b>(12.00)</b>	<b>(22.00)</b>	<b>-</b>
2	<b>Sonata Exports Ltd.</b>						
	<b>Opening Balance {Cr./ (Dr)}</b>	<b>(14.98)</b>	<b>(14.98)</b>	<b>(14.98)</b>	<b>(14.98)</b>	<b>(14.98)</b>	<b>(14.98)</b>

	Expenses	-	-	-	-	-	-
	Amount Received/credited	-	-	-	-	-	-
	Amount paid/adjusted	-	-	-	-	-	-
	<b>Closing Balance {Cr./(Dr)}</b>	<b>(14.98)</b>	<b>(14.98)</b>	<b>(14.98)</b>	<b>(14.98)</b>	<b>(14.98)</b>	<b>(14.98)</b>
3	<b>Subhash &amp; Ajay Chhabra</b>						
	<b>Opening Balance {Cr./(Dr)}</b>	<b>(18.64)</b>	<b>(2.64)</b>	<b>(1.49)</b>	<b>(1.49)</b>	<b>(1.49)</b>	<b>(1.49)</b>
	Expenses	-	-	-	-	-	-
	Amount Received/credited	-	-	-	-	-	-
	Amount paid/adjusted	-	16.00	1.15	-	-	-
	<b>Closing Balance {Cr./(Dr)}</b>	<b>(18.64)</b>	<b>(18.64)</b>	<b>(2.64)</b>	<b>(1.49)</b>	<b>(1.49)</b>	<b>(1.49)</b>

Notes:

1. The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.
2. The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures IV, I, II and III.
3. List Company/entity owned or significantly influenced by directors/ KMP, Key Management Personnels, and Relative of Key Management Personnels have been determined by the Management and relied upon by the Auditors. The Auditors have not performed any procedure to determine whether the list is accurate and complete.

#### ANNEXURE - S RESTATED SUMMARY STATEMENT OF CONTINGENT LIABILITIES

(Amt in Rs. lakhs)

Particulars	As at					
	June 30, 2018	March 31, 2018	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014
Contingent liabilities in respect of: CSR Expenditure u/s 135						
Income Tax demands / Notices before CIT Appeals	65.68	65.68	65.68	5.65	-	-
TDS Defaults	2.53	2.53	2.53	-	-	-
<b>Total</b>	<b>68.21</b>	<b>68.21</b>	<b>68.24</b>	<b>5.65</b>	<b>-</b>	<b>-</b>

Notes:

1. The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.
2. The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures IV, I, II and III.

#### ANNEXURE - T STATEMENT OF TAX SHELTER

(Amt in Rs. Lakhs)

Particulars	As at					
	June 30, 2018	March 31, 2018	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014
Net Profit/(Loss) before taxes (A)	253.82	1,048.88	751.21	287.83	132.11	101.01
Tax Rate Applicable %	27.55%	33.06%	33.06%	33.06%	32.45%	32.45%
Minimum Alternate Taxes (MAT)	20.59%	21.34%	20.39%	20.39%	20.01%	20.01%
LTCG Tax Rates	20.60%	20.60%	20.60%	20.60%	20.60%	20.60%
Adjustments						
Add: Depreciation as per Companies Act, 1956/2013	92.21	273.55	240.94	153.13	189.14	173.50
Add: Expenditure on Account of Interest on Delay payment of TDS and non Payment/Short payment of TDS	-	2.25	1.51	-	-	-
Add: Disallowed U/s 36(1)/37	-	-	-	4.31	1.23	11.72

Less: Prior Period Adjustments	-	-	49.32	-	-	-
Less- Profit on Sale of Fixed Asset	-	-	-	-	-	-
Gratuity Adjustment	(9.16)	(17.23)	22.97	21.48	8.88	33.05
DTA DTL Adjustemnt	8.97	4.83	(9.25)	(6.64)	(1.41)	(10.72)
Add- Loss on Sale of Fixed Asset	-	-	19.34	-	-	-
Other Deductions	-	-	-	-	-	-
Deduction under Chapter VIA	-	(223.53)	-	-	-	-
Less: Depreciation as per Income Tax Act, 1961	(94.92)	(453.49)	(428.92)	(383.53)	(126.14)	(147.37)
Net Adjustments (B)	<b>(2.90)</b>	<b>(413.62)</b>	<b>(104.08)</b>	<b>(211.26)</b>	<b>71.70</b>	<b>60.18</b>
Business Income (A+B)	250.92	635.26	647.13	76.57	203.81	161.19
Less: Unabsorbed Depreciation/Loss to be utilised for Set-Off	-	-	-	-	-	-
<b>Gross Total Income</b>	<b>250.92</b>	<b>635.26</b>	<b>647.13</b>	<b>76.57</b>	<b>203.81</b>	<b>161.19</b>
Tax Payable as per Normal Rate	67.31	208.44	194.32	78.54	66.27	61.23
Tax Payable as per Special Rate	-	-	-	-	-	-
MAT Credit Set Off\Entitlement	11.73	-	16.00	-	-	-
Tax as per Income Tax (C)	55.58	208.44	178.32	78.54	66.27	61.23
Computation of Book Profits						
PBT as per P&L	244.67	1,031.64	804.16	463.65	140.02	122.72
Add: Interest on TDS	-	-	-	-	-	-
Add: Interest on Income tax debited to P&L before tax	-	-	-	-	-	-
Book Profits	244.67	1,031.64	804.16	463.65	140.02	122.72
Unaborbed depreiation as per books	-	-	-	-	-	-
Tax Payable as per Minimum Alternate Tax U/s 115 JB of the Income Tax Act, 1961 (D)	50.38	220.15	163.96	94.53	28.02	24.55
Net Tax (Higher of C & D)	55.58	220.15	178.32	94.53	66.27	61.23
Interest u/s 234	0.48	3.18	4.85	-	-	-
Total tax	56.06	223.33	183.18	94.53	66.27	61.23
Current tax as per restated Statement of Profit & Loss	56.06	223.35	183.18	94.53	66.27	61.23

Notes:

1. The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.
2. The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures IV, I, II and III.

**STATEMENT OF FINANCIAL INDEBTEDNESS**

To,  
**The Board of Directors,**  
**Shiva Industrial Security Agency (Guj) Ltd.**  
**Sameer complex, R S No. 71, Navsarjan Society**  
**GIDC Pandesara**  
**Surat**

Dear Sir,

The principal terms of loans as on June 30, 2018 is as given below:

**A. B. Secured Loans:-****(Amount in Rs. Lacs)**

Name of Lender	Purpose	Sanctioned Amount (In Lakh)	Rate of Interest	Primary Security	Collateral/ Other Security	Re-Payment Schedule	Moratorium	Outstanding amount as on 30 <sup>th</sup> June, 2018 as per Books
IKF	Vehicle Finance	92.64	9.42%	Cash Van	NIL	47 Monthly EMIs	-	76.15
IIFL	Vehicle Finance	--	15.01%	Cash Van	NIL	48 Monthly EMIs	-	139.64
MANAPPU RAM	Vehicle Finance	--	19.34%	Cash Van	NIL	48 Monthly EMIs	-	124.44
ORIX	Vehicle Finance	--	Multiple Loan	Cash Van	--	48 Monthly EMIs	-	676.44
Axis Bank Limited	Cash Credit	1400.00	9.75%	*	**	On demand	NA	1359.05
The South Indian Bank Ltd	Cash Credit	200.00	9.75%	*	**	On demand	NA	200.25
Axis Bank Limited	Bill Discounting	600.00	9.75%	*	**	On demand	NA	568.18
Axis Bank Limited	Bank Guarantee	250.00	-	*	**	On demand	NA	186.03
The South Indian Bank Ltd	Bank Guarantee	300.00	-	*	**	On demand	NA	135.84
<b>Total</b>								<b>3466.02</b>

\*Exclusive first charge by way of hypothecation of entire current assets of the company (both present & future).  
 Counter bank guarantee (in case of BG limit) and 15% cash margin.

\*\*Collateral Security of the below mentioned properties:-

- Industrial property situated at "SISA House", Sameer Complex, RS No. 71, Navsarjan Society, Pandesara, Surat
- Residential Property situated at 204, Ganga Appt., Kalawad Road, Rajkot
- Residential Property situated at GF/22, Chitrakul Complex, Chhani Jakat Naka, Baroda
- Residential Property situated at Sargam Appt, Gr Floor, RS - 52-2 & 42-2, City Survey, Surat
- Residential Property situated at Flat No. A/4003, Arihant Complex, Hari Nagar, Udhana, Surat
- Residential Property at 204, Sheel Complex, Mithakali, Ahmedabad
- 3, Damji Shamji Industrial Complex, situated at 9 LBS Marg, Kurla (W) Mumbai
- Plot No.16 admeasuring area of 115 sq. mtrs & construction 65.835 sq. mtrs built up on the land bearing old Rev. S.No.71 , Sharma New Rev, S No.22/p3, T.P. Scheme No. 21, F.P. NO.54 part of moje, vi llage, Bhestan, Surat City

- Plot No.18 admeasuring area of 115 sq. r.ntrs & construction 65.835 sq. mtrs built up on the land bearing old Rev. S.No.71, Sharma New Rev, S No.22/p3, T.P. Scheme No. 21 , F.P. NO.54 part of moje, village, Bhestan, Surat City, Surat.
- Personal Guarantee or Mr. Sushil Pyrelal Sharma, Mr. Sameer Sharma and Mrs. Anubha Sharma

**Terms and Conditions as per sanction letter:**

**Restrictive Covenants under the credit facility sanctioned by Axis Bank:-**

Borrower/Obligor shall not, without the prior written approval of the Bank:

- enter into any merger/amalgamation etc or do a buyback;
- make any Restricted Payments other than as permitted;
- wind up/liquidate its affair;
- agree/authorise to settle any litigation/arbitration having a material adverse effect;
- change the general nature of its business or undertake any expansion or invest in any other entity;
- permit any change in its ownership/control/management (including by pledge of promoter/sponsor shareholding in the Borrower to any third party) ;
- change remuneration of its directors in any manner other than as mandated by legal or regulatory provisions;
- effect any change in its accounting method or policies;
- make any amendments to it's constitutional documents;
- avail any loan; and/or stand as surety or guarantor for any third party liability or obligation; and/or provide any loan or advance to any third party, save and except as follows;
  - aggregate secured/unsecured borrowings permitted for the Borrower/guarantor/other security providers
  - aggregate secured/unsecured contingent liabilities permitted for the Borrower/guarantor/other security providers
- encumber it's assets
- pay any commission to its promoters/directors/security providers;
- dispose its assets other than as permitted by the Bank in writing; and
- utilize the Facility sanctioned for any purpose other than the end use as permitted;
- change its financial year-end from the date it has currently adopted; and
- enter into arrangement whereby its business/ operations are managed or controlled, directly or indirectly, by any other person.

**A. Unsecured Loans**

(Amount in Lacs)

Name of Lender	Purpose	Rate of interest	Re-Payment Schedule	Moratorium	Outstanding Amount As On (as per Books)
					30.06.2018
Sameer Sharma	Business Purpose	-	On Demand	-	20.74
Sushil Kumar Sharma	Business Purpose	-	On Demand	-	15.60
Anubha Sharma	Business Purpose	-	On Demand	-	50.87
<b>Total</b>					<b>87.21</b>

**Terms and Conditions:**

All Unsecured Loans from Directors/Promoters/Group Companies and other Companies are interest free and all are taken without any preconditions attached towards.

**For N.K. Sultania & Co.**  
**Chartered Accountants**  
**Firm Reg. No. 324730E**  
**PRC No. 009824**

## **MANAGEMENT'S DISCUSSION & ANALYSIS OF FINANCIAL CONDITIONS & RESULTS OF OPERATIONS**

*You should read the following discussion of our financial condition and results of operations together with our restated financial statements included in the Draft Prospectus. You should also read the section titled “**Risk Factors**” beginning on page 16 and “**Forward Looking Statements**” beginning on page 14 of this Draft Prospectus, which discusses a number of factors, risks and contingencies that could affect our financial condition and results of operations.*

*The following discussion of our financial condition and results of operations should be read in conjunction with our restated financial statements for the fiscal years ended March 31, 2017, 2016, 2015, 2014 and 2013, and period ended December 31, 2017 including the schedules and notes thereto and the reports thereto, which appear in the section titled “**Financial Information of the Company**” on page 144 of the Draft Prospectus. The financial statements presented and discussed herein have been prepared to comply in all material respects with the notified accounting standards by Companies (Accounting Standards) Rules, 2006 (as amended), the relevant provisions of the Companies Act and SEBI (Issue of Capital and Disclosure Requirements) Regulations. Our fiscal year ends on March 31 of each year. Accordingly, all references to a particular fiscal year/financial year are to the twelve-month period ended on March 31 of that year. The forward-looking statements contained in this discussion and analysis is subject to a variety of factors that could cause actual results to differ materially from those contemplated by such statements.*

### **Overview**

We are an ISO 9001:2008 Certified Company providing Manned guard Services, Cash Management Service and E-Commerce logistics services in India. We have created a niche for ourselves in the market since the commencement of our operations during the past decades. We have developed our portfolio of services in order to cater to the needs of diverse consumer segments including, business entities, Government organizations and households, and to leverage the growth and potential security needs of such customer segments in India. To serve our esteemed clients in the most effective manner we have fully operational 18 Branches at an all India level and 5 Regional Offices situated at Ahmedabad, Bangalore, Mumbai, New Delhi and Kolkata.

Our Company was incorporated in the year 1997 with a view to provide security services to businesses across various sectors. Since incorporation we have been involved in the business of providing the manned guarding service. Subsequently in the 2007, sensing the opportunity in the Cash management service, we added Cash management service in our portfolio of service. During the year 2015-16, we further expanded our operations by diversifying into the business of E-Commerce Logistic services.

Our portfolio of services includes:



1. **Manned Guarding Service:** -We provide comprehensive security services solution to our customers in India. Our security services comprise of providing security solutions which ranges from, including planning and deployment deploying of security guards, security officers, armed guards, firemen, dog handlers, investigation works investigators, event security services and command and control centre employees. As on August 31, 2018, Our security services business employed around 5000 security guards which are servicing around 1100 customers. Our key customers in India include leading businesses in and across various wide range of sectors such as banking and financial services, IT/ ITeS

information technology and telecom, automobile, steel and heavy industries, governmental undertakings, hospitality and real estate, utilities, educational institutions, healthcare, consumer goods, manufacturing, engineering and construction. We also provide security services to several Government organizations and public sector undertakings in India. The following table sets forth information pertaining to revenue earned from our security services business segment in India for the periods indicated:

Particular	Revenue from operations (in lakhs)					
	Fiscal Year 2018		Fiscal Year 2017		Fiscal Year 2016	
	Amount	Amount	Amount	% of total	Amount	% of total
Revenue from operations	8695.44	73.07	6064.64	68.57	4163.36	72.54
Percentage of total revenue	<b>11900.79</b>	<b>100.00</b>	<b>8844.72</b>	<b>100.00</b>	<b>5739.42</b>	<b>100.00</b>

2. **Cash Management Service:** - Our cash management service business consists of the following heads of operations: (a) cash in transit, including cash handling, cash collection and delivery, transportation of bank notes, coins and other valuables, (b) doorstep banking, including pickup and delivery of cash, coins and any other valuables as well as cash processing, (c) ATM related services including Machine Installation & Maintenance, Cash Replacements, Cash Cycle Management & Load Forecasting, Defect Prevention and update existing programmes, Depository Collection, Processing & Banking, Intelligent Lock Installation & Management, Alarm Response Services etc. Through our cash management service we serve a diverse set of clients which include leading banks, financial institutions, the organized retail industry and jewelry processing units, thus reducing our reliance on any particular set of customers or business segments. The following table sets forth information pertaining to the revenue relating to our cash management business in India for the periods indicated:

Particular	Revenue from operations (in Lakhs)					
	Fiscal Year 2018		Fiscal Year 2017		Fiscal Year 2016	
	Amount	Amount	Amount	% of total	Amount	% of total
Revenue from operations	2619.45	22.01	2144.04	24.24	1471.72	25.64
Percentage of total revenue	<b>11900.79</b>	<b>100.00</b>	<b>8844.72</b>	<b>100.00</b>	<b>5739.42</b>	<b>100.00</b>

3. **E-Commerce Logistics Service:** - Our E-Commerce operation handles the last Mile (final movement of the goods to the customers) and the First Mile operations (movement of the goods from the E-commerce companies to couriers for delivery) for the E-Commerce Companies. Our company has its own fleet of Vehicles with Field executives, which are provided to E-Commerce Company to handle their First and Last Mile operations. The Major clientele is Flipkart, Big Basket, Grofers, DTDC and First Flight. The following table sets forth the information pertaining to the revenue relating to our E-Commerce logistic business in India for the periods indicated:

Particular	Revenue from operations (in Lakhs)					
	Fiscal Year 2018		Fiscal Year 2017		Fiscal Year 2016	
	Amount	% of total	Amount	% of total	Amount	% of total
Revenue from operations	585.90	4.92	636.04	7.19	104.34	1.82
Percentage of total revenue	<b>11900.79</b>	<b>100.00</b>	<b>8844.72</b>	<b>100.00</b>	<b>5739.42</b>	<b>100.00</b>

We have set up an extensive employee platform which spans recruitment, customized training and development, deployment, incentivization and management of personnel. We have deep geographical reach for manpower sourcing and training and currently operate our own training of such manpower. Presently we operate our own training Institute situated next to our Corporate Office at Surat where our security services personnel undergo extensive physical and classroom training. We employ man power from all over India. We have appointed our Area Officers in the selected districts of our country for the same. These Area Officers also re-employ Ex-servicemen through Zila Sainik Welfare Boards and State Ex-servicemen Association. We have kept Ex-Army staff to train civilian boys in security, fire fighting and first aid duties.

Our Promoters, Major Sushil Kumar Sharma (retd.), Mr. Sameer Sharma have over two decades of experience in operating our business. In addition, we are led by a well-qualified and experienced management team, which we believe has demonstrated its ability to manage and grow our operations organically and also acquire and integrate businesses. For further details see "Our Management" on page 120 of this Draft Prospectus. We have been benefited from the strategic inputs and support of our Promoters who are also the Directors of our company. Our promoter have established our company with a



view to provide security cover to Industrial Units, shopping complexes, Apartments, Hospitals and other properties with trained and motivated Ex-servicemen as well as civilian security staff and has given two mottos i.e. "EVER ALERT" & "BORN TO PROTECT".

Our revenue from operations (gross) was Rs. 11900.78 lakhs, Rs. 8844.72 lakhs and Rs. 5739.42 lakhs during the fiscals 2018, 2017 and 2016 respectively and Rs. 2843.29 Lakhs for the three months period ending June 30, 2018, in terms of our Restated Financial Statements. The profit after tax of our company as per the restated financial statements for the fiscal 2018, 2017 and 2016 is Rs. 770.85 lakhs, Rs. 408.46 lakhs and Rs. 109.61 lakhs respectively and Rs. 204.53 Lakhs for the three months period ending June 30, 2018.

## **Our Competitive Strengths**

We believe that the following are our primary competitive strengths:

### ***1. Diverse portfolio of manned guarding, cash management and E commerce management services***

Our diverse portfolio of services comprises of security services, cash management services and E commerce logistic management services. Our security services range from providing trained security personnel for general guarding to specialized security roles in India. Our cash logistics business includes services such as cash in transit including transportation of bank notes and other valuables, doorstep banking as well as cash processing, ATM related services including ATM replenishment and first line maintenance and safekeeping, and vault related services for bullion and cash. We also provide E commerce logistic services which include first mile and last mile connectivity for the E-commerce companies.

We believe that our extensive portfolio of services enables us to grow our customer relationships and scope of engagements and serve as a single point of contact for multiple services, driving high customer retention. Our multiple service offerings allow us to derive operational efficiencies, by centralizing certain key functions such as finance and sales and also certain other administrative functions. Given our operational experience, we believe that we have developed in-house expertise to handle all stages of deployment and management and cater to the varying requirements of our customers, which has enabled us to grow our market share and instill our customers with confidence in our ability to address their diverse and dynamic business needs.

### ***2. Widespread and integrated branch network in India***

We have 18 branches in India, which cover 9 states and rendered security services at around 1100 customer premises, giving us a nation-wide presence and reducing our dependence on any one particular region. We believe that locating our branches in proximity to our customer premises is a significant factor for success in our business and our widespread branch network results in greater focus to our customers. At the same time, by offering different services under one roof have enable us to offer services to customers who prefer a single service provider for their operations.

We believe knowledge sharing across our branches and business segments enables sales lead generation and development of location specific know-how for particular geographical areas. Further, we believe that through our extensive branch infrastructure, we have been able to gain economies of scale, which allow us to provide efficient and cost-effective solutions to our customers.

### ***3. Wide and Diversified customer base***

We provide our manned guarding services to several customer segments such as business entities, Government organizations, Industries, Hospitals, Shopping, Malls and households. These customer segments range across a variety of industries and sectors, which include banking and financial services, IT/ ITeS and telecom, automobile, steel and heavy industries, governmental undertakings, hospitality and real estate, utilities, educational institutions, healthcare, consumer goods, engineering and construction, which reduces our vulnerabilities to economic cycles and dependence on any particular set of customers. We believe our ability to offer our manned guarding services to fit the needs of our customers across our various business segments allows us to deepen our relationships with our customers and enables us to target a greater share of their requirements. We believe that we have been able to retain existing customers and attract new customers because of our brand, strong market position and delivery of quality services.

#### **4. Experienced management and operational team**

Our Promoters, Major Sushil Kumar Sharma (retd.) and Mr. Sameer Sharma have over two decades of experience in operating our business. Major S. K. Sharma Chairman has served Indian Army for around 23 years. He also has experience of Industrial Security, Fire Fighting and Military Intelligence. He also has in-depth practical knowledge and experience of training and motivating for guarding sensitive defence installations. Mr. Sameer Sharma is a Nautical Science graduate and has served in Merchant Navy as 2nd officer for eight years. In addition, we are led by a well-qualified and experienced management team, which we believe has demonstrated its ability to manage and grow our operations organically and also acquire and integrate businesses. For further details please refer chapter “Our Management” on page 120 of this Draft Prospectus.

#### **5. In-house training and development**

We have set up an extensive employee platform which spans recruitment, customized training and development, deployment, incentivization and management of personnel. We have setup our own training Institute situated next to our Corporate Office at Surat “SISA Management Training Institute”. Our security services personnel undergo extensive physical and classroom training at our training institute. We employ man power from all over India. We have appointed our Area Officers in the selected districts of our country for the same. These Area Officers also re-employ Ex-servicemen through Zila Sainik Welfare Boards and State Ex-servicemen Association. We have kept Ex-Army staff to train civilian boys in security, fire fighting and first aid duties. We believe that our personnel recruitment and training initiatives drive employee loyalty and retention and quality assurance, and ensure that we deliver uniform services to our customers.

### **Our Strategies**

#### **1. Leveraging our capabilities and growing our business**

We intend to cater to the increasing demand of our existing customers and also to increase our existing customer base by enhancing our reach to different parts of the country and to new/different customer in new industries. We also propose to provide our customer with the best services which will help us in maintaining and establishing cordial relationship with customers. We also want to enhance our presence in additional regions which will enable us to reach out to a larger population.

#### **2. Improving operational efficiencies**

Increasing our operational efficiencies result not only in increased customer satisfaction which will as a result improve our margins and profitability. Further, we plan to increase our productivity by leveraging our network to realize economies of scale, improving our processes and planning. We also plan to continue to focus on cost management, as well as optimizing the cost, improve connectivity and communication across our branches and operations and with our customers, to further increase efficiencies and productivity.

#### **3. Develop and maintain relationships with our Customers**

We believe in maintaining good relationship with our Customers which is the most important factor to keep our Company growing. Our dedicated and focused approach and efficient and performance has helped us build strong relationships over a number of years. Based on our performance we are entrusted by our customers. For us, establishing strong, mutually beneficial long-term relationships with our customer is a critical step in improving performance and enabling the business to grow and develop.

#### **4. Enhancing our organizational capabilities**

We aim at providing to our employees a compelling place to work and striving to attract the best talent in the industry by focusing on our employees’ development, retention and contribution to our success. We believe that this, together with providing our with comprehensive training and development resources on ongoing and as-needed basis, benefits our employees and creates efficiencies within our business by improving the ability of our employees to perform their jobs. We have SISA Management Training Institute, which focuses on enhancing the skills and knowledge of our workforce in areas

relevant to our business. We also plan to continue to focus on diversity in hiring, health programs for our employees and offering specialized safety programs to our workforce to ensure they conduct their jobs safely and efficiently.

### Revenue from Operations from our Business Lines

The following table sets forth our revenue from operations from our business lines for the periods indicated:

Particular	Revenue from operations (in Lakhs)					
	Fiscal Year 2018		Fiscal Year 2017		Fiscal Year 2016	
	Amount	% of total	Amount	% of total	Amount	% of total
Manned Guarding Service	8,695.44	73.07	6064.64	68.57	4163.36	72.54
Cash Handling Service	2,619.45	22.01	2144.04	24.24	1471.72	25.64
Logistic Management Service	585.90	4.92	636.04	7.19	104.34	1.82
<b>Total</b>	<b>11900.79</b>	<b>100.00</b>	<b>8844.72</b>	<b>100.00</b>	<b>5739.42</b>	<b>100.00</b>

### **SIGNIFICANT DEVELOPMENTS SUBSEQUENT TO LAST BALANCE SHEET DATE:-**

In the opinion of the Board of Directors of our Company, there have not arisen any circumstances since the date of the last financial statements disclosed in this Draft Prospectus that materially or adversely affect the operations or profitability of the Company or the Value of its assets or its ability to pay its liability within next twelve months.

### **FACTORS AFFECTING OUR FUTURE RESULTS OF OPERATIONS:-**

Our results of operations could potentially be affected by the following factors amongst others:

1. A decrease in the availability or use of cash as the predominant mode of payment in India.
2. Company's ability to successfully implement its growth strategy and expansion plans;
3. Our inability to effectively diversify our service portfolio;
4. Banks ceasing to engage our services;
5. Any adverse developments with respect to Indian banks that adversely affects their utilization of and demand for cash management services or their deployment or utilization of ATMs;
6. Failure to comply with regulations prescribed by authorities of the jurisdictions in which we operate;
7. Materialization of the security risks faced by our business;
8. Inability to successfully obtain registrations in a timely manner or at all;
9. General economic and business conditions in the markets in which we operate and in the local, regional and national economies;
10. Our ability to effectively manage a variety of business, legal, regulatory, economic, social and political risks associated with our operations;
11. Changes in laws and regulations relating to the industries in which we operate;
12. Our relationships with our workforce and the trade unions, as well as changes in the laws and regulations applicable to our business;
13. Effect of lack of infrastructure facilities on our business;
14. Occurrence of Environmental Problems & Uninsured Losses;
15. Intensified competition in industries/sector in which we operate;
16. Our ability to attract, retain and manage qualified personnel;
17. Changes in political and social conditions in India or in countries that we may enter, the monetary and interest rate policies of India and other countries, inflation, deflation, unanticipated turbulence in interest rates, equity prices or other rates or prices;
18. Conflicts of interest with affiliated companies, the promoter group and other related parties;
19. Failures of our information technology systems and violations of our information technology systems by third parties;
20. Any adverse outcome in the legal proceedings in which we are involved;
21. Our ability to expand our geographical area of operation;
22. Concentration of ownership among our Promoters.

### **Our Significant Accounting Policies:**

Our significant accounting policies are described in the section titled “***Financial Information of the Company***” on page 144 of this Draft Prospectus.

**Change in accounting policies in previous 3 (three) years**

Except as mentioned in chapter “***Financial Information of the Company***” on page 144 of this Draft Prospectus, there has been no change in accounting policies in last 3 (three) years.

### Summary of the Results of Operations

The following table sets forth financial data from standalone restated profit and loss account for the period ending June 30, 2018 and financial Year ended on March 31, 2018, 2017, 2016, 2015 and 2014 the components of which are also expressed as a percentage of total income for such periods.

Particulars		For the Period Ended/For the Year ended											
		30-06-2018	% of Total Income	31-03-18	% of Total Income	31-03-17	% of Total Income	31-03-16	% of Total Income	31-03-15	% of Total Income	31-03-14	% of Total Income
Revenue from Operations		2,843.29	99.24	11900.78	99.58	8,844.72	100.00	5,739.42	100.00	4,604.96	99.98	4,478.81	100.00
Other Incomes		21.72	0.76	50.08	0.42	-	-	-	-	1.06	0.02	-	-
<b>Total Revenue</b>	<b>A</b>	<b>2,865.00</b>	<b>100.00</b>	<b>11950.87</b>	<b>100.00</b>	<b>8,844.72</b>	<b>100.00</b>	<b>5,739.42</b>	<b>100.00</b>	<b>4,606.02</b>	<b>100.00</b>	<b>4,478.81</b>	<b>100.00</b>
Expenses:													
Employee Benefits Expense		1,684.18	58.79	7246.33	60.63	4,976.70	56.27	3,671.68	63.97	2,875.60	62.43	2,938.92	65.62
Administrative and other Expenses		733.46	25.60	3000.46	25.11	2,622.84	29.65	1,435.54	25.01	1,199.10	26.03	1,125.36	25.13
Finance Costs		101.32	3.54	381.65	3.19	253.03	2.86	191.23	3.33	210.07	4.56	140.02	3.13
Depreciation And Amortization Expense		92.21	3.22	273.55	2.29	240.94	2.72	153.13	2.67	189.14	4.11	173.50	3.87
<b>Total Expenses</b>	<b>B</b>	<b>2611.18</b>	<b>91.14</b>	<b>10901.99</b>	<b>91.22</b>	<b>8,093.51</b>	<b>91.51</b>	<b>5,451.58</b>	<b>94.99</b>	<b>4,473.91</b>	<b>97.13</b>	<b>4,377.80</b>	<b>97.74</b>
<b>Profit before exceptional and extraordinary items and tax (A-B)</b>	<b>C</b>	<b>253.82</b>	<b>8.86</b>	<b>1048.88</b>	<b>8.78</b>	<b>751.21</b>	<b>8.49</b>	<b>287.83</b>	<b>5.01</b>	<b>132.11</b>	<b>2.87</b>	<b>101.00</b>	<b>2.26</b>
Extraordinary item		-	0.00	0.00	0.00	29.98	0.34	154.34	2.69	(0.97)	(0.02)	(11.33)	(0.25)
<b>Profit Before Tax</b>		<b>253.82</b>	<b>8.86</b>	<b>1048.88</b>	<b>8.78</b>	<b>781.19</b>	<b>8.83</b>	<b>442.17</b>	<b>7.70</b>	<b>131.14</b>	<b>2.85</b>	<b>89.67</b>	<b>2.00</b>
Loss on Sale of Fixed Assets		-	-	-	-	-	-	-	-	-	-	-	-
Provision for Tax													
- Current Tax		56.06	1.95	223.35	1.87	183.18	2.07	94.53	1.65	66.27	1.44	61.23	1.37
- Deferred Tax Liability / (Asset)		(18.50)	(0.64)	66.41	0.56	30.22	0.34	132.28	2.30	(21.18)	(0.46)	(33.91)	(0.76)
MAT Credit Entitlement		(11.73)	(0.40)	11.73	0.10	(15.99)	(0.18)	15.99	0.28	-	-	-	-
<b>Restated profit after tax for the period from continuing operations</b>		<b>204.53</b>	<b>7.14</b>	<b>770.85</b>	<b>6.45</b>	<b>551.80</b>	<b>6.24</b>	<b>231.35</b>	<b>4.03</b>	<b>86.05</b>	<b>1.87</b>	<b>62.35</b>	<b>1.39</b>
Profit/ (Loss) from		-	-			-	-	-	-	-	-	-	-

Discontinuing operation													
Less: Preference Dividend Declared @ 12%		-	-	0.00	0.00	120.00	1.36	101.92	1.78	-	-	-	-
Less: Dividend Distribution Tax @ 19.45%		-	-	0.00	0.00	23.34	0.26	19.82	0.35	-	-	-	-
Tax expenses of discontinuing operations		-	-	-	0.00	-	-	-	-	-	-	-	-
<b>Restated profit for the period</b>		<b>204.53</b>	<b>7.14</b>	<b>770.85</b>	<b>6.45</b>	<b>408.46</b>	<b>4.62</b>	<b>109.61</b>	<b>1.91</b>	<b>86.05</b>	<b>1.87</b>	<b>62.35</b>	<b>1.39</b>

## Key Components of Company's Profit And Loss Statement

**Revenue from Operations:** Revenue from operations mainly consists of revenue from services provided by the company to various clients for manned guarding, Cash Management and E-Logistics services.

**Expenses:** Company's expenses consist of employee benefits expense, administration & Other Expenses, finance costs, depreciation and amortization expenses.

**Employee Benefits Expense:** Employee benefit expense includes Salaries and Wages to employees, Contribution to provident and other funds, Training Job Expenses, Staff Welfare Expenses, Gratuity Expenses and Provision for Gratuity.

**Finance Costs:** Finance cost comprises of interest on loans.

**Depreciation and Amortization Expense:** We recognize Depreciation and Amortization expense on WDV basis on the useful lives of respective assets as estimated by the Management and/or based on the usefulness prescribed in Schedule II of the Companies Act, 2013.

**Administrative and Other Expenses:** Other expenses includes vehicle hiring and operational expenses, rates & taxes, repairs, insurance, communication expenses, travelling expenses, rent, legal charges, and other miscellaneous expenses.

## Financial Performance Highlights for the stub period ended June 30, 2018

**Total Income:** The Company's total income during the period ended June 30, 2018 was Rs. 2865 lakhs. The revenue from Operations was Rs. 2843.29 Lakhs which comprised 99.24% of company's total income for the stub period ended June 30, 2018.

**Total Expenses:** The total expenditure during the stub period ended June 30, 2018 was Rs. 2611.18 Lakhs. The total expenditure represents 91.14 % of the total revenue. The total expenses are represented by employee benefits expense, administration & Other Expenses, finance costs, depreciation and amortization expenses. The main constituent of total expenditure is Employee benefit expenses, which is Rs. 1684.18 Lakhs.

**Profit/ (Loss) after tax:** The restated net profit during the stub period ended June 30, 2018 was Rs. 204.53 Lakhs representing 7.14% of the total revenue of the Company.

## COMPARISON OF THE FINANCIAL PERFORMANCE OF FISCAL 2018 WITH FISCAL 2017

**Total Income:** During the F.Y. 2017-18 the total income of the Company increased to Rs. 11950.87 lakhs as against previous financial year 2016-17 of Rs. 8844.72 lakhs representing an increase of 35.12% as compared to previous year. This increase was mainly due to increase in revenue from business operations.

**Total Expenses:** Total expenditure for the F.Y. 2017-18 increased to Rs. 10901.99 Lakhs from Rs. 8093.51 Lakhs in FY 2016-17 representing an increase of 34.70%. This was due to increase in expenses like employee benefit expenses, finance and depreciation and amortization expenses.

**Employee benefits expense:** Employee benefits expense increased to Rs. 7246.33 Lacs in the year F.Y 2017-18 from Rs. 4976.70 Lakhs in FY 2016-17, representing an increase of 45.61%.

**Finance Costs:** Finance costs increased to Rs. 381.65 Lacs in F.Y 2017-18 as compared to F.Y 2016-17 in which it was Rs. 253.03 Lakhs, this represent an increase of 50.83% mainly due to increase in the financial facilities taken buy the Company.

**Depreciation and amortization expense:** Depreciation and amortization expense increased in FY 2017-18 to Rs. 273.55 Lakhs from Rs. 240.94 Lakhs as compared to previous year FY 2016-17.

**Administrative and Other Expenses:** Other expenses for the F.Y 2017-18 increased to Rs. 3000.46 Lakhs whereas it was Rs. 2622.84 Lakhs in previous F.Y. 2016-17. This was due to an overall increase in the expenses of the Company.



**Net Profit before tax:** Net Profit before tax for the F.Y 2017-18 was Rs. 1048.88 Lakhs as against profit before tax of Rs. 781.19 Lakhs for the previous year 2016-17. The increase in profit was solely due to increase in revenue.

**Profit after tax:** The Restated profit after tax for the F.Y 2017-18 was at Rs. 770.85 Lakhs as against profit of Rs. 551.80 Lakhs in the previous year 2016-17. The increase in profit was solely due to increase in revenue.

#### COMPARISON OF THE FINANCIAL PERFORMANCE OF FISCAL 2017 WITH FISCAL 2016

**Total Income:** During the year 2016-17 the total revenue of the company increased to Rs. 8844.72 Lakhs as against Rs. 5739.42 Lakhs in the year 2015- 16, representing an increase of 54.10 % of the total revenue. This increase was mainly due to increase in business operations and other income of the company.

**Total Expenses:** The total expenditure for the year 2016-17 increased to Rs. 8093.51 Lakhs from Rs. 5451.58 lakhs in year 2015-16, representing an increase of 48.46% to the previous year.

**Employee Benefits Expense:** The Employee Benefit Expense comprises of Salaries and Wages to employees, Contribution to provident and other funds, Training Job Expenses, Staff Welfare Expenses, Gratuity Expenses and Provision for Gratuity. The said expenses increased to Rs. 4976.70 Lakhs during the F.Y. 2016-17 from Rs. 3671.68 Lakhs in the previous year 2015-16, representing an increase of 35.54% to the previous year.

**Finance Costs:** Finance cost for the year 2016-17 increased to Rs. 253.03 Lakhs as against Rs. 191.23 Lakhs for the year 2015-16, representing a increase of 32.32% to the previous year.

**Depreciation and Amortization Expense:** Depreciation for the year 2016-17 stood at Rs. 240.94 Lakhs calculated at WDV method as per companies Act 2013. For the year 2015-16 the same was Rs. 153.13 Lakhs.

**Administrative and Other Expenses:** Other Expenses include vehicle hiring and operational expenses, rates & taxes, repairs, insurance, communication expenses, travelling expenses, rent, legal charges, and other miscellaneous expenses. These expenses increased to Rs. 2622.84 Lakhs for the year 2016- 17 as against Rs. 1435.54 Lakhs for the year 2015-16.

**Profit/ (Loss) Before Tax:** The company's profit before tax for F.Y. 2016-17 was Rs 781.19 Lakhs as against Rs. 442.17 Lakhs in the year 2015-16 representing a Increase of 76.67 % to the previous year.

**Profit/ (Loss) After Tax :** For the year 2016-17 the profit stood at Rs. 408.46 Lakhs as against the profit of Rs. 109.61 Lakhs for the year 2015-16, representing a Increase of 272.65 % to the previous year.

#### COMPARISON OF THE FINANCIAL PERFORMANCE OF FISCAL 2016 WITH FISCAL 2015

**Total Income:** During the year 2015-16 the total revenue of the company increased to Rs. 5739.42 Lakhs as against Rs. 4606.02 Lakhs in the year 2014- 15, representing an increase of 24.61 % of the total revenue.

**Other Income:** Other income of the Company for the year 2015-16 was Nil in comparison with Rs 1.06 Lakhs for F.Y. 2014-15.

**Total Expenses:** The total expenditure for the year 2015-16 increased to Rs. 5451.58 Lakhs from Rs. 4473.91 Lakhs in year 2014-15, representing a decrease of 21.85% to the previous year. This was due to increase in volume of business, which resulted in increase in employee benefits and administrative expenses.

**Employee Benefits Expense:** The Employee Benefit Expense comprises of salaries and wages, Training Job Expenses, Staff Welfare Expenses and gratuity expenses. The said expenses increase to Rs. 3671.68 Lakhs during the F.Y. 2015-16 from Rs. 2875.60 Lakhs in the previous year 2014-15.

**Finance Costs:** Finance cost for the year 2015-16 decrease to Rs. 191.23 Lakhs as against Rs. 210.07 Lakhs for the year 2014-15. This decrease in amount was due to decrease in borrowings of the Company.

**Depreciation and Amortization Expense:** Depreciation for the year 2015-16 stood at Rs. 153.13 Lakhs calculated at WDV method as per companies Act. For the year 2014-15 the same was Rs. 189.14 Lakhs.

**Administrative and Other Expenses:** Other Expenses include vehicle hiring and operational expenses, rates & taxes, repairs, insurance, communication expenses, travelling expenses, rent, legal charges, and other miscellaneous expenses. These expenses were for the year 2015-16 increased to Rs. 1435.54 Lacs as against Rs. 1199.10 Lacs in the previous year.

**Profit/ (Loss) Before Tax** The company's profit before tax for F.Y. 2015-16 increase to Rs. 442.17 Lakhs from Rs. 131.14 Lakhs in the year 2014-15 representing an increase of 237.17 % as compared to the previous year.

**Profit/ (Loss) After Tax** For the year 2015-16 the profit stood at Rs. 109.61 Lakhs as against the profit of Rs. 86.05 Lakhs for the year 2014-15.

**Information required as per Item (2) (IX) (E) (5) of Part A of Schedule VIII to the SEBI Regulations:**

**An analysis of reasons for the changes in significant items of income and expenditure is given hereunder:**

***1. Unusual or infrequent events or transactions***

There has not been any unusual trend on account of our business activity. Except as disclosed in this Draft Prospectus, there are no unusual or infrequent events or transactions in our Company.

***2. Significant economic changes that materially affected or are likely to affect income from continuing operations.***

There are no significant economic changes that may materially affect or likely to affect income from continuing operations.

***3. Known trends or uncertainties that have had or are expected to have a material adverse impact on sales, revenue or income from continuing operations.***

Apart from the risks as disclosed under Section "Risk Factors" beginning on page 16 in the Draft Prospectus, in our opinion there are no other known trends or uncertainties that have had or are expected to have a material adverse impact on revenue or income from continuing operations.

***4. Future changes in relationship between costs and revenues***

Our Company's future costs and revenues will be determined by demand/supply situation in manned guarding, cash management and E Commerce logistic segment.

***5. Total turnover of each major industry segment in which our Company operates***

The Company is in the business of the supply of manned guarding, cash management and E Commerce logistic Service. Relevant industry data, as available, has been included in the chapter titled "Industry Overview" beginning on page 90 of this Draft Prospectus.

***6. Increases in net sales or revenue and Introduction of new products or services or increased sales prices***

Increases in revenues are by and large linked to increases in volume of our business.

***7. Status of any publicly announced New Products or Business Segment***

Our Company has not announced any new product service except for the entry into the toll collection business.

***8. Seasonality of business***

Our Company's business is not seasonal in nature.

***9. Dependence on few customers/ clients***

The percentage of contribution of our Company's Top Customers/Clients for the year ended March 31, 2018 is as follows:

Our Major Customers/ Clients for the Period ending March 31, 2018

Name of the Clients	Amount (Rs. in Lacs)	As % of total turnover
Oriental Bank of Commerce	1999.41	16.80
Bank of Baroda	1064.54	8.95
Chhattisgarh State Marketing Corporation Limited	998.49	8.39
ICICI Guarding	922.32	7.75
Torrent Power	850.48	7.15
HPCL-Mittal Mundra	758.02	6.37
Sanmar Speciality Chemical Barigari	381.11	3.20
Federal Bank	338.26	2.84
Essar Group	299.94	2.52
Coastal Gujarat Power Limited	292.55	2.46
<b>Total</b>	<b>7905.14</b>	<b>66.43</b>

#### 10. Competitive conditions

Competitive conditions are as described under the Chapters "Industry Overview" and "Our Business" beginning on pages 90 and 96 respectively of the Draft Prospectus.

#### 11. Details of material developments after the date of last balance sheet i.e. March 31, 2018

No circumstances have arisen since the date of last financial statement until the date of filing the Draft Prospectus, which materially and adversely affect or are likely to affect the operations or profitability of our Company, or value of its assets, or its ability to pay its liability within next twelve months. There is no subsequent development after the date of the Auditor's Report, which will have a material impact on the reserves, profits, earnings per share and book value of the Equity Shares of the Company.

## **VI – LEGAL AND OTHER INFORMATION**

### **OUTSTANDING LITIGATIONS AND MATERIAL DEVELOPMENTS**

*Except, as stated in this section and mentioned elsewhere in this Draft Prospectus there are no litigations including, but not limited to suits, criminal proceedings, civil proceedings, actions taken by regulatory or statutory authorities or legal proceedings, including those for economic offences, tax liabilities, show cause notice or legal notices pending against our Company, Directors, Promoters, Group Companies, our Subsidiary or against any other company or person/s whose outcomes could have a material adverse effect on the business, operations or financial position of the Company and there are no proceedings initiated for economic, civil or any other offences (including past cases where penalties may or may not have been awarded and irrespective of whether they are specified under paragraph (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 exchange against the Company, Directors, Promoters, Group Companies and Subsidiary.*

*Except as disclosed below there are no i) litigation or legal actions, pending or taken, by any Ministry or department of the Government or a statutory authority against our Promoters during the last five years; (ii) direction issued by such Ministry or Department or statutory authority upon conclusion of such litigation or legal action; (iii) pending proceedings initiated against our Company for economic offences; (iv) default and non-payment of statutory dues by our Company; (v) inquiries, inspections or investigations initiated or conducted under the Companies Act, 2013 or any previous companies law in the last five years against our Company and our Subsidiary including fines imposed or compounding of offences done in those five years; or (vi) material frauds committed against our Company in the last five years.*

*Except as stated below there are no Outstanding Material Dues (as defined below) to creditors; or (ii) outstanding dues to small scale undertakings and other creditors").*

*Our Board, in its meeting held on March 14, 2018 determined that outstanding dues to in excess of 1% of the revenue as per last audited financial statements shall be considered as material dues ("Material Dues").*

*Pursuant to SEBI ICDR Regulations, all other pending litigations except criminal proceedings, statutory or regulatory actions and taxation matters involving our Company, Promoters, Directors, Group Companies and Subsidiary, would be considered 'material' for the purposes of disclosure if the monetary amount of claim by or against the entity or person in any such pending matter exceeds 1% of the profit after tax of our Company as per the last audited financials as determined by our Board, in its meeting held on March 14, 2018 ).*

*Accordingly, we have disclosed all outstanding litigations involving our Company, Promoters, Directors, Group Companies and Subsidiary which are considered to be material. In case of pending civil litigation proceedings wherein the monetary amount involved is not quantifiable, such litigation has been considered 'material' only in the event that the outcome of such litigation has an adverse effect on the operations or performance of our Company.*

*Unless otherwise stated to contrary, the information provided is as of date of this Draft Prospectus.*

### **CONTINGENT LIABILITIES**

Our contingent liability as on March 31, 2018 is set out below:

Sr. No.	Particulars	Rs. (in lakhs)*
1.	Income Tax demands / Notices before CIT Appeal	65.68
2.	Disputed TDS Liability	2.53
<b>Total</b>		<b>68.21</b>

*\*Apart from the details mentioned above our Company has also provided Bank Guarantee amounting to Rs. 321.87 Lakhs*

#### **A. LITIGATION INVOLVING OUR COMPANY**

##### **I) Litigation against our Company:**

##### **a) Litigation Involving Criminal Laws:**

1. Case number CC/512/2008, CC/513/2008, CC/514/2008 and CC/515/2008 have been filed by M.M. Vasava, Labour Officer against our Company in the Taluka Court, Vagra, in the District of Bharuch, Gujarat. The first two cases have been filed under Contract Labour (Regulation and Abolition) Act, 1970 and the last two cases have been filed under the Minimum Wages Act, 1948. However, our Company has no documents available with it pertaining to these cases.
2. Case number CC/998/2007 has been filed by V.K. Shah against our Company in the Taluka Court, Mundra, in the District of Kachchh, Gujarat under the Contract Labour (Regulation and Abolition) Act, 1970. However, our Company has no documents available with it pertaining to the case.

**b) Litigation Involving Actions by Statutory/Regulatory Authorities:**

1. *Col Trinayan Saikia v. Shiva Industrial Security Agency (Gujarat) Private Limited*

Col. Trinayan Saikia ("**the Plaintiff**") was an employee at our Company ("**the Respondent**") and was appointed as the Vice President, North at the Delhi branch. The Plaintiff had sent a legal notice ("**Notice**") dated January 21, 2017 to the Respondent to release an amount of Rs. 6,00,000 (Six Lakh) owed to him on account of unpaid salary for the month of July 2016 to September 2016. On October 15, 2016 the Plaintiff was called to the Company's office in Surat and was given a termination letter. He was informed that this was on account of the Company not being able to pay him his salary. The Plaintiff had also claimed an amount of Rs. 15,000 (Fifteen Thousand) towards expenses incurred by him in view of vouchers dated October 8, 2016 and October 10, 2016. The Respondent replied to the Notice stating that the Plaintiff was terminated from his post due to incompetency and questionable integrity. The Respondent expressed that it had never intended to stop full and final payment of any ex-employee, if he or she completes the exit formalities in a proper manner and gets NOC from his/her branch. The Respondent also stated that during the monthly review meeting, the Plaintiff failed to furnish details about his expenditure and receipt of the amount given to his Delhi branch. An amount of Rs. 4,86,934 was deposited in the Plaintiffs account to meet various expenditures but the Plaintiff was only able to provide a receipt of Rs. 1,64,302 and after umpteenth reminders also, he has not been able to submit a receipt of Rs. 3,22,632. Furthermore, the Company also stated that the Plaintiffs post had been terminated because he was not able to bring any business as had been promised by him. On account of the negligence of the Plaintiff, 26 vehicles of the Company were kept off road which caused heavy losses to the Company. Lastly the Company stated that Plaintiff was advised to give account of the pending amount of Rs. 3,22,632 along with the NOC from his branch office. The Plaintiff has filed a plaint in the Patiala House Court, New Delhi ("**the Hon'ble Court**"). The Respondent has filed a written statement stating that the directors of the Company ("**Defendants no. 2-4**") are not personally liable in any manner and therefore not necessary parties to the present suit. The Respondent has also submitted that the Hon'ble Court does not have territorial jurisdiction to adjudicate the present suit. The Respondent denies all allegations made by the Plaintiff and states that the payments made to the Plaintiff were subject to final accounting which the Plaintiff has failed to submit till date. Therefore, the Respondent is not in a position to either admit or deny the claim of the Plaintiff. The Respondent has stated that from the statements of accounts filed by the Plaintiff, the amounts transferred by the Respondent for the expense of the Company were utilized by the Plaintiff towards his personal use. Since the Plaintiff has not submitted any accounts of the amounts remitted in his account, no cause of action arises against the Respondent and the Plaintiff cannot take advantage of his own default. The matter is currently pending before the Hon'ble Court.

2. *Shiva Industrial Securities Agency (Gujarat) Private Limited v. Employees Provident Fund Organization*

Our Company has received a notice dated May 21, 2018 from the office of the recovery officer EPFO for the recovery of an amount of Rs. 11,37,803 along with the interest as payable under section 7Q of the Act. In case the company doesnot make the payment recovery shall be started in accordance with the provision of the Section 8B to 8G of the EPF Act. The matter is still pending.

**c) Litigation Involving Tax Liabilities**

**(i) Direct Tax Liabilities:**

Sr. no	A.Y	Section Code	Date on which Demand is raised	Outstanding Demand	Status
1.	2006-07	220(2)	March 30, 2016	4,62,499	The demand is outstanding
2.	2009-10	220(2)	March 30, 2016	1,00,570	

Sr. no	A.Y	Section Code	Date on which Demand is raised	Outstanding Demand	Status
3.	2010-11	250	April 28, 2016	14,07,223	
4.	2010-11	220(2)	January 23, 2014	2,000	
5.	2013-14	-	August 31, 2017	8,760	
<b>Total</b>				<b>19,81,052</b>	

1. *Shiva Industrial Security Agency (Gujarat) Private limited. v. ACIT, Circle-4, Surat.*

Our Company was served with a notice of demand under Section 156 of the Income Tax Act, 1961 for payment of Rs. 32,25,700 for the Assessment Year (A.Y.) of 2006-2007 dated March 30, 2014. An assessment order was passed by the Assessing Officer ("**Assessing Officer**") stating that our Company ("**the Assessee Company**") filed its original returns for the A.Y. 2006-2007 declaring the total income of Rs. 99,75,320. The assessment was completed on December 26, 2008 determining the income at Rs. 1,09,89,390 but reopened subsequently, notices of which were served to the Assessee Company. In response to these notices the Assessee Company made submission and explanations as called for. The Assessing Officer stated that the Assessee Company had credited the contribution to provident fund and ESI to their respective account beyond the due date and therefore cannot be allowed as business expenditure. In response to the show cause, the Assessee Company stated that during the year employee had contributed Rs.57,45,389 towards provident fund, out of which Rs. 49,82,783 was paid after due date specified under the Provident Fund Act and also furnished details of contribution made towards provident fund by employee and employer. However, the Assessing Officer held that the deduction claimed was disallowed and therefore added to the total income of the Assessing Company. The Assessee Company filed an appeal against the order of the Assessing Officer with the Commissioner of Income Tax (Appeals) (CIT (A)) stating that the Assessing Officer has erred in law and on facts in re-opening and completing the re-assessment under S. 147 r.w. S.148 of the Act. Furthermore, the addition of employee's contribution towards provident fund of Rs. 49,82,783 and ESIC of Rs. 2,09,885 was paid beyond the due date. However, the CIT(A) upheld the decision of the Assessing Officer and dismissed the appeal. The Assessing Company has filed an appeal to the ITAT, Ahmedabad and the appeal is still pending.

2. *Shiva Industrial Security Agency (Gujarat) Private limited. v. ACIT, Circle-4, Surat.*

Our Company was served with a notice of demand under Section 156 of the Income Tax Act, 1961 for payment of Rs. 53,29,540 for the Assessment Year (A.Y.) of 2010-2011 dated March 29, 2013. An assessment order was passed by the Assessing Officer ("**Assessing Officer**") stating that our Company ("**the Assessee Company**") filed its original return for A.Y. 2010-2011 declaring the total income of Rs. 25,68,731 which was revised without changing the income on October 27, 2011 and November 2, 2011. Therefore, it was selected for scrutiny by giving notice under S. 143(3) of the Income Tax Act. As per the Assessing officer the amount of Rs. 13,00,000 claimed to have been loan by the Assessee Company was to be treated as unexplained cash credit and added to the total income of the Assessee Company. Furthermore, the Assessee Company was asked to provide documentation for the share subscribers and share premium amount, but the Company was unable to provide the same. Therefore, the amount of Rs. 1,24,00,000 claimed as share capital and share premium was to be treated as cash credit and added to the total income of the Assessee Company. The Assessee Company filed an appeal against the order of the Assessing Officer with the Commissioner of Income Tax (Appeals) (CIT (A)) stating that the Assessing Officer no opportunity of hearing was accorded and that the amount of total income derived at is erroneous. The CIT (A) held that the Assessee Company had discharged onus with respect to the transaction of Rs. 13,00,000 and therefore the same is deleted from the addition made to the total income. Furthermore, the CIT (a) stated that Rs. 1,00,00,000 was confirmed in the income but Rs. 24,00,000 was to be deleted from the total additional of Rs. 1,24,00,000. Therefore, a revised demand of Rs. 33,42,229 was outstanding from the Assessee Company. The Assessee Company has filed an appeal to the ITAT, Ahmedabad and the appeal is still pending.

3. *Shiva Industrial Security Agency (Gujarat) Private limited. v. ACIT, Circle-4, Surat.*

Our Company was served with a notice of demand under Section 156 of the Income Tax Act, 1961 for the Assessment Year (A.Y.) of 2011-2012 dated March 30, 2014. An assessment order was passed by the Assessing Officer ("**Assessing Officer**") stating that our Company ("**the Assessee Company**") filed its original return showing the total loss at Rs. 15,51,784 on September 30, 2011. Subsequently the same was revised on November 14, 2011 and March 29, 2012 at the same loss. Therefore, it was selected for scrutiny by giving notice under S. 143(3) of the Income Tax Act. On perusal of the Audit Report by the Assessing Officer it was noticed that EPF contribution were deposited after the due dates and therefore the Assessee Company was asked to furnish explanations which they failed to do so. Therefore, a total of Rs. 31,09,082 was



disallowed from EPF contributions and an amount of Rs. 3,08,247 was disallowed from ESI contribution and added to the total income of the assessee. Furthermore, an amount of Rs. 1,49,180 as interest paid to Sundaram Finance and Rs. 1,46,667 as interest paid to Shriram Finance where no TDS was deducted was also disallowed and added to the total income of the Assessee Company. The Assessee Company filed an appeal against the order of the Assessing Officer with the Commissioner of Income Tax (Appeals) (CIT (A)) stating that the Assessing Officer has erred in law and the amount paid toward EPF contribution and ESI contribution was paid beyond the due date. Furthermore, the Assessing Officer is erroneous by disallowing interest paid to Sundaram Finance and Shriram Finance on the grounds non deduction as TDS. The CIT(A) upheld the decision of the Assessing Officer and dismissed the appeal. The Assessee Company has filed an appeal to the ITAT, Ahmedabad and the appeal is still pending.

(ii) **Indirect tax Liability:** NIL

d) **Other Material Pending Litigation:** NIL

## II) **Litigation by our Company:**

a) **Litigation Involving Criminal Laws:**

### 1. *Shiva Industrial Security Agency (Gujarat) Private Limited v. Harchar Singh*

The Company sent a notice under Section 138 of Negotiable Instruments Act, 1881 on November 6, 2017 ("**Notice**"). Under this Notice, our Company ("**the Complainant**") has alleged that Harchar Singh ("**the Respondent**") who was an employee of our Company, having the position of Senior Manager-Logistic branch, Delhi had submitted bills for payment of various expenses which the Company sent to him. On September 7, 2017 the respondent gave his resignation. After his resignation it was found that the payment received in lieu of the bills he had earlier submitted was different from the amount derived on audit. Therefore, the respondent was asked to pay Rs. 80,000 (Eighty Thousand) to the Complainant. The respondent paid this amount vide two cheques bearing no. 505925 dated September 20, 2017 and 505927 dated October 9, 2017. However, these cheques were dishonoured by the bank stating that there were insufficient funds. The Complainant sent a legal notice to the Respondent within a period of 30 days from the return of the aforesaid cheque. The Petitioner has filed a plaint in the Court Chief Judicial Magistrate, Surat.

### 2. *Shiva Industrial Security Agency (Guj.) Private Limited v. Mr. Ganesh Rasker*

Our Company ("**the Petitioner**") sent a legal notice ("**Notice**") to Mr. Ganesh Rasker ("**the Respondent**") dated December 14, 2017 under Section 138 of the Negotiable Instruments Act, 1881. Under this Notice, our Company has alleged that the Respondent who was an employee of the Company, having the post of General Manager-Logistics and was also in-charge of operation of corporate office including marketing activities, was careless during the period of his work and his performance was unsatisfactory, due to which the Company suffered a loss of approximately Rs. 10,00,000. After having computed the accounts on his own, the Respondent agreed to pay Rs. 5,50,000 to the Petitioner vide cheque no. 104952 dated September 20, 2017. However, the cheque was dishonoured by the bank with the reason of "payment stopped by the drawer" on November 22, 2017. From the date of dishonor of cheque till date, the amount hasn't been paid and therefore a notice was sent. The Respondent replied to the notice stating that the Petitioner threatened him and forcefully took a cheque of Rs. 5,50,000 and he also filed a complaint at Pandesara, Police Station, Surat on November 6, 2017 regarding the Petitioner's unacceptable behavior. The Respondent further stated that since he was on probation period and therefore cannot stand for the Company and neither does he directly own money from clients and therefore he is not liable for any debt or liability. The Petitioner has filed a plaint in the Court Chief Judicial Magistrate, Surat.

b) **Litigation Involving Actions by Statutory/Regulatory Authorities:**

### 1. *Shiva Industrial Securities Agency (Gujarat) Private Limited v. Employees Provident Fund Organization*

Our Company ("the Petitioner") has filed a petition in High Court of Gujarat challenging the illegal and arbitrary action on part of the Employee Provident Fund Organization ("the Respondent") where the Petitioner has shown its willingness to pay the amount due under Section 7Q of Employee provident Fund and Miscellaneous Provisions Act, 1952 ("the Act"). It is submitted by the Petitioner that on account of global recession and because of several factors beyond the control of the Petitioner, they were not able to render compliance in respect of provident fund dues in time and the same were remitted



belatedly. The Petitioner had already deposited the belated amount for year 2004 to 2009 and 2012 to 2015, yet four orders was passed, two under S. 14B and two under 7Q of the Act against the Petitioner. The Petitioner had appealed orders passed under S. 14B before the EPF Appellate Tribunal ("the EPF Tribunal") and the other before Central Government Industrial Tribunal, Ahmedabad ("CGI Tribunal"). The EPF tribunal directed the Respondents not to proceed for recovery and the CGI Tribunal directed the Respondent to file response with regard to waiver of 75% amount. The appeals before the CGI tribunal were not maintainable and therefore the Petitioners paid the amount of interest as determined by Respondent but before the expiry of the appeal period, the Respondent attached the bank accounts of the Petitioner. Despite repeated requests of the Petitioner, the Respondent did not defreeze the bank accounts of the Petitioner. Furthermore, it was agreed between the Respondent and the petitioner that the amount would be paid in installments, however, subsequently, that too was rejected by the Respondent. Therefore, our Company has filed this petition.

The learned Judge of the Gujarat High Court passed an order whereby our Company was granted interim relief. The respondent was directed to defreeze the bank accounts of the petitioner with ICICI, Ring Road branch, State Bank of India GIDC Pandesara branch, Axis Bank at Godadod Road and HDFC, Makarpura branch and restrain from proceeding with coercive recovery against the petitioner.

An oral order dated March 22, 2018 has been passed by the High Court whereby the petition has been disposed on the account that the arrangement undertaken to repay the dues will continue till the final dues have been cleared.

**c) Litigation Involving Tax Liabilities**

- (i) **Direct Tax Liabilities - NIL**
- (ii) **Indirect Tax Liabilities NIL**

**d) Other Material Pending Litigations : NIL**

**B. LITIGATION INVOLVING OUR DIRECTORS**

**I) Litigation against our Directors:**

- a) Litigation Involving Criminal Laws: NIL**
- b) Litigation Involving Actions by Statutory/Regulatory Authorities: NIL**
- c) Litigation Involving Tax Liabilities**
  - (i) Direct Tax Liabilities**

SR. NO	A.Y	SECTION CODE	DATE ON WHICH DEMAND IS RAISED	OUTSTANDING DEMAND	STATUS
<b>Sushil Pyarelal Sharma</b>					
1.	2007-08	144	November 20, 2014	32,83,780	The demand is still outstanding
2.	2008-09	147	March 4, 2016	13,58,500	
3.	2009-10	-	December 7, 2015	22,784	
4.	2012-13	250	July 4, 2016	2,21,670	
Total				48,86,734	
<b>Sameer Sushilkumar Sharma</b>					
1.	2013-14	143(1)(a)	August 1, 2014	4,13,850	The demand is still outstanding
Total				4,13,850	
<b>Anubha Sameer Sharma</b>					
1.	2014-15	143(1)(a)	April 8, 2016	14,160	The demand is still outstanding
Total				14,160	

- (ii) Indirect Tax Liabilities: NIL**

**d) Other Material Pending Litigations: NIL**

**II) Litigation by our Directors:**

- a) *Litigation Involving Criminal Laws:* NIL
- b) *Litigation Involving Actions by Statutory/Regulatory Authorities:* NIL
- c) *Litigation Involving Tax Liabilities*
  - (i) *Direct Tax Liabilities:* NIL
  - (ii) *Indirect Tax Liabilities:* NIL
- d) *Other Material Pending Litigations:* NIL

**C. LITIGATION INVOLVING OUR PROMOTERS:**

**I) Litigation against our Promoters:**

- a) *Litigation Involving Criminal Laws:* NIL
- b) *Litigation Involving Actions by Statutory/Regulatory Authorities:* NIL
- c) *Litigation Involving Tax Liabilities:*
  - (i) *Direct Tax Liabilities:* NIL

*With respect to litigation involving our Promoters Mr. Sushil Pyarelal Sharma, Mr. Sameer Sushilkumar Sharma and Mrs. Anubha Sameer Sharma please refer to the Heading “LITIGATION INVOLVING DIRECTORS – Litigation Against Our Directors – Litigation Involving Tax Liabilities.*

- (ii) *Indirect Tax Liabilities:* NIL
- d) *Other Material Pending Litigations :* NIL

**II) Litigation by our Promoters:**

- a) *Litigation Involving Criminal Laws:* NIL
- b) *Litigation Involving Actions by Statutory/Regulatory Authorities:* NIL
- c) *Litigation Involving Tax Liabilities*
  - (i) *Direct Tax Liabilities -* NIL
  - (ii) *Indirect Tax Liabilities -* NIL
- d) *Other Material Pending Litigations :* NIL

**D. LITIGATION INVOLVING GROUP COMPANIES**

**I) Litigation against our Group Companies**

- a) *Litigation Involving Criminal Laws:* NIL
- b) *Litigation Involving Actions by Statutory/Regulatory Authorities:* NIL
- c) *Litigation Involving Tax Liabilities*
  - (i) *Direct Tax Liabilities:*

Sr. no	A.Y	Section Code	Date on which Demand is raised	Outstanding Demand	Status
1.	2016-17	143 1a	March 17, 2018	1355050	The demand is outstanding
<b>Total</b>				<b>1355050</b>	

(ii) **Indirect Tax Liabilities:** NIL

d) **Other Material Pending Litigations:** NIL

**II) Litigation by our Group Companies:**

a) **Litigation Involving Criminal Laws:** NIL

b) **Litigation Involving Actions by Statutory/Regulatory Authorities:** NIL

c) **Litigation Involving Tax Liabilities**

(i) **Direct Tax Liabilities -** NIL

(ii) **Indirect Tax Liabilities -** NIL

d) **Other Material Pending Litigations :** NIL

**E. LITIGATION INVOLVING OUR SUBSIDIARY**

**I) Litigation against our Subsidiary**

a) **Litigation Involving Criminal Laws:** NIL

b) **Litigation Involving Actions by Statutory/Regulatory Authorities:** NIL

c) **Litigation Involving Tax Liabilities**

(i) **Direct Tax Liabilities:** NIL

(ii) **Indirect Tax Liabilities:** NIL

d) **Other Material Pending Litigations:** NIL

**II) Litigation by our Subsidiary:**

a) **Litigation Involving Criminal Laws:** NIL

b) **Litigation Involving Actions by Statutory/Regulatory Authorities:** NIL

c) **Litigation Involving Tax Liabilities**

(iii) **Direct Tax Liabilities -** NIL

(iv) **Indirect Tax Liabilities -** NIL

**Other Material Pending Litigations:** NIL

**F. OUTSTANDING DUES TO CREDITORS OF OUR COMPANY**

The Board of Directors of our Company considers dues exceeding 1% of our Company's total Trade Payables as per latest financial statements to small scale undertakings and other creditors as material dues for our Company. As on March 31, 2018, there are 8 creditors to whom our Company owes amounts exceeding 1% of our Company's Trade Payables for Expenses and the aggregate outstanding dues to them being approximately Rs. 251.09 lakhs. Further, our Company has not received any intimation from creditors regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosure, if any, in relation to amount unpaid as at the yearend together with interest payable as required under the said Act have not been furnished. Therefore, as on March 31, 2018, our Company owes amounts aggregating to Rs. 253.08

lacs approximately towards creditors as per Restated Financial Statements, which may or may not include small scale undertakings. There are no disputes with such entities in relation to payments to be made to them.

**G. 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 181 of this Draft Prospectus, in the opinion of our Board, there have not arisen, since June 30, 2018 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 STATUTORY APPROVALS**

*Our Company has received the necessary consents, licenses, permissions and approvals from the Central and State Government and other governmental agencies/regulatory authorities/certification bodies required to undertake the Issue or continue our business activities. It must be distinctly understood that in granting these approvals, the Government of India does not take any responsibility for the financial soundness of the Company or for the correctness of any of the statements made or opinions expressed in this behalf.*

*In view of the approvals listed below, we can undertake the Issue for our current/ proposed business activities and no further material approvals from any statutory authority are required to be undertaken, in respect of the Issue or to continue our business activities.*

*The main objects clause of the Memorandum of Association and objects incidental to the main objects enable our Company to carry out its activities.*

### ***Approvals for the Issue***

1. The Board of Directors have, pursuant to Section 62(1)(c) of the Companies Act 2013, by a resolution passed at its meeting held on March 14, 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 March 14, 2018 authorized the Issue.
3. In-principle approval from the NSE dated [●].

### ***Approvals in relation to the incorporation of our Company***

1. Certificate of Incorporation issued in the name of "Shiva Industrial Security Agency (Gujarat) Private Limited" under the Companies Act, 1956 by the Registrar of Companies, Gujarat, Dadra & Nagar Haveli dated July 11, 1997.
2. A fresh certificate of incorporation was issued to our Company upon change of name on conversion to a public limited company from "Shiva Industrial Security Agency (Gujarat) Private Limited" to "Shiva Industrial Security Agency (Gujarat) Limited" under Companies Act, 2013, by the registrar of Companies, Ahmedabad dated March 10, 2018.

### ***Tax approvals in relation to our Company***

1. The Permanent Account Number (PAN) of our Company is AAFCS3845P.
2. The Tax deduction Account Number (TAN) of our Company is AHMS07412G.
3. The Goods and Services Tax Numbers of our Company are as follows;

Sr. No	State	GST number	Issuing Authority	Date of Issue
1.	Gujarat	24AAFCS3845P1ZV	Government of India	September 26, 2017
2.	Chandigarh	04AAFCS3845P1ZX	Government of India	July 8, 2017
3.	Chhattisgarh	22AAFCS3845P1ZZ	Government of India	July 9, 2017
4.	Delhi	07AAFCS3845P1ZR	Government of India	July 8, 2017
5.	Karnataka	29AAFCS3845P1ZL	Government of India	July 27, 2017
6.	Maharashtra	27AAFCS3845P1ZP	Government of India	July 8, 2017
7.	Tamil Nadu	33AAFCS3845P1ZW	Government of India	August 8, 2017
8.	Telangana	36AAFCS3845P1ZQ	Government of India	August 2, 2017
9.	West Bengal	19AAFCS3845P1ZM	Government of India	August 01, 2017

4. The Professional tax registration numbers of our Company are as follows:

Sr. No	State	Professional Tax Number	Issuing Authority	Date of issue
1.	Gujarat (SuratKamrej)	PEP22089130002	Surat Municipal Corporation	March 28, 2017
2.	Gujarat	PRC03SZ00290	Surat Municipal Corporation	June 17, 2003
3.	Karnataka	356671794	Department of Commercial taxes, government of Karnataka	-
4.	Maharashtra (Pune & Nagpur)	27185204481P	Commissioner of Sales tax	-
5.	Tamil Nadu	08-094-PE-02862	Greater Chennai Corporation	August 11, 2016

#### Approvals in relation to our business

1. Our Company has obtained the UdhyaAadhar Memorandum bearing number GJ22E0202397 in the category of small industries for providing service of security and investigation activities under the Micro, Small and Medium Enterprise Development Act, 2006 issued by the Ministry of Micro, Small and Medium Enterprise dated March 13, 2018.
2. A number of states in India have passed laws for regulating shops and commercial establishments. Such laws require registrations to be obtained, and also regulate working hours, payment of wages, leave, holidays, terms of service and other conditions of work of persons employed in shops and commercial establishments. Contraventions of provisions of such laws may entail punishment such as imprisonment along with monetary penalty. For further details of shops and establishment legislations in India please refer to the chapter titled, "*Key Industry Regulations and Policies*" on page 106.

Our Company has obtained the shops and establishments license for its establishments in the following States:

Sr. No	State	License Number	Issuing Authority	Provision of Law	Date of Issue	Validity
1.	Gujarat	SZ/AS/BHESTAN/495	SuratMahanagarSevaSadan	Gujarat Shops and Establishments Act, 1948	June 22, 1999	December 31, 2018
2.	Chhattisgarh	4622011501000639	Government of Chhattisgarh	Chhattisgarh Shops and Establishments Act, 1958	October 19, 2015	December 31, 2019
3.	Chandigarh	CH/1/7/2012-2013/223	Labour Inspector, Union territory of Chandigarh	Punjab Shops and Commercial Establishment Act, 1958	July 23, 2017	March 31, 2019
4.	Delhi	2013003600	Department of Labour, government of National Capital Territory of Delhi	Delhi Shops & establishment s Act, 1954	February 1, 2013	Valid until cancelled
5.	Karnataka	42/24/CE/0064/2011	Department of Labour, Government of Karnataka	Karnataka Shops and Commercial establishment	December 13, 2011	December 31, 2020

				s Act, 1961		
6.	Maharashtra	L011326/ Commercial II	Inspector under Shops and Establishments Act	Maharashtra Shops and establishment s Act, 1948	January 7, 2005	December 31, 2018
7.	Telangana	SER/MED/ALO/MA/20795/2016	Labour Department, Government of Telangana	Andhra Pradesh Shops and establishment Act, 1988	January 1, 2018 (date of renewal)	December 31, 2018
8.	West Bengal	120/Tolly/P-II/54740	Registering Authority, Shops and Establishments	West Bengal Shops and establishment s Act, 1963	May 18, 2016	-

3. The Private Securities Agencies (Regulation) Act, 2005 ("**PSARA**") is the principal legislation for the regulation of private security agencies in India (excluding Jammu & Kashmir). To provide private security services in India, a PSARA Approval is required to be obtained from the relevant Competent Authorities. In terms of this legislation, private security services include provision of services such as: (i) protection or guarding of any person and/or their property; (ii) deployment of armed guards along with armoured car. For further details of PSARA legislation please refer to "Key Industry Regulations and Policies" on pages 106.

As on the date of this Draft Prospectus, our Company has operations in 12 States and 2 Union Territories of India. Our Company has received 14 PSARA approvals from the relevant Controlling Authorities, as mentioned below:

Sr. No	State	License number	Issuing authority	Provision of law	Date of issue	Validity
1.	Gujarat	0907295/Renew/Surat	Government of Gujarat	The Gujarat Private Security Agencies Rules, 2007	July 1, 2009	July 2, 2019
2.	Andhra Pradesh	76/2776/Arms/2015	Government of Andhra Pradesh	Andhra Pradesh Private Securities Agencies (Regulation) Rules, 2005	November 16, 2016	November 15, 2021
3.	Chandigarh	105	Deputy Commissioner-cum-Controlling Authority	Chandigarh Administration Private Security Agencies rules, 2006	September 27, 2015	September 26, 2020
4.	Delhi	14/128/651/12/12	Government of NCT of Delhi	Delhi Private Securities Agencies (Regulation) Rules, 2009	July 21, 2014	July 20, 2019
5.	Dadra & Nagar Haveli, Silvassa	28/2016	Superintendent of Police, Dad	Private Security Agencies Rule, 2009	June 17, 2016	June 16, 2021
6.	Daman & Diu	81/Daman	IGP & Controlling Authority, Daman & Diu and DNH, Daman	Daman and Diu Private Securities Agencies Rule, 2009	January 18, 2016	For a period of five years
7.	Haryana	605	Government of Haryana	Haryana private Security Agencies Rules, 2009	April 19, 2017	April 18, 2022



Sr. No	State	License number	Issuing authority	Provision of law	Date of issue	Validity
8.	Karnataka	ISD/PSA-355/2012	Police Department, Government of Karnataka	Karnataka Private Security Agency Rules 2008	November 9, 2012	November 8, 2022
9.	Maharashtra	MAH/118/2008	Office of the Joint Commissioner of Police & controlling Authority, Mumbai	Maharashtra Private Security Agency (Regulation) Rules 2007	December 6, 2008	December 5, 2018
10.	Orissa	153/PSA/SB	Intelligence Department, Odisha Police	The Orissa Private Security Agencies Rules, 2009	August 22, 2016	August 21, 2021
11.	Punjab	535	Government of Punjab	Punjab Private Security Agencies Rules, 2007	November 23, 2014	November 22, 2019
12.	Tamil Nadu	378/2011	Office of the Director General of Police & Controlling Authority, Chennai	Tamil Nadu Private Securities Agencies Rules, 2008	November 15, 2011	July 16, 2022
13.	Telangana	93	Government of Telangana	A.P Private Security Agencies (Regulation) Rules, 2008 (Telangana Adaption) Order , 2015	June 7, 2016	June 6, 2021
14.	West Bengal	088/WB/PSA/2015	Home department, Government of West Bengal	West Bengal Private Security Agencies (Regulation) Rules, 2007	July 7, 2015	July 6, 2020

- Our Company has obtained the registration certificated bearing no. 162/2014 under the Tamil Nadu Industrial (National and Festival Holiday) Rules, 1959 issued by the Assistant Labour Inspector dated April 11, 2014.
- Our Company has obtained ISO 9001:2015 bearing registration number QAC/R91/0626 issued by International Standards Certifications Pty. Ltd. for providing security services in specialized area of industrial and corporate organization dated September 8, 2016. This certificate is valid up to September 8, 2019.

#### Labour Approvals

- Our Company has obtained employee provident fund registration bearing code number GJ/SRT/33719 from Regional office, Employee Provident Fund Organization, Surat under Employees Provident Fund and Miscellaneous Provisions Act, 1952 dated December 1, 2004.
- Our Company has obtained employee state insurance registration under Employee State Insurance Act, 1948 as mentioned below:

Sr. No	State	ESIC code	Issuing authority	Sub code	Date of issue
1.	Gujarat	39000301200001018	Employee State Insurance Corporation, Surat	Project Panchdeep	October 14, 2010

Sr. No	State	ESIC code	Issuing authority	Sub code	Date of issue
2.	Gujarat	39390301200061018	Employee State Insurance Corporation, Surat	Topaz Seven jewel (City)	April 18, 2017
3.	Gujarat	39390301200011018	Employee State Insurance Corporation, Surat	Salabatpura	September 22, 2012
4.	Gujarat	39390301200021018	Employee State Insurance Corporation, Surat	Vapi	September 26, 2012
5.	Gujarat	39390301200041018	Employee State Insurance Corporation, Surat	Salabatpura	December 27, 2012
6.	Gujarat	33390301200011018	Employee State Insurance Corporation, Pune	Salabatpura	December 14, 2015
7.	Gujarat	39390301200051018	Employee State Insurance Corporation, Surat	Lal Darwaja	July 29, 2014
8.	Gujarat	37390301200011018	Employee State Insurance Corporation, Ahmedabad	Ahemdabad	August 18, 2011
9.	Gujarat	37390301200021018	Employee State Insurance Corporation, Ahmedabad	Asarwa	March 1, 2013
10.	Gujarat	38390301200051018	Employee State Insurance Corporation, Baroda	Gorwa	November 10, 2012
11.	Chandigarh	17390301200011018	Employee State Insurance Corporation, Chandigarh	Chandigarh	September 6, 2012
12.	Chhattisgarh	59390301200011018	Employee State Insurance Corporation, Raipur	Raipur	September 13, 2016
13.	Chhattisgarh	59390301200021018	Employee State Insurance Corporation, Raipur	Raipur	May 17, 2017
14.	Delhi	11390301200011001	Employee State Insurance Corporation, Delhi	Mayapuri	September 17, 2010
15.	Haryana	13390301200011018	Employee State Insurance Corporation, Haryana	Sonipat	May 31, 2016
16.	Maharashtra	39000301200001001	Employee State Insurance Corporation, Mumbai	-	-
17.	Maharashtra	31390301200011018	Employee State Insurance Corporation, Mumbai	Kurla Mumbai	January 10, 2018
18.	Maharashtra	34390301200011018	Employee State Insurance Corporation, Thane	Thane	May 2, 2013

Sr. No	State	ESIC code	Issuing authority	Sub code	Date of issue
19.	Maharashtra	23390301200011018	Employee State Insurance Corporation, Nagpur	Sadar Nagpur	September 27, 2016
20.	Madhya Pradesh	81390301200011018	Employee State Insurance Corporation, Bhopal	Bhopal	August 31, 2017
21.	Orrisa	44390301200011018	Employee State Insurance Corporation, Bhubaneswar	Bhubaneswar	November 1, 2014
22.	Sikkim	75390301200011018	Employee State Insurance Corporation, Sikkim	Gangtok	July 10, 2015
23.	Tamil Nadu	51390301200011018	Employee State Insurance Corporation, Chennai	-	May 18, 2011
24.	Tamil Nadu	63390301200011001	Employee State Insurance Corporation, Salem	Mettur	March 3, 2011
25.	Karnataka	53390301200011001	Employee State Insurance Corporation, Bangalore	-	-
26.	Telangana	52390301200011018	Employee State Insurance Corporation, Hyderabad	-	-
27.	West Bengal	41390301200031018	Employee State Insurance Corporation, Kolkata	Haldia	April 1, 2012
28.	West Bengal	41390301200041018	Employee State Insurance Corporation, Surat	Bansberia	February 1, 2014


3. Our Company has obtained contract labour registration under Contract Labour (Regulation and Abolition) Act, 1970 as mentioned below:

Sr. No	State (project)	Registration no.	Issuing authority	Date of issue	Validity
1.	Andhra Pradesh	AP-09-45-031-0484223	Labour Department, Government of Andhra Pradesh	November 3, 2017	November 3, 2018
2.	Gujarat (Kamrej)	SRT/2016/CLL/636(143/2006)	Government of Gujarat	April 1, 2017	March 31, 2019
3.	Gujarat (Torret, Surat)	SRT/2016/CLL/636(143/2006)	Government of Gujarat	April 04, 2018	March 31, 2019
4.	Gujarat (Essar Steel, Hazira)	SRT/2016/CLL/757 (173/2004)	Government of Gujarat	April 1, 2017	March 31, 2019
5.	Gujarat (Coastal Gujarat Power Limited)	KTC/2018/CLL/799	Government of Gujarat	September 09, 2018	August 31, 2019
6.	Gujarat (Valsad)	VLS/2008/CLL/198	Government of Gujarat	November 29, 2017	November 30, 2018

Sr. No	State (project)	Registration no.	Issuing authority	Date of issue	Validity
7.	Gujarat (Ahmedabad)	ALC/ADI/46(297)/2017	Officer of the Assistant Labour Commission, Ministry of Labour and Employment	November 22, 2017	November 21, 2018
8.	Maharashtra (Nagpur)	RP-54(19)/2017-ALC	Office of the Deputy Chief Labour Commissioner, Ministry of Labour and Employment	December 4, 2017	January 22, 2019
9.	Rajasthan (Ambuja Cement)	AJ(L)/221/2017-ALC	Office of Assistant Labour Commission, Ministry of Labour and Employment	November 28, 2017	November 27, 2018
10.	Sikkim	DL/1324/SISA	Government of Sikkim	July 20, 2018	March 31, 2019
11.	Tamil Nadu (Chennai)	494/TVR	Office of Licensing Officer, Government of Tamil Nadu	August 17, 2009	December 31, 2018
12.	Tamil Nadu	309/PDK	Office of Licensing Officer, Government of Tamil Nadu	December 11, 2017	December 31, 2018
13.	Tamil Nadu	310/PDK	Office of Licensing Officer, Government of Tamil Nadu	December 11, 2017	December 31, 2018
14.	Tamil Nadu	311/PDK	Office of Licensing Officer, Government of Tamil Nadu	December 11, 2017	December 31, 2018
15.	Tamil Nadu (Chemplast Sanmar Limited)	239/2017	Office of Licensing Officer, Government of Tamil Nadu	December 11, 2017	December 31, 2018
16.	Tamil Nadu (Malco energy Limited)	SLM86/2008	Office of Licensing Officer, Government of Tamil Nadu	December 11, 2017	December 31, 2018
17.	Tamil Nadu (Berigai)	1006/2015	Office of	December	December

Sr. No	State (project)	Registration no.	Issuing authority	Date of issue	Validity
			Licensing Officer, Government of Tamil Nadu	8, 2017	31, 2018
18.	Odisha	JSP 746/16	Office of Assistant Labour Commission, Government of Odisha	May 5, 2017	February 25, 2019
19.	Gujarat HPCL Mittal Pipeline Limited	ALC/ADP / 46(157) / 2017	Office of the Assistant Labour Commissioner (Central)	July 26, 2018	July 17, 2019
20.	Gujarat HPCL Mittal Pipeline Limited	ALC/ADP / 46(156) / 2017	Office of the Assistant Labour Commissioner (Central)	July 26, 2018	July 17, 2019

**Pending Approvals**

S.No.	Particulars	Authority	License/ Application No.
1	Registration of our trademark 	Trademark Act, 1999	Form TM-A for Application No. 3780276
2.	Professional tax registration number, Kolkata	Directorate of Commercial Tax, Government of West Bengal	Pending for renewal - 191005683139
3.	Contract Labour (Regulation and Abolition) Act, 1970	Assitant Labour Commissioner, Jodhpur	JU(L)/100/2017-ALC
4.	Contract Labour (Regulation and Abolition) Act, 1970	Assitant Labour Commissioner, Jodhpur	JU-46(99)/2017-ALC

- Note:** - Change of name for all the above approvals from “Shiva Industrial Security Agency (Gujarat) Private Limited” to “Shiva Industrial Security Agency (Gujarat) Limited” are also pending.

## **OTHER REGULATORY AND STATUTORY DISCLOSURES**

### **Authority for the Issue**

#### **Fresh Issue**

The Board of Directors, pursuant to a resolution passed at their meeting held on March 14, 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 March 14, 2018 authorized the Issue.

Our Company has obtained in-principle approval from the SME Platform of NSE for using its name in the Draft Prospectus/Prospectus pursuant to an approval letter dated [●] NSE is the Designated Stock Exchange.

#### **Prohibition by SEBI or other Governmental Authorities**

We confirm that there is no prohibition on our Company, our Promoter, our Promoters Group, our Directors or the natural person(s) in control of our Company from accessing or operating in the Capital Markets or restrained from buying, selling or dealing in securities under any order or direction passed by the Board (SEBI) or any other authorities.

The listing of any securities of our Company has never been refused by any of the Stock Exchanges in India.

Neither of our Promoter, Promoter Group, Directors or the person(s) in control of our Company, has ever been part of Promoter, Promoter Group, Directors or the person(s) in control of any other Company which is debarred from accessing the capital market under any order or directions made by the Board (SEBI) or any other regulatory or governmental authority.

#### **Association with Securities Market**

None of our Directors are associated with the securities market and there has been no action taken by the SEBI against the Directors or any other entity with which our Directors are associated as promoters or directors.

#### **Prohibition by RBI**

Neither our Company, our Promoter, our Directors, relatives (as per Companies Act, 2013) of Promoter or the person(s) in control of our Company have been identified as a will full defaulter by the RBI or other governmental authority and there has been no violation of any securities law committed by any of them in the past and no such proceedings are pending against any of them except as details provided in the chapter *“Outstanding Litigations and Material Development”* beginning on page 193 of the Draft Prospectus.

#### **Eligibility for the Issue**

Our Company is eligible in terms of Regulations 4(2) of SEBI ICDR Regulations for this Issue.

Our Company is an “Unlisted Issuer” in terms of the SEBI (ICDR) Regulations; and this Issue is an “Initial Public 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 not more than ₹ 25 crores and we may hence issue Equity Shares to the public and propose to list the same on the Small and Medium Enterprise Exchange (in this case being the *“SME Platform of NSE”*).

We confirm that:

1. In accordance with Regulation 106(P) of the SEBI (ICDR) Regulations, this issue will be 100% underwritten and that the LM to the Issue shall underwrites minimum 15% of the Total Issue Size. For further details pertaining to

said underwriting please refer to section titled **"General Information – Underwriting"** beginning on page 52 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 fifty (50), otherwise, the entire application money will be unblocked forthwith. If such money is not repaid within eight (8) Working Days from the date our Company becomes liable to repay it, then our Company and every officer in default shall, on and from expiry of eight (8) Working Days, be liable to repay such application money, with an interest at the rate as prescribed under the Companies Act 2013.
3. In accordance with Regulation 106(O) the SEBI (ICDR) Regulations, we have not filed any of this Offer Document with SEBI nor has SEBI issued any observations on our Offer Document. Also, we shall ensure that our LM submits a copy of the Prospectus along with a Due Diligence Certificate including additional confirmations as required to SEBI at the time of filing the Prospectus with Stock Exchange and the Registrar of Companies.
4. In accordance with Regulation 106(V) of the SEBI (ICDR) Regulations, we hereby confirm that we have entered into an agreement with the LM and will enter into agreement with Market Maker to ensure compulsory Market Making for a minimum period of three (3) years from the date of listing of Equity Shares on the SME Platform of NSE. For further details of the arrangement of market making please refer to section titled **"General Information – Details of the Market Making Arrangements for this Issue"** beginning on page 52 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.

5. Our Company shall mandatorily facilitate trading in demat securities for which we have entered into an agreement with the Central Depository Services Limited (CDSL) dated April 17, 2018 and National Securities Depository Limited dated April 13, 2018 for establishing connectivity.
6. Our Company has a website i.e. [www.sisasecurity.com](http://www.sisasecurity.com)
7. There has been no change in the promoter's of the Company in the preceding one year from date of filing application to NSE for listing on SME segment.

We confirm that we comply with all the below requirements / conditions so as to be eligible to be listed on the SME Platform of the NSE (NSE EMERGE):-

1. Our Company was originally incorporated as "Shiva Industrial Security Agency (Gujarat) Private Limited" on July 11, 1997 vide Registration Certificate No. 02-32649/1997-1998 under the provisions of the Companies Act, 1956 with the Registrar of Companies, Gujarat, Dadra & Nagar Haveli. Subsequently, our Company was converted into a Public Limited Company pursuant to Special Resolution passed at the Extra Ordinary General Meeting of the Company held on February 27, 2018 and the name of our Company was changed from "Shiva Industrial Security Agency (Gujarat) Private Limited" to "Shiva Industrial Security Agency (Gujarat) Limited" vide a fresh Certificate of Incorporation dated March 10, 2018 having CIN U67120GJ1997PLC032649 issued by the Registrar of Companies, Gujarat, Ahmedabad.
2. The post issue paid up capital of the company will be 1,01,05,805 shares of face value of ₹ 10/- aggregating to ₹ 1010.58 lakhs which is less than ₹ 25 Crore.
3. The company confirms that it has track record of more than 3 years.
4. The company confirms that it has positive cash accruals (earnings before depreciation and tax) from operations for at least 2 financial years preceding the application and its net-worth as on March 31, 2018 is positive.



5. Our Company has not been referred to the Board for Industrial and Financial Reconstruction (BIFR).
6. 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.
7. No material regulatory or disciplinary action by a stock exchange or regulatory authority in the past three years against the company.
8. Our Company confirms that there is no material regulatory or disciplinary action by a stock exchange or regulatory authority in the past one year in respect of promoters, Group Companies, companies promoted by the promoters of the company.

#### **Compliance with Part A of Schedule VIII of the SEBI (ICDR) Regulations**

Our Company is in compliance with the provisions specified in Part A of the SEBI (ICDR) Regulations. No exemption from eligibility norms has been sought under Regulation 109 of the SEBI (ICDR) Regulations, with respect to the Issue. Further, our Company has not been formed by the conversion of a partnership firm into a company.

#### **DISCLAIMER CLAUSE OF SEBI**

**IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF 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, HEM SECURITIES 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, HEM SECURITIES 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 OCTOBER 29, 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 BOARD 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. - NOTED FOR COMPLIANCE**
- 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. - NOTED FOR COMPLIANCE**
- 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 THAT A DISCLOSURE HAS BEEN MADE IN THE DRAFT PROSPECTUS THAT THE INVESTORS SHALL BE GIVEN AN OPTION TO GET THE SHARES IN DEMAT OR PHYSICAL MODE. - NOT APPLICABLE AS IN TERMS OF THE PROVISIONS OF SECTION 29 OF THE COMPANIES ACT, 2013 A PUBLIC OFFER SHALL BE IN DEMATERIALIZED FORM ONLY.
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. – NOTED FOR COMPLIANCE
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 OFFER 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 OFFERED 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. – NOTED FOR COMPLIANCE
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 SUB-REGULATION (4) OF REGULATION 32 OF SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009; CASH FLOW STATEMENT HAS BEEN PREPARED AND DISCLOSED IN THE 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 LM 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, Ahmedabad in terms of sections 26, 32 and 33 of the Companies Act, 2013.

**Statement on Price Information of Past Issues handled by Hem Securities Limited:**

Sr. No.	Issue name	Issue size (Rs in Cr.)	Issue Price (Rs.)	Listing date	Opening Price on listing date	+/- % change in closing price, [+/- % change in closing benchmark]-30 <sup>th</sup> calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]-90 <sup>th</sup> calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]-180 <sup>th</sup> calendar days from listing
1.	D.P. Abhushan Limited	16.61	28.00	October 23, 2017	33.60	92.86% [1.55%]	162.50% [7.67%]	150% [3.93%]
2.	ANI Integrated Services Limited	25.656	100.00	November 20, 2017	120.00	67.00% [1.41%]	21% [0.77%]	12% [2.12%]

3.	Dynamic Cables Limited	23.376	40.00	December 14, 2017	48.00	63.13% [4.80%]	25% [1.77%]	0% [7.36%]
4.	Vasa Retail and Overseas Limited	4.8	30.00	February 06, 2018	36.00	104.33% [-2.43]	70% [-2.06%]	40% [8.47%]
5.	Hindcon Chemicals Limited	7.728	28.00	March 09, 2018	33.60	[6.61%] [1.49%]	-8.93% [5.29%]	-28.57% [12.22%]
6.	Tara Chand Logistic Solutions Limited	20.46	55.00	March 23, 2018	49.00	-12.73% [-5.87%]	16.67% [7.43%]	-43.64% [12.37%]
7.	Dhruv Consultancy Services Limited	23.1984	54.00	May 10, 2018	53.40	-0.19% [0.67%]	-12.58% [6.77%]	-
8.	Sonam Clock Limited	10.1088	36.00	June 14, 2018	37.00	2.50% [1.18%]	2.50% [5.20%]	-
9.	Parin Furniture Limited	18.90	63.00	October 09, 2018	64.00	-	-	-
10.	Kritika Wires Limited	15.40	32.00	October 10, 2018	34.10	-	-	-

Source: Price Information [www.bseindia.com](http://www.bseindia.com) & [www.nseindia.com](http://www.nseindia.com), Issue Information from respective Prospectus.

### Summary statement of Disclosure:

Financial Year	Total no. of IPOs	Total amount of funds raised (Rs. Cr.)	No. of IPOs trading at discount- 30 <sup>th</sup> calendar days from listing			No. of IPOs trading at Premium- 30 <sup>th</sup> calendar days from listing			No. of IPOs trading at discount- 180 <sup>th</sup> calendar days from listing			No. of IPOs trading at Premium- 180 <sup>th</sup> calendar days from listing		
			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%
2013-14	3 <sup>(1)</sup>	10.66	-	-	1	1	1	-	-	-	-	2	-	1
2014-15	7 <sup>(2)</sup>	38.25	-	-	-	2	-	5	-	-	-	3	-	4
2015-16	8 <sup>(3)</sup>	34.20	-	-	1	2	2	3	-	-	-	3	1	4
2016-17	12 <sup>(4)</sup>	99.90	-	-	2	3	3	4	-	-	3	3	2	4
2017-18	16 <sup>(5)</sup>	234.21	-	1	4	6	2	3	-	1	3	5	3	3
2018-19	4 <sup>(6)</sup>	33.3072	-	-	1	-	-	1	-	-	-	-	-	-

(1) The scrips of Samruddhi Realty Limited, Captain Polyplast Limited and Tentiwal Wire Products Limited were listed on April 12, 2013, December 11, 2013 and December 31, 2013 respectively.

(2) The scrips of R&B Denims Limited, Bansal Roofing Products Limited, Atishay Infotech Limited, Dhabriya Polywood Limited, Vibrant Global Capital Limited, ADCC Infocad Limited and Captain Pipes Limited were listed on April 22, 2014, July 14, 2014, October 16, 2014, October 17, 2014, October 21, 2014, October 22, 2014, and December 11, 2014 respectively.

(3) The scrips of O.P. Chains Limited, Junction Fabrics and Apparels Limited, Loyal Equipments Limited, Emkay Taps & Cutting Tools Limited, Universal Autofoundry Limited, Bella Casa Fashion and Retail Limited, Vishal Bearings Limited and Cawasji Behramji Catering Services Limited were listed on April 22, 2015, July 10, 2015, July 16, 2015, August 13, 2015, September 4, 2015, October 15, 2015, October 15, 2015 and October 19, 2015 respectively.

(4) The scrips of Raghav Ramming Mass Limited, Advance Syntex Limited, Madhya Bharat Agro Products Limited, Aurangabad Distillery Limited, Pansari Developers Limited, Dhanuka Realty Limited, Globe International Carriers Limited, Art Nirman Limited, Krishana Phoschem Limited, Global Education Limited, RMC Switchgears Limited and Laxmi Cotspin Limited were listed on April 13, 2016, July 12, 2016, September 16, 2016, October 17, 2016, October 18th, 2016, October 18th, 2016, October 19th, 2016, October 19th, 2016, February 27, 2017, March 02, 2017, March 14, 2017 and March 31, 2017 respectively.

(5) The Scrips of Dev Information Technology Limited, Vadivarhe Speciality Chemicals Limited, Globe Textiles (India) Limited, Accord Synergy Limited, Captain Technocast Limited, Shanti Overseas (India) Limited, Surevin BPO Services



Limited, Pashupati Cotspin Limited, Share India Securities Limited, RKEC Projects Limited, D. P. Abhushan Limited, ANI Integrated Services Limited, Dynamic Cables Limited, Vasa Retail and Overseas Limited, Hindcon Chemicals Limited and Tara Chand Logistic Solutions Limited was listed on April 17, 2017, June 02, 2017, June 23, 2017, July 06, 2017 August 01, 2017, August 03, 2017, August 09, 2017, September 08, 2017, October 05, 2017, October 09, 2017, October 23, 2017, November 20, 2017, December 14, 2017, February 06, 2018, March 09, 2018 and March 23, 2018 respectively.

(6) The scrip of Dhruv Consultancy Services Limited, Sonam Clock Limited, Parin Furniture Limited and Kritika Wires limited were listed on May 10, 2018, June 14, 2018, October 09, 2018 and October 10, 2018 respectively.

**Note:**

- a) Based on date of listing.
- b) BSE SENSEX and CNX NIFTY has been considered as the benchmark index.
- c) Prices on BSE/NSE are considered for all of the above calculations.
- d) In case 30<sup>th</sup> /90<sup>th</sup> /180<sup>th</sup> day is not a trading day, closing price on BSE/NSE of the next trading day has been considered.
- e) In case 30<sup>th</sup> /90<sup>th</sup> /180<sup>th</sup> day, scrips are not traded then last trading price has been considered.
- f) N.A. – Period not completed.
- g) As per SEBI Circular No. CIR/CFD/DIL/7/2015 dated October 30, 2015, the above table should reflect max. 10 issues (initial public offerings managed by the Lead Manager. Hence, disclosures pertaining to recent 10 issues handled by Lead Manager are provided.

**Track Record of past issues handled by Hem Securities Limited**

For details regarding track record of LM to the Issue as specified in the Circular reference no. CIR/MIRSD/1/2012 dated January 10, 2012 issued by the SEBI, please refer the website of the LM at: [www.hemsecurities.com](http://www.hemsecurities.com)

**Disclaimer from our Company and the LM**

Our Company, its Directors and the LM 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 LM accept no responsibility, save to the limited extent as provided in the Issue Agreement entered between the LM (Hem securities Limited) and our Company on October 13, 2018 and the Underwriting Agreement dated [●] entered into between the Underwriters and our Company and the Market Making Agreement dated [●] entered into among the Market Maker and our Company.

All information shall be made available by our Company and the LM to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever including at road show presentations, in research or sales reports, at collection centres or elsewhere.

The LM and their respective associates and affiliates may engage in transactions with, and perform services for, our Company, our Promoter Group, 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 ₹ 2,500.00 Lakhs and pension funds with a minimum corpus of ₹ 2,500.00 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 set up and managed by the Department of Posts, India provided that they are eligible under all applicable laws and regulations to hold Equity Shares of our Company. This Draft 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 themselves 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 Surat, Gujarat, 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 NSE**

As required, a copy of this Offer Document has been submitted to National Stock Exchange of India Limited (hereinafter referred to as NSE). NSE has given vide its letter [●] permission to the Issuer to use the Exchange's name in this Offer Document as one of the stock exchanges on which this Issuer's securities are proposed to be listed. The Exchange has scrutinized draft offer document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Issuer. It is to be distinctly understood that the aforesaid permission given by NSE should not in any way be deemed or construed that the offer document has been cleared or approved by NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this offer document; nor does it warrant that this Issuer's securities will be listed or will continue to be listed on the Exchange; nor does it take any responsibility for the financial or other soundness of this Issuer, its Promoter, its management or any scheme or project of this Issuer.

Every person who desires to apply for or otherwise acquire any securities of this Issuer may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription /acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever.

**Disclaimer Clause under Rule 144A of the U.S. Securities Act**

The Equity Shares have not been, and will not be, registered under the U.S. Securities Act 1933, as amended (the "Securities Act") or any state securities laws in the United States and may not be 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 applications 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 National Stock Exchange of India Limited, Exchange Plaza, Plot No. C/1, G Block, Bandra- Kurla Complex, Bandra (East), Mumbai-400051, Maharashtra

A copy of 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 SEBI Western Regional Office, SEBI Unit No. 002, Ground Floor SAKAR I near Gandhigram Railway Station, Opposite Nehru Bridge, Ashram Road, Ahmedabad-380009, Gujarat 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, ROC Bhawan, Opp. Rupal Park Society, Behind Ankur Bus Stop, Naranpur, 51 Ahmedabad, Gujarat, India, 380013

### **Listing**

The Equity Shares of our Company are proposed to be listed on NSE EMERGE. Our Company has obtained in-principle approval from NSE by way of its letter dated [●] for listing of equity shares on NSE EMERGE.

NSE will be the Designated Stock Exchange, with which the Basis of Allotment will be finalized for the Issue. If the permission to deal in and for an official quotation of the Equity Shares on the SME Platform is not granted by NSE, our Company shall forthwith repay, without interest, all moneys received from the applicants in pursuance of this Draft Prospectus. If such money is not repaid within the prescribed time then our Company becomes liable to repay it, then our Company and every officer in default shall, shall be liable to repay such application money, with interest, as prescribed under the applicable law.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the SME Platform of NSE mentioned above are taken within Six (6) Working Days of the Issue Closing Date. If Equity Shares are not Allotted pursuant to the Offer within Six (6) 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

### **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, Our Banker to the Company; (b) LM, Registrar to the Issue, Banker to the Issue, Legal Advisor to the Issue, Underwriter 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 and the SEBI (ICDR) Regulations, M/s AGKR & Co., **Chartered Accountants** Statutory Auditor and **N K Sultania & Co.**, Peer Review Auditors of the Company has agreed to provide their written consent to the inclusion of their respective reports on Statement of Possible Tax Benefits relating to the possible tax benefits and restated financial statements as included in this Draft Prospectus/Prospectus in the form and context in which they appear therein and such consent and reports will not be withdrawn up to the time of delivery of this Draft Prospectus.

### Experts Opinion

Except for the reports in the section **“Financial information of the Company”** and **“Statement of Tax Benefits”** on page 144 and page 88 of this Draft Prospectus from the Statutory & Peer Review Auditors, our Company has not obtained any expert opinions. However, the term “expert” shall not be construed to mean an “expert” as defined under the U.S. Securities Act 1933.

### Expenses of the Issue

The total expenses of the Issue are estimated to be approximately Rs. [●] Lakh, which is [●] of the Issue size. The estimated Issue related expenses include Issue Management Fee, underwriting and management fees SCSB’s commission/ Selling commission, fees, printing and distribution expenses, legal fees, statutory advertisement expenses, registrar and depository fees and listing fees. All expenses with respect to the Issue would be paid by our company.

The Estimated Issue expenses are as under:-

S. No	Particulars	Amount (₹ in Lacs)	Percentage of Total Estimated Issue Expenditure (%)	Percentage of Issue Size (%)
1.	Payment to Merchant Banker including, underwriting and selling commissions, brokerages, payment to other intermediaries such as Legal Advisors, Bankers etc and other out of pocket expenses*	[●]	[●]	[●]
2.	Printing and Stationery and postage expenses, Advertising and Marketing expenses	[●]	[●]	[●]
3.	Advertising and Marketing expenses	[●]	[●]	[●]
4.	Regulatory fees and expenses	[●]	[●]	[●]
	<b>Total estimated Issue Expenses</b>	[●]	[●]	[●]

*\*Included Commission/ processing fees for SCSB, Brokerage and selling commission for Registered Brokers, RTA’s and CDPs*

### Fees, Brokerage and Selling Commission payable to the LM

The total fees payable to the LM will be as per the (i) Issue Agreement dated October 13, 2018 with the LM Hem Securities Limited, (ii) the Underwriting Agreement dated [●] with Underwriter [●] and (iii) the Market Making Agreement dated [●] with Market Maker [●], a copy of which is available for inspection at our Registered Office from 10.00 am to 5.00 pm on Working Days from the date of the Draft Prospectus until the Issue Closing Date.

### Fees Payable to the Registrar to the Issue

The fees payable to the Registrar to the Issue for processing of applications, data entry, printing of CAN, tape and printing of bulk mailing register will be as per the agreement between our Company and the Registrar to the Issue dated March 10, 2018

a copy of which is available for inspection at our Company's Registered Office.

The Registrar to the Issue will be reimbursed for all out-of-pocket expenses including cost of stationery, postage, stamp duty, and communication expenses. Adequate funds will be provided to the Registrar to the Issue to enable it to send allotment advice by registered post/speed post.

#### **Particulars regarding Public or Rights Issues during the last five (5) years**

Our Company has not made any previous public or rights issue in India or Abroad the five (5) years preceding the date of this Draft Prospectus.

#### **Previous issues of Equity Shares otherwise than for cash**

For detailed description please refer to section titled "*Capital Structure*" beginning on page 55 of this 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 55 of this Draft Prospectus our Company has not undertaken any previous public or rights issue. None of the Group Companies 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 body corporate 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 three (3) 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 and.

The applicants should give full details such as name of the sole/ first applicant, Application Form number, DP ID, Client ID, PAN, date of the Application Form, address of the applicant, number of the Equity Shares applied for and the name and address of the Designated Intermediary where the Application Form was submitted by the applicant. Further, the investor shall also enclose the Acknowledgement Slip from the Designated Intermediaries in addition to the documents or information mentioned herein above.

### **Disposal of Investor Grievances by our Company**

Our Company estimates that the average time required by our Company or the Registrar to the Issue for the redressal of routine investor grievances shall be fifteen (15) Working Days from the date of receipt of the complaint. In case of complaints that are not routine or where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible.

**Our Company has appointed Mr. Mohmed Parvez Ayaz Shaikh, Company Secretary, as the Compliance Officer to redress complaints, if any, of the investors participating in the Issue. Contact details for our Company Secretary and Compliance Officer are as follows:**

**Mr. Mohmed Parvez Ayaz Shaikh**  
**Shiva Industrial Security Agency (Gujarat) Limited**  
Sameer Complex, R S No 71, Navsarjan Society, GIDC, Pandesara,  
Surat, Gujarat, India, 394221  
Tel. No. +91-0261-2892420  
E-mail: [cs@sisasecurity.com](mailto:cs@sisasecurity.com)  
Website: [www.sisasecurity.com](http://www.sisasecurity.com)

Investors can contact the Compliance Officer or the Registrar in case of any pre-Issue or post-Issue related problems such as non-receipt of letters of allocation, credit of allotted Equity Shares in the respective beneficiary account etc.

Pursuant to the press release no. PR. No. 85/2011 dated June 8, 2011, SEBI has launched a centralized web based complaints redress system “**SCORES**”. This would enable investors to lodge and follow up their complaints and track the status of redressal of such complaints from anywhere. For more details, investors are requested to visit the website [www.scores.gov.in](http://www.scores.gov.in)  
**Status of Investor Complaints**

We confirm that we have not received any investor complaint during the three years preceding the date of this 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**

There have been no changes in our Company's auditors in the last three (3) years from the date of the Draft Prospectus.

### **Capitalization of Reserves or Profits**

Except as disclosed under section titled "**Capital Structure**" beginning on page 55 of this Draft Prospectus, our Company has not capitalized its reserves or profits at any time during the last five (5) years.

### **Revaluation of Assets**

Our Company has not revalued its assets in five (5) years preceding the date of this 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 section titled "**Statement of Tax Benefits**" beginning on page 88 of this Draft Prospectus.

### **Purchase of Property**

Other than as disclosed in Section "**Our Business**" on page 96 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 principal in respect of our borrowings or deposits.

### **Payment or benefit to officers of Our Company**

Except statutory benefits upon termination of their employment in our Company or superannuation, no officer of our Company is entitled to any benefit upon termination of his employment in our Company or superannuation.

Except as disclosed in chapter titled "**Our Management**" beginning on page 120 and "**Annexure R – Statement Related Party Transactions**" beginning on page 175 of the Draft Prospectus, none of the beneficiaries of loans and advances and sundry debtors are related to the Directors of our Company.

## **SECTION VII – ISSUE RELATED INFORMATION**

### **TERMS OF THE ISSUE**

*The Equity Shares being offered are subject to the provisions of the Companies Act, 2013, SCRR, 1957, SEBI (ICDR) Regulations, 2009, our Memorandum and Articles of Association, the terms of the Draft Prospectus, Prospectus, Application Form, the Revision Form, the Confirmation of Allocation Note, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 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 Exchanges, the RBI, the FIPB, the 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, 10th 2015, all the investors applying in this Issue shall use only Application Supported by Blocked Amount (ASBA) facility for making payment i.e. just writing their bank account numbers and authorising the banks to make payment in case of allotment by signing the application forms.*

#### **Authority for the Issue**

The present Public Issue of 27,00,000 Equity Shares which have been authorized by a resolution of the Board of Directors of our Company at their meeting held on March 14, 2018 and was approved by the Shareholders of the Company by passing Special Resolution at the Extra Ordinary General Meeting held on March 14, 2018 in accordance with the provisions of Section 62 (1) (c) of the Companies Act, 2013.

#### **Ranking of Equity Shares**

The Equity Shares being issued shall be subject to the provisions of the Companies Act, 2013 and our Memorandum and Articles of Association and shall rank pari-passu in all respects with the existing Equity Shares of our Company including in respect of the rights to receive dividends and other corporate benefits, if any, declared by us after the date of Allotment. For further details, please refer to "**Main Provisions of Articles of Association of the Company**" on page 273 of the Draft Prospectus.

#### **Mode of Payment of Dividend**

The declaration and payment of dividend will be as per the provisions of Companies Act, the Articles of Association, the provision of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and recommended by the Board of Directors and the Shareholders at their discretion and will depend on a number of factors, including but not limited to earnings, capital requirements and overall financial condition of our Company. We shall pay dividends in cash and as per provisions of the Companies Act. For further details, please refer to "**Dividend Policy**" on page 143 of the Draft Prospectus.

#### **Face Value and Issue Price**

The Equity Shares having a Face Value of ₹ 10.00 each and the Issue Price is Rs. [●] per Equity Share.

At any given point of time there shall be only one denomination of the Equity Shares of our Company, subject to applicable laws.

#### **Compliance with the disclosure and accounting norms**

Our Company shall comply with all requirements of the SEBI ICDR Regulations. Our Company shall 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 receive Annual Reports & Notices to members
- Right to attend general meetings and exercise voting rights, unless prohibited by law;
- Right to vote on a poll either in person or by proxy;
- Right to receive offer for rights shares and be allotted bonus shares, if announced;
- Right to receive surplus on liquidation; subject to any statutory or preferential claims being satisfied;
- Right of free transferability of the Equity Shares; and
- Such other rights, as may be available to a shareholder of a listed Public Limited Company under the Companies Act, terms of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Memorandum and Articles of Association of our Company.

For a detailed description of the main provision of the Articles of Association of our Company relating to voting rights, dividend, forfeiture and lien, transfer, transmission and/ or consolidation/ splitting, etc., please refer to Section titled “**Main Provisions of Articles of Association of the Company**” beginning on page 273 of the Draft Prospectus.

### **Minimum Application Value, Market Lot and Trading Lot**

As per regulations made under and Section 29(1) of the Companies Act, 2013 the Equity Shares to be allotted must be in Dematerialized form i.e. not in the form of physical certificates but be fungible and be represented by the statement issued through electronic mode. Hence, the Equity Shares being offered can be applied for in the dematerialized form only. In this context, two agreements have been signed among our Company, the respective Depositories and Registrar to the Issue.

- Tripartite Agreement dated April 13, 2018 between NSDL, our Company and Registrar to the Issue; and
- Tripartite Agreement dated April 17, 2018 between CDSL, our Company and Registrar to the Issue;

The trading of the Equity Shares will happen in the minimum contract size of [●] Equity Shares and the same may be modified by the SME platform of NSE from time to time by giving prior notice to investors at large.

Allocation and allotment of Equity Shares through this Issue will be done in multiples of [●] Equity Shares and is subject to a minimum allotment of [●] Equity Shares to the successful applicants in terms of the SEBI circular No. CIR/MRD/DSA/06/2012 dated February 21, 2012.

*Further, in accordance with Regulation 106(Q) of the SEBI (ICDR) Regulations the minimum application size in terms of number of specified securities shall not be less than Rupees One Lakh per application.*

### **Minimum Number of Allottees**

The minimum number of allottees in the Issue shall be 50 shareholders. In case the number of prospective allottees is less than 50, no allotment will be made pursuant to this Issue and the amounts in the ASBA Account shall be unblocked forthwith.

### **Joint Holders**

Where 2 (two) or more persons are registered as the holders of any Equity Shares, they will be deemed to hold such Equity Shares as joint-holders with benefits of survivorship.

### **Nomination Facility to Investor**

In accordance with Section 72 of the Companies Act, 2013 the sole or first applicant, along with other joint applicant, may nominate any one person in whom, in the event of the death of sole applicant or in case of joint applicant, death of all the applicants, as the case may be, the Equity Shares allotted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall in accordance with Section 72 of the Companies Act, 2013 be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any



person to become entitled to Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale of equity share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at the Registered Office of our Company or to the Registrar and Transfer Agents of our Company.

In accordance with Section 72 of the Companies Act, 2013 any Person who becomes a nominee by virtue of Section 72 of the Companies Act, 2013 shall upon the production of such evidence as may be required by the Board, elect either:

- To register himself or herself as the holder of the Equity Shares; or
- To make such transfer of the Equity Shares, as the deceased holder could have made.

Further, the Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of 90 (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 is in dematerialized form, there is no need to make a separate nomination with us. Nominations registered with the respective depository participant of the applicant would prevail. If the investors require changing the nomination, they are requested to inform their respective depository participant.

#### Issue Period

<b>ISSUE OPENS ON*</b>	[●]
<b>ISSUE CLOSES ON**</b>	[●]

#### Minimum Subscription

In accordance with Regulation 106 P (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 the Draft Prospectus and shall not be restricted to the minimum subscription level.

As per section 39 of the Companies Act 2013, if the “**stated minimum amount**” has not been subscribed and the sum payable on Application is not received within a period of 30 days from the date of issue of Prospectus, 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 of Underwriters within 60 (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 8 (eight) days after the issuer becomes liable to pay the amount, the issuer shall pay interest prescribed under Section 39 read with Rule 11 of Companies(Prospectus and Allotment of Securities) Rules, 2014 of the Companies Act, 2013 and other applicable laws, if any.

In accordance with Regulation [106R] of SEBI ICDR Regulations, The minimum number of allottees in this Issue shall be 50 shareholders. In case the minimum number of prospective allottees is less than 50, no allotment will be made pursuant to this Issue and the amounts in the ASBA Account shall be unblocked forthwith.

Further, 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)

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.

Further, in accordance with Regulation 106 Q of the SEBI (ICDR) Regulations the minimum application size in terms of number of specified securities shall not be less than Rupees One Lakh per application.

### **Arrangements for disposal of odd lots**

The trading of the Equity Shares will happen in the minimum contract size of [●] 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 SME Platform of NSE.

### **Application by Eligible NRIs, FPIs or VCFs registered with SEBI**

It is to be understood that there is no reservation for Eligible NRIs, FPIs or VCF registered with SEBI. Such Eligible NRIs, FPIs or VCF registered with SEBI will be treated on the same basis with other categories for the purpose of Allocation.

### **As per the extant policy of the Government of India, OCBs cannot participate in this Issue.**

NRIs, FPIs/FIIs and foreign venture capital investors registered with SEBI are permitted to purchase shares of an Indian company in a public offer without the prior approval of the RBI, so long as the price of the equity shares to be issued is not less than the price at which the equity shares are issued to residents. The transfer of shares between an Indian resident and a non-resident does not require the prior approval of the FIPB or the RBI, provided that (i) the activities of the investee company are under the automatic route under the foreign direct investment ("FDI") Policy and the non-resident shareholding is within the sectoral limits under the FDI policy; and (ii) the pricing is in accordance with the guidelines prescribed by the SEBI/RBI.

The current provisions of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, provides a general permission for the NRIs, FPIs and foreign venture capital investors registered with SEBI to invest in shares of Indian companies by way of subscription in an IPO. However, such investments would be subject to other investment restrictions under the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, RBI and/or SEBI regulations as may be applicable to such investors.

The Allotment of the Equity Shares to Non-Residents shall be subject to the conditions, if any, as may be prescribed by the Government of India/RBI while granting such approvals.

### **Restrictions on transfer and transmission of shares or debentures and on their consolidation or splitting**

Except for lock-in of the Pre- Issue Equity Shares and Promoter minimum contribution in the Issue as detailed in the section titled "**Capital Structure**" beginning on page 55 of the Draft Prospectus, and except as provided in the Articles of Association of our Company, there are no restrictions on transfers of Equity Shares. There are no restrictions on transfer and transmission of shares/ debentures and on their consolidation/ splitting except as provided in the Articles of Association. For further details please refer sub-heading "**Main Provisions of the Articles of Association**" on page 273 of the Draft Prospectus.

*The above information is given for the benefit of the Applicants. The Applicants are advised to make their own enquiries about the limits applicable to them. Our Company and the LM do not accept any responsibility for the completeness and accuracy of the information stated hereinabove. Our Company and the LM are not liable to inform the investors of any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of this 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.*

### **Option to receive Equity Shares in Dematerialized Form**

As per section 29(1) of the new Companies Act 2013 and in accordance with SEBI (ICDR) Regulations, every company making public offer shall issue securities in dematerialized form only. The investors have an option either to receive the security certificate or to hold the securities with depository. However, as per SEBI's circular RMB (compendium) series circular no. 2 (1999-2000) dated February 16, 2000, it has been decided by the SEBI that trading in securities of companies making an initial public offer shall be in dematerialized form only. The Equity Shares on Allotment will be traded only on the dematerialized segment of the SME Exchange.

## Migration to Main Board

In accordance with the NSE Circular dated March 10, 2014, our Company will have to be mandatorily listed and traded on the SME Platform of the NSE for a minimum period of 2 (Two) years from the date of listing and only after that it can migrate to the Main Board of the NSE as per the guidelines specified by SEBI and as per the procedures laid down under Chapter XB of the SEBI (ICDR) Regulations.

As per the provisions of the Chapter XB of the SEBI (ICDR) Regulation, 2009, our Company may migrate to the main board of NSE from the SME Exchange on a later date subject to the following:

- If the Paid up Capital of the Company is likely to increase above ₹ 25 Crore 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 NSE for listing our shares on its main board subject to the fulfillment of the eligibility criteria for listing of specified securities laid down by the main board

OR

- If the Paid-Up Capital of our Company is more than ₹ 10.00 Crore and up to ₹ 25.00 Crore, our company may still apply for migration to the Main Board. If our Company fulfils the eligibility criteria for listing laid down by the Main Board of NSE and if the same has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the promoters in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal.

## Market Making

The shares offered through this Issue are proposed to be listed on the SME platform of NSE, wherein the LM to this Issue shall ensure compulsory Market Making through the registered Market Makers of the SME Exchange for a minimum period of 3 (three) years from the date of listing on the SME platform of NSE. For further details of the agreement entered into between the Company, the LM and the Market Maker please refer to section titled "**General Information - Details of the Market Making Arrangements for this Issue**" on page 52 of the Draft Prospectus.

In accordance with the SEBI Circular No. CIR/MRD/DSA/31/2012 dated November 27, 2012, it has been decided to make applicable limits on the upper side for the Market Makers during market making process taking into consideration the Issue size in the following manner:

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

Further, the Market Maker shall give (2) Two way quotes till it reaches the upper limit threshold; thereafter it has the option to give only sell quotes. Two (2) way quotes shall be resumed the moment inventory reaches the prescribed re-entry threshold.

In view of the Market Maker obligation, there shall be no exemption/threshold on downside. However, in the event the Market Maker exhausts its inventory through market making process on the platform of the exchange, the concerned stock exchange may intimate the same to SEBI after due verification.

## New Financial Instruments

There are no new financial instruments such as deep discounted bonds, debenture, warrants, secured premium notes, etc. issued by our Company.

## **Pre-Issue Advertisement**

Subject to Section 30 of the Companies Act, 2013 our Company shall, after registering the Prospectus with the ROC publish a pre-Issue advertisement, in the form prescribed by the SEBI (ICDR) 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 where the Registered Office of our Company is situated.

## **Jurisdiction**

Exclusive jurisdiction for the purpose of this Issue is with the competent courts / authorities in Surat, Gujarat, India. The Equity Shares have not been and will not be registered under the U.S. Securities Act or any state securities laws in the United States, and may not be offered or sold within the United States, except pursuant to an exemption from or in a transaction not subject to, registration requirements of the Securities Act. Accordingly, the Equity Shares are only being offered or sold outside the United States in compliance with Regulation S under the Securities Act and the applicable laws of the jurisdictions 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 applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

### ISSUE STRUCTURE

This Issue is being made in terms of Regulation 106(M) (2) of Chapter XB of SEBI (ICDR) Regulations, 2009, as amended from time to time, whereby, an issuer whose post issue paid up face value capital is more than ₹ 10 Crore but less than ₹ 25 Crore, shall issue shares to the public and propose to list the same on the Small and Medium Enterprise Exchange ("**SME Exchange**", in this case being the SME Platform of NSE). For further details regarding the salient features and terms of such an issue please refer chapter titled "**Terms of the Issue**" and "**Issue Procedure**" on page 223 and 229 of the Draft Prospectus.

The Issue is of up to 27,00,000 Equity Shares, at an Issue Price of ₹ [●] per Equity Share for cash, including a premium of ₹ [●] per Equity Share, aggregating up to ₹ [●] lakhs and is being made through the Fixed Price Method. The Net Issue shall constitute at least 25% of the post-Issue paid up equity share capital of our Company.

The issue comprises a reservation of upto [●] Equity Shares of Rs. 10 each for subscription by the designated Market Maker ("the Market Maker Reservation Portion")

Particulars of the Issue	Net Issue to Public*	Market Maker Reservation Portion
Number of Equity Shares available for allocation	[●] Equity Shares	[●] Equity Shares
Percentage of Issue Size available for allocation	[●] of the Issue Size	[●] of the Issue Size
Basis of Allotment	Proportionate subject to minimum allotment of [●] Equity Shares and further allotment in multiples of [●] Equity Shares each. For further details please refer to " <b>Issue Procedure - Basis of Allotment</b> " on page 263 of this Draft Prospectus.	Firm Allotment
Mode of Application	All the applications shall make the application (Online or Physical) through ASBA Process Only	Through ASBA Process Only
Mode of Allotment	Compulsorily in dematerialized form.	Compulsorily in dematerialized form.
Minimum Application Size	<p><b><u>For Other than Retail Individual Investors:</u></b></p> <p>Such number of Equity Shares in multiples of [●] Equity Shares at an Issue price of ₹ [●] each, such that the Application Value exceeds ₹2,00,000/-</p> <p><b><u>For Retail Individuals Investors:</u></b></p> <p>[●] Equity Shares at an Issue price of ₹ [●] each such that the Application Value does not exceeds ₹2,00,000/-</p>	[●] Equity Shares
Maximum Application Size	<p><b><u>For Other than Retails Individual Investors:</u></b></p> <p>The maximum application size is the Net Issue to public subject to limits the investor has to adhere under the relevant laws and regulations applicable.</p> <p><b><u>For Retail Individuals Investors:</u></b></p> <p>Such number of Equity Shares in multiples of [●] Equity Shares such that the Application Value does not exceed ₹2,00,000/-</p>	[●] Equity Shares
Trading Lot	[●] Equity Shares	[●] Equity Shares, However the Market Makers may accept odd lots if any in the market as required under the SEBI (ICDR) Regulations, 2009.
Application lot Size	[●] Equity Shares thereafter Equity Shares and in multiples of [●]	
Terms of Payment	Full Application Amount shall be blocked by the SCSBs in the bank account of the ASBA	

	Applicant that is specified in the Application Form at the time of submission of the Application Form.
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This Issue is being made in terms of Chapter XB of the SEBI (ICDR) Regulations, 2009, as amended from time to time. For further details please refer to **“Issue Structure”** on page 229 of the Draft Prospectus.

\*As per Regulation 43(4) of the SEBI (ICDR) Regulations, as amended, as present issue is a fixed price issue ‘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) Investors 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 percent on proportionate basis, accordingly the retail individual investors shall be allocated that higher percentage.***

### 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.

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 LM, 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 the Company withdraws the Issue after the Issue Closing Date and subsequently decides to undertake a public offering of Equity Shares, the Company will file a fresh Draft Prospectus with the stock exchange where the Equity Shares may be proposed to be listed.

Notwithstanding the foregoing, the Issue is subject to obtaining (i) the final listing and trading approvals of the Stock Exchange, which our Company will apply for only after Allotment; and (ii) the final ROC approval to the Prospectus after it is filed with the ROC.

### 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. to 5.00 p.m. (Indian Standard Time) during the Issue Period at the Application Centers mentioned in the Application Form.

Standardization of cut-off time for uploading of applications on the issue closing date:

- a) A standard cut-off time of 3.00 p.m. for acceptance of applications.
- b) A standard cut-off time of 4.00 p.m. for uploading of applications received from other than retail individual applicants.
- c) A standard cut-off time of 5.00 p.m. for uploading of applications received from only retail individual applicants, which may be extended up to such time as deemed fit by NSE after taking into account the total number of applications received up to the closure of timings and reported by LM to NSE within half an hour of such closure.

It is clarified that Bids not uploaded in the book, would be rejected. In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical form, for a particular applicant, the details as per physical application form of that applicant may be taken as the final data for the purpose of allotment.

Applications will be accepted only on Working Days, i.e., Monday to Friday (excluding any public holiday).



## **ISSUE PROCEDURE**

*All applicants should review the General Information Document for Investing in public issues prepared and issued in accordance with the circular (CIR/CFD/DIL/12/2013) dated October 23, 2013 notified by SEBI (“General Information Document”), and including SEBI circular bearing number CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 and SEBI circular bearing number SEBI/HO/CFD/DIL/CIR/P/2016/26 dated January 21, 2016 included below under “Part B – General Information Document”, which highlights the key rules, processes and procedures applicable to public issues in general in accordance with the provisions of the Companies Act, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957 and the SEBI ICDR Regulations. The General Information Document has been updated to reflect the enactments and regulations, to the extent applicable to a public issue. The General Information Document is also available on the websites of the Stock Exchanges and the LM. Please refer to the relevant provisions of the General Information Document which are applicable to the Issue.*

*Our Company and the LM do not accept any responsibility for the completeness and accuracy of the information stated in this section and are not liable for any amendment, modification or change in the applicable law which may occur after the date of this Draft Prospectus. Applicants are advised to make their independent investigations and ensure that their applications are submitted in accordance with applicable laws and do not exceed the investment limits or maximum number of the Equity Shares that can be held by them under applicable law or as specified in this Draft Prospectus.*

*Pursuant to the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements)(Fifth Amendment)Regulations, 2015, there have been certain changes in the issue procedure for initial public offerings including making ASBA Process mandatory for all investors, allowing registrar, share transfer agents, collecting depository participants and stock brokers to accept application forms. Further, SEBI, by its circular No. (CIR/CFD/POLICYCELL/11/2015) dated November 10, 2015, reduced the time taken for listing after the closure of an issue to six working days.*

***Please note that the information stated/ covered in this section may not be complete and/or accurate and as such would be subject to modification/change. Our Company and the LM do not accept any responsibility for the completeness and accuracy of the information stated in this section and the General Information Document. Applicants are advised to make their independent investigations and ensure that their Applications do not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or as specified in this Draft Prospectus and the Prospectus.***

*This section applies to all the Applicants, please note that all the Applicants are required to make payment of the full Application Amount along with the Application Form.*

***Our Company and the LM are not liable for any amendments, modifications or change in applicable laws or regulations, which may occur after the date of this Draft Prospectus.***

## **PART A**

### **Fixed Price Issue Procedure**

The Issue is being made under Regulation 106(M) (2) of Chapter XB of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended via Fixed Price Process.

Applicants are required to submit their Applications to the Designated Intermediaries. In case of QIB Applicants, our Company in consultation with the Lead Manager may reject Applications at the time of acceptance of Application Form provided that the reasons for such rejection shall be provided to such Applicant in writing.

In case of Non-Institutional Applicants and Retail Individual Applicants, our Company would have a right to reject the Applications only on technical grounds.

Investors should note that according to section 29(1) of the Companies Act, 2013, allotment of Equity Shares to all successful Applicants will only be in the dematerialized form. Applicants will not have the option of being Allotted Equity Shares in physical form. Further the Equity shares on allotment shall be trade only in the dematerialized segment of the Stock Exchange, as mandated by SEBI.

### **Application Form**

Pursuant to SEBI Circular dated November 10, 2015 and bearing Reference No. CIR/CFD/POLICYCELL/11/2015 which shall be applicable for all public issues opening on or after January 01, 2016, all the investors can apply through ASBA Mode. The prescribed colour of the Application Form for various categories applying in this issue is as follows:

Category	Colour
Indian Public / eligible NRI's applying on a non-repatriation basis (ASBA)	White
Non-Residents including eligible NRI's, FPI's, FIIs, FVCIs, etc. applying on a repatriation basis (ASBA)	Blue

Applicants shall only use the specified Application Form for the purpose of making an Application in terms of this Draft Prospectus. The Application Form shall contain information about the Applicant and the price and the number of Equity Shares that the Applicants wish to apply for. Application Forms downloaded and printed from the websites of the Stock Exchange shall bear a system generated unique application number.

Applicants shall only use the specified Application Form for the purpose of making an Application in terms of this Draft Prospectus. An Investor, intending to subscribe to this Issue, shall submit a completed application form to any of the following Intermediaries (Collectively called “**Designated Intermediaries**”)

Sr. No.	Designated Intermediaries
1.	An SCSB, with whom the bank account to be blocked, is maintained
2.	A syndicate member (or sub-syndicate member)
3.	A stock broker registered with a recognized stock exchange (and whose name is mentioned on the website of the stock exchange as eligible for this activity) (‘broker’)
4.	A depository participant (‘DP’) (whose name is mentioned on the website of the stock exchange as eligible for this activity)
5.	A registrar to an issue and share transfer agent (‘RTA’) (whose name is mentioned on the website of the stock exchange as eligible for this activity)

*The aforesaid intermediary shall, at the time of receipt of application, give an acknowledgement to investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the application form, in physical or electronic mode, respectively.*

The upload of the details in the electronic bidding system of stock exchange will be done by:

<b>For Applications submitted by Investors to SCSB:</b>	After accepting the form, SCSB shall capture and upload the relevant details in the electronic bidding system as specified by the stock exchange and may begin blocking funds available in the bank account specified in the form, to the extent of the application money specified.
<b>For applications submitted by investors to intermediaries other than SCSBs:</b>	After accepting the application form, respective Intermediary shall capture and upload the relevant details in the electronic bidding system of the stock exchange. Post uploading, they shall forward a schedule as per prescribed format along with the application forms to designated branches of the respective SCSBs for blocking of funds within one day of closure of Issue.

Applicants shall submit an Application Form either in physical or electronic form to the SCSB's authorizing blocking funds that are available in the bank account specified in the Application Form used by ASBA Applicants.

### **Availability of Prospectus and Application Forms**

The Application Forms and copies of the Prospectus may be obtained from the Registered Office of our Company, (Lead Manager to the Issue as mentioned in the Application Form. The application forms may also be downloaded from the website of NSE i.e. [www.nseindia.com](http://www.nseindia.com).

### **Who can apply?**

In addition to the category of Applicants as 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:

- FPIs and sub-accounts registered with SEBI other than Category III foreign portfolio investor;
- Category III foreign portfolio investors, which are foreign corporate or foreign individuals only under the NonInstitutional Investors category;
- Scientific and / or industrial research organizations authorized in India to invest in the Equity Shares.
- Any other persons eligible to apply in this Issue under the laws, rules, regulations, guidelines and policies applicable to them.

**Applications not to be made by:**

1. Minors (except through their Guardians)
2. Partnership firms or their nominations
3. Foreign Nationals (except NRIs)
4. Overseas Corporate Bodies

**MAXIMUM AND MINIMUM APPLICATION SIZE**

**1. For Retail Individual Applicants**

The Application must be for a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter, so as to ensure that the Application Price payable by the Applicant does not exceed Rs. 2,00,000. In case of revision of Applications, the Retail Individual Applicants have to ensure that the Application Price does not exceed Rs. 2,00,000.

**2. For Other than Retail Individual Applicants (Non-Institutional Applicants and QIBs):**

The Application must be for a minimum of such number of Equity Shares that the Application Amount exceeds Rs. 2,00,000 and in multiples of [●] Equity Shares thereafter. An Application cannot be submitted for more than the Net Issue Size. However, the maximum Application by a QIB investor should not exceed the investment limits prescribed for them by applicable laws. Under existing SEBI Regulations, a QIB Applicant cannot withdraw its Application after the Issue Closing Date and is required to pay 100% QIB Margin upon submission of Application.

In case of revision in Applications, the Non-Institutional Applicants, who are individuals, have to ensure that the Application Amount is greater than Rs. 2,00,000 for being considered for allocation in the Non-Institutional Portion.

**Applicants are advised to ensure that any single Application 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.**

**The above information is given for the benefit of the Applicants. The Company and the LMs 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.**

**Participation by Associates /Affiliates of LM and the Syndicate Members**

The LM, Market Maker and the Underwriter, if any shall not be entitled to subscribe to this Issue in any manner except towards fulfilling their underwriting and market making obligations. However, associates/affiliates of the LM and Syndicate Members, if any may subscribe for Equity Shares in the Issue, either in the QIB Category or in the Non- Institutional Category as may be applicable to the Applicants, where the allocation is on a proportionate basis and such subscription may be on their own account or on behalf of their clients.

**Option to Subscribe in the Issue**

- a. As per Section 29(1) of the Companies Act 2013, allotment of Equity Shares shall be made in dematerialized form only. Investors will not have the option of getting allotment of specified securities in physical form.
- b. The Equity Shares, on allotment, shall be traded on the Stock Exchange in demat segment only.
- c. A single application from any investor shall not exceed the investment limit/minimum number of Equity Shares that can be held by him/her/it under the relevant regulations/statutory guidelines and applicable law.

**Information for the Applicants:**

1. Our Company and the Lead Managers shall declare the Issue Opening Date and Issue Closing Date in the Prospectus to be registered with the RoC and also publish the same in two national newspapers (one each in English and Hindi) and in a regional newspaper with wide circulation. This advertisement shall be in prescribed format.
2. Our Company will file the Prospectus with the RoC at least 3 (three) days before the Issue Opening Date.
3. Copies of the Application Form along with Abridge Prospectus and copies of the Prospectus will be available with the, the Lead Managers, the Registrar to the Issue, and at the Registered Office of our Company. Electronic Application Forms will also be available on the websites of the Stock Exchange.
4. Any applicant who would like to obtain the Prospectus and/ or the Application Form can obtain the same from our Registered Office.
5. Applicants who are interested in subscribing for the Equity Shares should approach Designated Intermediaries to register their applications.
6. Application Forms submitted directly to the SCSBs should bear the stamp of the SCSBs and/or the Designated Branch, or the respective Designated Intermediaries. Application Form submitted by Applicants whose beneficiary account is inactive shall be rejected.
7. The Application Form can be submitted either in physical or electronic mode, to the SCSBs with whom the ASBA Account is maintained, or other Designated Intermediaries (Other than SCSBs). SCSBs may provide the electronic mode of collecting either through an internet enabled collecting and banking facility or such other secured, electronically enabled mechanism for applying and blocking funds in the ASBA Account.
8. Applicants applying directly through the SCSBs should ensure that the Application Form is submitted to a Designated Branch of SCSB, where the ASBA Account is maintained. Applications submitted directly to the SCSB's or other Designated Intermediaries (Other than SCSBs), the relevant SCSB, shall block an amount in the ASBA Account equal to the Application Amount specified in the Application Form, before entering the ASBA application into the electronic system.
9. Except for applications by or on behalf of the Central or State Government and the Officials appointed by the courts and by investors residing in the State of Sikkim, the Applicants, or in the case of application in joint names, the first Applicant (the first name under which the beneficiary account is held), should mention his/her PAN allotted under the Income Tax Act. In accordance with the SEBI Regulations, the PAN would be the sole identification number for participating transacting in the securities market, irrespective of the amount of transaction. Any Application Form without PAN is liable to be rejected. The demat accounts of Applicants for whom PAN details have not been verified, excluding persons resident in the State of Sikkim or persons who may be exempted from specifying their PAN for transacting in the securities market, shall be "suspended for credit" and no credit of Equity Shares pursuant to the Issue will be made into the accounts of such Applicants.
10. The Applicants may note that in case the PAN, the DP ID and Client ID mentioned in the Application Form and entered into the electronic collecting system of the Stock Exchange Designated Intermediaries do not match with PAN, the DP ID and Client ID available in the Depository database, the Application Form is liable to be rejected.

### **Application by Indian Public including eligible NRIs applying on Non-Repatriation Basis**

Application must be made only in the names of individuals, Limited Companies or Statutory Corporations/institutions and not in the names of Minors, Foreign Nationals, Non Residents Indian (except for those applying on non-repatriation), trusts, (unless the Trust is registered under the Societies Registration Act, 1860 or any other applicable Trust laws and is authorized under its constitution to hold shares and debentures in a Company), Hindu Undivided Families, Partnership firms or their nominees. In case of HUFs, application shall be made by the Karta of the HUF. An applicant in the Net Public Category cannot make an application for that number of Equity Shares exceeding the number of Equity Shares offered to the public. Eligible NRIs applying on a non-repatriation basis should authorize their SCSB to block their NRE/FCNR accounts as well as NRO accounts.

### **Applications by eligible NRIs/ FPI's on Repatriation Basis**

Application Forms have been made available for eligible NRIs at our registered office.

Eligible NRIs applicants may please note that only such applications as are accompanied by payment in free foreign exchange shall be considered for Allotment under reserved category. The Eligible NRIs who intend to get the amount blocked in the Non Resident Ordinary (NRO) accounts shall use the form meant for Resident Indians and shall not use the forms meant for reserved category.

Under FEMA, general permission is granted to companies vide notification no. FEMA/20/2000 RB dated 03/05/2000 to issue securities to NRIs subject to the terms and conditions stipulated therein. Companies are required to file the declaration in the prescribed form to the concerned Regional Office of RBI within 30 (thirty) days from the date of issue of shares of allotment to NRIs on repatriation basis.

Allotment of Equity shares to Non-Resident Indians shall be subject to the prevailing Reserve Bank of India Guidelines. Sale proceeds of such investments in Equity shares will be allowed to be repatriated along with the income thereon subject to the permission of the RBI and subject to the Indian Tax Laws and regulations and any other applicable laws.

### **As Per The Current Regulations, The Following Restrictions Are Applicable For Investments By FPIs.**

1. A foreign portfolio investor shall invest only in the following securities, namely- (a) Securities in the primary and secondary markets including shares, debentures and warrants of companies, listed or to be listed on a recognized stock exchange in India; (b) Units of schemes floated by a domestic mutual funds, whether listed on a recognized stock exchange or not; (c) Units of Schemes floated by a collective investment scheme; (d) Derivatives traded on a recognized Stock Exchange; (e) Treasury bills and dated government securities; (f) Commercial papers issued by an Indian Company; (g) Rupee denominated credit enhanced bonds; (h) Security receipts issued by asset reconstruction companies; (i) Perpetual debt instruments and debt capital instruments, as specified by the Reserve Bank of India from time to time; (j) Listed and unlisted non-convertible debentures/bonds issued by an Indian company in the infrastructure sector, where 'infrastructure' is defined in terms of the extant External Commercial Borrowings (ECB) guidelines; (k) Non-Convertible debentures or bonds issued by Non – Banking Financial Companies categorized as 'Infrastructure Finance Companies' (IFC) by the Reserve Bank of India; (l) Rupee denominated bonds or units issued by infrastructure debt funds; (m) Indian depository receipts; and (n) Such other instruments specified by the Board from time to time.
2. Where a foreign institutional investor or a sub account, prior to commencement of SEBI (Foreign Portfolio Investors) Regulations, 2014, hold equity shares in a company whose shares are not listed on any recognized stock exchange, and continues to hold such shares after Initial Public Offering and listing thereof, such shares shall be subject to lock-in for the same period, if any, as is applicable to shares held by a foreign direct investor placed in similar position, under the policy of the Government of India relating to foreign direct investment from the time being in force.
3. In respect of investments in the secondary market, the following additional conditions shall apply:
  - a) A foreign portfolio investor shall transact in the securities in India only on the basis of taking and giving delivery of securities purchased or sold;
  - b) Nothing contained in clause (a) shall apply to:

- ❖ Any transactions in derivatives on a recognized stock exchange;
  - ❖ Short selling transactions in accordance with the framework specified by the Board;
  - ❖ Any transaction in securities pursuant to an agreement entered into with the merchant banker in the process of market making or subscribing to unsubscribed portion of the issue in accordance with Chapter XB of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009
  - ❖ Any other transaction specified by the Board.
- c) No transaction on the stock exchange shall be carried forward;
- d) The transaction of business in securities by a foreign portfolio investor shall be only through stock brokers registered by the Board; provided nothing contained in this clause shall apply to;
- i. transactions in Government securities and such other securities falling under the purview of the Reserve Bank of India which shall be carried out in the manner specified by the Reserve Bank of India;
  - ii. Sale of securities in response to a letter of offer sent by an acquirer in accordance with the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - iii. Sale of securities in response to an offer made by any promoter or acquirer in accordance with the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
  - iv. Sale of securities, in accordance with the Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998;
  - v. divestment of securities in response to an offer by Indian Companies in accordance with Operative Guidelines of Disinvestment of shares of Indian Companies in the overseas market through issue of American Depository Receipts or Global Depository Receipts as notified by the Government of India and directions issued by Reserve Bank of India from time to time;
  - vi. Any bid for, or acquisition of, securities in response to an offer for disinvestment of shares made by the Central Government or any State Government;
  - vii. Any transaction in securities pursuant to an agreement entered into with merchant banker in the process of market making portion of the issue in accordance with Chapter XB of the Securities and Exchange Board of India ( Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - viii. Any other transaction specified by Board.
- e) A foreign portfolio investor shall hold, deliver or cause to be delivered securities only in dematerialized form: Provided that any shares held in non-dematerialized form, before the commencement of these regulation, can be held in non-dematerialized form, if such shares cannot be dematerialized.
4. Unless otherwise approved by the Board, securities shall be registered in the name of the foreign portfolio investor as a beneficial owner for the purposes of the Depositories Act, 1996.
5. The purchase of Equity Shares of each company by a single foreign portfolio investor or an investor group shall be below ten percent of the total issued capital of the company.
6. The investment by the foreign portfolio investor shall also be subject to such other conditions and restrictions as may be specified by the Government of India from time to time.
7. In cases where the Government of India enters into agreements or treaties with other sovereign Governments and where such agreements or treaties specifically recognize certain entities to be distinct and separate, the Board may, during the validity of such agreements or treaties, recognize them as such, subject to conditions as may be specified by it.
8. A foreign portfolio investor may lend or borrow securities in accordance with the framework specified by the Board in this regard.

No foreign portfolio investor may issue, subscribe to or otherwise deal in offshore derivative instruments, directly or indirectly, unless the following conditions are satisfied:

- a) Such offshore derivative instruments are issued only to persons who are regulated by an appropriate foreign regulatory authority
- b) Such offshore derivatives instruments are issued after compliance with 'know your client' norms:



Provided that those unregulated broad based funds, which are classified as Category II foreign portfolio investor by virtue of their investment manager being appropriately regulated shall not issue, subscribe or otherwise deal, in offshore derivatives instruments directly or indirectly.

Provided further that no Category III foreign portfolio investor shall issue, subscribe to or otherwise deal in offshore derivatives instruments directly or indirectly.

A foreign portfolio investor shall ensure that further issue or transfer of any offshore derivative instruments issued by or on behalf of it is made only to persons who are regulated by an appropriate foreign regulatory authority.

Foreign portfolio investors shall fully disclose to the Board any information concerning the terms of and parties to off-shore derivative instruments such as participatory notes, equity linked notes or any other such instruments, by whatever names they are called, entered into by it relating to any securities listed or proposed to be listed in any stock exchange in India, as and when and in such form as the Board may specify.

Any offshore derivative instruments issued under the Securities and Exchange Board of India of India (Foreign Institutional Investors) Regulations, 1995 before commencement of SEBI (Foreign Portfolio Investors) Regulation, 2014 shall be deemed to have been issued under the corresponding provision of SEBI (Foreign Portfolio Investors) Regulation, 2014.

The purchase of equity shares of each company by a single foreign portfolio investor or an investor group shall be below 10 per cent of the total issued capital of the company.

An FII or its subaccount which holds a valid certificate of registration shall, subject to the payment of conversion fees, be eligible to continue to buy, sell or otherwise deal in securities till the expiry of its registration as a foreign institutional investor or sub-account, or until he obtains a certificate of registration as foreign portfolio investor, whichever is earlier.

Qualified foreign investor may continue to buy, sell or otherwise deal in securities subject to the provision of SEBI (Foreign Portfolio Investors) Regulation, 2014, for a period of one year from the date of commencement of aforesaid regulations, or until it obtains a certificate of registration as foreign portfolio investor, whichever is earlier.

#### **Application by Mutual Funds**

As per the current regulations, the following restrictions are applicable for investments by Mutual fund:

No mutual fund scheme shall invest more than 10% of its net asset value in the Equity Shares or equity related instruments of any Company provided that the limit of 10% shall not be applicable for investments in index funds or sector or industry specific funds. No mutual fund under all its schemes should own more than 10% of any Company's paid up share capital carrying voting rights.

With respect to Applications by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged with the Application Form. Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason thereof.

In case of a Mutual Fund, a separate Application can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Applications in respect of more than one scheme of the Mutual Fund will not be treated as multiple Applications provided that the Applications clearly indicate the scheme concerned for which the Application has been made.

The Application made by Asset Management Companies or custodians of Mutual Funds shall specifically state the names of the concerned schemes for which the Applications are made.

#### **Applications by Limited Liability Partnerships**

In case of Applications made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the LLP Act, 2008 must be attached to the Application Form. Failing this, our Company reserves the right to reject any Application without assigning any reason thereof.



### **Applications by Insurance Companies**

In case of applications made by insurance companies registered with IRDA, certified copy of certificate of registration issued by IRDA must be attached to the Application Form. Failing this, our Company in consultation with the LM, reserves the right to reject any application, without assigning any reason thereof. The exposure norms for insurers, prescribed under the Insurance Regulatory and Development Authority (Investment Scheme) (5th Amendment) Regulations, 2010, as amended (the “IRDA Investment Regulations”), are broadly set forth below:

- (a) Equity shares of a company: The lesser of 10% of the investee company’s subscribed capital (face value) or 10% of the respective fund in case of life insurer or 10% of investment assets in case of general insurer or reinsurer;
- (b) The entire group of the investee company: at least 10% of the respective fund in case of a life insurer or 10% of investment assets in case of general insurer or reinsurer (25% in case of Unit Linked Insurance Plans); and
- (c) The industry sector in which the investee company operates: 10% of the insurer’s total investment exposure to the industry sector (25% in case of Unit Linked Insurance Plans).

### **Applications under Power of Attorney**

In case of applications made pursuant to a power of attorney by limited companies, corporate bodies, registered societies, FIIs, FPI’s, Mutual Funds, insurance companies and provident funds with minimum corpus of Rs. 2,500 Lakhs (subject to applicable law) and pension funds with a minimum corpus of Rs. 2,500 Lakhs, a certified copy of the power of attorney or the relevant Resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws must be lodged with the Application Form. Failing this, our Company reserves the right to accept or reject any application in whole or in part, in either case, without assigning any reason therefore.

With respect to the applications by VCFs, FVCIs and FPIs, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be along with a certified copy of their SEBI registration certificate must be lodged along with the Application Form. Failing this, our Company reserves the right to accept or reject any application in whole or in part, in either case, without assigning any reason therefore.

In the case of Applications made pursuant to a power of attorney by Mutual Funds, a certified copy of the power of attorney or the relevant resolutions or authority, as the case may be, along with the certified copy of their SEBI registration certificate must be submitted along with the Application Form. Failing this, the Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason therefore.

In the case of Applications made by insurance companies registered with the IRDA, a certified copy of certificate of registration issued by the IRDA must be lodged along with the Application Form. Failing this, the Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason therefore.

In the case of Applications made by to the power of attorney by FIIs, a certified copy of the power of attorney the relevant resolution or authority, as the case may be along with the certified copy of SEBI registration certificate must be lodged with the Application Form. Failing this, the Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason thereof.

In the case of Applications made by provident funds, subject to applicable law, with minimum corpus of Rs. 2500 Lacs and pension funds with minimum corpus of Rs. 2500 Lacs, a certified copy of a certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be lodged along with the Application Form. Failing this, the Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason thereof.

### **Application by Provident Funds/Pension Funds**

In case of Applications made by provident funds with minimum corpus of Rs. 2,500 lakhs (subject to applicable law) and pension funds 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 lodged along with the Application Form. Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason thereof.

The above information is given for the benefit of the Applicants. Our Company and the LM are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of filing of this Draft Prospectus. Applicants are advised to make their independent investigations and ensure that the maximum number of Equity Shares applied for or maximum investment limits do not exceed the applicable limits under laws or regulations or as specified in this Draft Prospectus.

### **Method and Process of Applications**

1. The Designated Intermediaries shall accept applications from the Applicants during the Issue Period.
2. The Issue Period shall be for a minimum of three Working Days and shall not exceed 10 Working Days. The Issue Period may be extended, if required, by an additional three Working Days, subject to the total Issue Period not exceeding 10 Working Days.
3. During the Issue Period, Applicants who are interested in subscribing to the Equity Shares should approach the Designated Intermediaries to register their applications.
4. The Applicant cannot apply on another Application Form after applications on one Application Form have been submitted to the Designated Intermediaries. Submission of a second Application form to either the same or to another Designated Intermediaries will be treated as multiple applications and is liable to be rejected either before entering the application into the electronic collecting system or at any point prior to the allocation or Allotment of Equity Shares in this Issue.
5. Designated Intermediaries accepting the application forms shall be responsible for uploading the application along with other relevant details in application forms on the electronic bidding system of stock exchange and submitting the form to SCSBs for blocking of funds (except in case of SCSBs, where blocking of funds will be done by respective SCSBs only). All applications shall be stamped and thereby acknowledged by the Designated Intermediaries at the time of receipt.
6. The Designated Intermediaries will enter each application option into the electronic collecting system as a separate application and generate a TRS and give the same to the applicant.
7. Upon receipt of the Application Form, submitted whether in physical or electronic mode, the Designated Intermediaries shall verify if sufficient funds equal to the Application Amount are available in the ASBA Account, as mentioned in the Application Form, prior to uploading such applications with the Stock Exchange.
8. If sufficient funds are not available in the ASBA Account, the Designated Intermediaries shall reject such applications and shall not upload such applications with the Stock Exchange.
9. If sufficient funds are available in the ASBA Account, the SCSB shall block an amount equivalent to the Application Amount mentioned in the Application Form and will enter each application option into the electronic collecting system as a separate application and generate a TRS for each price and demand option. The TRS shall be furnished to the Applicant on request.
10. The Application Amount shall remain blocked in the aforesaid ASBA Account until finalization of the Basis of Allotment and consequent transfer of the Application Amount against the Allotted Equity Shares to the Public Issue Account, or until withdrawal/ failure of the Issue or until withdrawal/ rejection of the Application Form, as the case may be. Once the Basis of Allotment is finalized, the Registrar to the Issue shall send an appropriate request to the Controlling Branch of the SCSB for unblocking the relevant ASBA Accounts and for transferring the amount allocable to the successful Applicants to the Public Issue Account. In case of withdrawal/ failure of the Issue, the blocked amount shall be unblocked on receipt of such information from the Registrar to the Issue.

### **Terms of payment**

The entire Issue price of [●] per share is payable on application. In case of allotment of lesser number of Equity Shares than the number applied, the Registrar shall instruct the SCSBs to unblock the excess amount paid on Application to the Applicants.

SCSBs will transfer the amount as per the instruction of the Registrar to the Public Issue Account, the balance amount after transfer will be unblocked by the SCSBs.

The applicants should note that the arrangement with Bankers to the Issue or the Registrar is not prescribed by SEBI and has been established as an arrangement between our Company, Banker to the Issue and the Registrar to the Issue to facilitate collections from the Applicants.

### **Payment mechanism**

The applicants shall specify the bank account number in their Application Form and the SCSBs shall block an amount equivalent to the Application Amount in the bank account specified in the Application Form. The SCSB shall keep the Application Amount in the relevant bank account blocked until withdrawal/ rejection of the Application or receipt of instructions from the Registrar to unblock the Application Amount. However Non Retail Applicants shall neither withdraw nor lower the size of their applications at any stage. In the event of withdrawal or rejection of the Application Form or for unsuccessful Application Forms, the Registrar to the Issue shall give instructions to the SCSBs to unblock the application money in the relevant bank account within one day of receipt of such instruction. The Application Amount shall remain blocked in the ASBA Account until finalization of the Basis of Allotment in the Issue and consequent transfer of the Application Amount to the Public Issue Account, or until withdrawal/ failure of the Issue or until rejection of the Application by the ASBA Applicant, as the case may be.

*Please note that pursuant to SEBI circular CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 investors in the public issue can only invest through ASBA Mode.*

### **Electronic Registration of Applications**

1. The Designated Intermediaries will register the applications using the on-line facilities of the Stock Exchange.
2. The Designated Intermediaries will undertake modification of selected fields in the application details already uploaded before 1.00 p.m. of next Working Day from the Issue Closing Date.
3. The Designated Intermediaries shall be responsible for any acts, mistakes or errors or omissions and commissions in relation to,
  - (i) the applications accepted by them,
  - (ii) the applications uploaded by them
  - (iii) the applications accepted but not uploaded by them or
  - (iv) with respect to applications by Applicants, applications accepted and uploaded by any Designated Intermediary other than SCSBs, the Application form along with relevant schedules shall be sent to the SCSBs or the Designated Branch of the relevant SCSBs for blocking of funds and they will be responsible for blocking the necessary amounts in the ASBA Accounts. In case of Application accepted and Uploaded by SCSBs, the SCSBs or the Designated Branch of the relevant SCSBs will be responsible for blocking the necessary amounts in the ASBA Accounts.
4. Neither the Lead Managers nor our Company nor the Registrar to the Issue, shall be responsible for any acts, mistakes or errors or omission and commissions in relation to,
  - (i) The applications accepted by any Designated Intermediaries
  - (ii) The applications uploaded by any Designated Intermediaries or
  - (iii) The applications accepted but not uploaded by any Designated Intermediaries
5. The Stock Exchange will offer an electronic facility for registering applications for the Issue. This facility will be available at the terminals of Designated Intermediaries and their authorized agents during the Issue Period. The Designated Branches or agents of Designated Intermediaries can also set up facilities for off-line electronic registration of applications subject to the condition that they will subsequently upload the off-line data file into the online facilities on a

regular basis. On the Issue Closing Date, the Designated Intermediaries shall upload the applications till such time as may be permitted by the Stock Exchange. This information will be available with the Lead Manager on a regular basis.

6. With respect to applications by Applicants, at the time of registering such applications, the Syndicate Bakers, DPs and RTAs shall forward a Schedule as per format given below along with the Application Forms to Designated Branches of the SCSBs for blocking of funds:

S. No.	Details*
1.	Symbol
2.	Intermediary Code
3.	Location Code
4.	Application No.
5.	Category
6.	PAN
7.	DP ID
8.	Client ID
9.	Quantity
10.	Amount

*\*Stock Exchanges shall uniformly prescribe character length for each of the above-mentioned fields*

7. With respect to applications by Applicants, at the time of registering such applications, the Designated Intermediaries shall enter the following information pertaining to the Applicants into in the on-line system:
- Name of the Applicant;
  - IPO Name;
  - Application Form Number;
  - Investor Category;
  - PAN (of First Applicant, if more than one Applicant);
  - DP ID of the demat account of the Applicant;
  - Client Identification Number of the demat account of the Applicant;
  - Number of Equity Shares Applied for;
  - Bank Account details;
  - Locations of the Banker to the Issue or Designated Branch, as applicable, and bank code of the SCSB branch where the ASBA Account is maintained; and
  - Bank account number.
8. In case of submission of the Application by an Applicant through the Electronic Mode, the Applicant shall complete the above-mentioned details and mention the bank account number, except the Electronic ASBA Application Form number which shall be system generated.
9. The aforesaid Designated Intermediaries shall, at the time of receipt of application, give an acknowledgment to the investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the application form in physical as well as electronic mode. The registration of the Application by the Designated Intermediaries does not guarantee that the Equity Shares shall be allocated / allotted either by our Company.
10. Such acknowledgment will be non-negotiable and by itself will not create any obligation of any kind.
11. In case of Non Retail Applicants and Retail Individual Applicants, applications would not be rejected except on the technical grounds as mentioned in the Prospectus. The Designated Intermediaries shall have no right to reject applications, except on technical grounds.
12. The permission given by the Stock Exchanges to use their network and software of the Online IPO system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company and/or the Lead Manager are cleared or approved by the Stock Exchanges; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the compliance with the statutory and other requirements nor does it take any responsibility for the financial or other soundness of our company; our Promoter, our management or any scheme or project of our Company; nor does it in any manner warrant, certify or endorse the correctness or

completeness of any of the contents of this Draft Prospectus, nor does it warrant that the Equity Shares will be listed or will continue to be listed on the Stock Exchanges.

13. The Designated Intermediaries will be given time till 1.00 p.m. on the next working day after the Issue Closing Date to verify the DP ID and Client ID uploaded in the online IPO system during the Issue Period, after which the Registrar to the Issue will receive this data from the Stock Exchange and will validate the electronic application details with Depository's records. In case no corresponding record is available with Depositories, which matches the three parameters, namely DP ID, Client ID and PAN, then such applications are liable to be rejected.
14. The SCSBs shall be given one day after the Issue Closing Date to send confirmation of Funds blocked (Final certificate) to the Registrar to the Issue.
15. The details uploaded in the online IPO system shall be considered as final and Allotment will be based on such details for applications.

#### **Allocation of Equity shares**

- 1) The Issue is being made through the Fixed Price Process wherein [●] Equity Shares shall be reserved for Market Maker and [●] Equity shares will be allocated on a proportionate basis to Retail Individual Applicants, subject to valid applications being received from Retail Individual Applicants at the Issue Price. The balance of the Net Issue will be available for allocation on proportionate basis to Non Retail Applicants.
- 2) Under- subscription if any, in any category, would be allowed to be met with spill-over from any other category or combination of categories at the discretion of our Company in consultation with the Lead Managers and the Stock Exchange.
- 3) Allocation to Non-Residents, including Eligible NRIs, Eligible QFIs, FIIs and FVCIs registered with SEBI, applying on repatriation basis will be subject to applicable law, rules, regulations, guidelines and approvals.
- 4) In terms of SEBI Regulations, Non Retail Applicants shall not be allowed to either withdraw or lower the size of their applications at any stage.
- 5) Allotment status details shall be available on the website of the Registrar to the Issue.

#### **Signing of Underwriting Agreement and Filing of Prospectus with ROC**

- a) Our company has entered into an Underwriting Agreement dated [●].
- b) A copy of Prospectus will be filled with the ROC in terms of Section 26 of Companies Act, 2013.

#### **Pre-Issue Advertisement**

Subject to Section 30 of the Companies Act 2013, our Company shall, after registering the Prospectus with the ROC, publish a pre-Issue advertisement, in the form prescribed by the SEBI Regulations, in (i) English National Newspaper; (ii) Hindi National Newspaper and (iii) Regional Newspaper each with wide circulation.

#### **Issuance of Allotment Advice**

- 1) Upon approval of the Basis of Allotment by the Designated Stock Exchange.
- 2) The Lead Managers or the Registrar to the Issue will dispatch an Allotment Advice to their Applicants who have been allocated Equity Shares in the Issue.

The dispatch of Allotment Advice shall be deemed a valid, binding and irrevocable contract for the Allotment to such Applicant.

## **General Instructions**

### **Do's:**

- Check if you are eligible to apply;
- Read all the instructions carefully and complete the applicable Application Form;
- Ensure that the details about the Depository Participant and the beneficiary account are correct as Allotment of Equity Shares will be in the dematerialized form only;
- Each of the Applicants should mention their Permanent Account Number (PAN) allotted under the Income Tax Act, 1961;
- Ensure that the Demographic Details are updated, true and correct in all respects;
- Ensure that the name(s) given in the Application Form is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant.
- Ensure that you have funds equal to the Application Amount in the ASBA account maintained with the SCSB before submitting the Application Form under the ASBA process to the respective member of the Syndicate (in the Specified Locations), the SCSBs, the Registered Broker (at the Broker Centres), the RTA (at the Designated RTA Locations) or CDP (at the Designated CDP Locations); Instruct your respective Banks to not release the funds blocked in the ASBA Account under the ASBA process;
- Ensure that the Application Form is signed by the account holder in case the applicant is not the account holder. Ensure that you have mentioned the correct bank account number in the Application Form;
- Ensure that the Application Forms are delivered by the applicants within the time prescribed as per the Application Form and the Prospectus;
- Ensure that you have requested for and receive a TRS;
- Ensure that you request for and receive a stamped acknowledgement of the Application Form for all your application options;
- All Investors submit their applications through the ASBA process only;
- Ensure that you receive an acknowledgement from the concerned Designated Intermediary, for the submission of your Bid cum Application Form; and
- The Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

### **Don'ts:**

- Do not apply for lower than the minimum Application size;
- Do not apply for a price different from the price mentioned herein or in the Application Form;
- Do not apply on another Application Form after you have submitted an application to the SCSBs, Registered Brokers of Stock Exchange, RTA and DPs registered with SEBI;
- Do not pay the Application Price in cash, by money order or by postal order or by stock invest;
- Do not send Application Forms by post, instead submit the Designated Intermediary only;
- Do not submit the Application Forms to any non-SCSB bank or our Company;
- Do not apply on an Application Form that does not have the stamp of the relevant Designated Intermediary;
- Do not submit the application without ensuring that funds equivalent to the entire application Amount are blocked in the relevant ASBA Account;
- Do not apply for an Application Amount exceeding Rs. 2,00,000 (for applications by Retail Individual Applicants);
- Do not fill up the Application Form such that the Equity Shares applied for exceeds the Issue Size and/or investment limit or maximum number of Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations;
- Do not submit the GIR number instead of the PAN as the application is liable to be rejected on this ground;
- Do not submit incorrect details of the DP ID, beneficiary account number and PAN or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar to the Issue;
- Do not submit applications on plain paper or incomplete or illegible Application Forms in a color prescribed for another category of Applicant; and
- Do not make Applications if you are not competent to contract under the Indian Contract Act, 1872, as amended.
- Do not make more than five applications from one bank account.



### **Instructions for Completing the Application Form**

The Applications should be submitted on the prescribed Application Form and in BLOCK LETTERS in ENGLISH only in accordance with the instructions contained herein and in the Application Form. Applications not so made are liable to be rejected. Application Forms should bear the stamp of the Designated Intermediaries. ASBA Application Forms, which do not bear the stamp of the Designated Intermediaries, will be rejected.

SEBI, vide Circular No.CIR/CFD/14/2012 dated October 04, 2012 has introduced an additional mechanism for investors to submit Application forms in public issues using the stock broker (broker) network of Stock Exchanges, who may not be syndicate members in an issue with effect from January 01, 2013. The list of Broker Centre is available on the websites of BSE i.e. [www.bseindia.com](http://www.bseindia.com) and NSE i.e. [www.nseindia.com](http://www.nseindia.com). With a view to broad base the reach of Investors by substantial, enhancing the points for submission of applications, SEBI vide Circular No.CIR/CFD/POLICY CELL/11/2015 dated November 10, 2015 has permitted Registrar to the Issue and Share Transfer Agent and Depository Participants registered with SEBI to accept the Application forms in Public Issue with effect front January 01, 2016. The List of ETA and DPs centres for collecting the application shall be disclosed is available on the websites of BSE i.e. [www.bseindia.com](http://www.bseindia.com) and NSE i.e. [www.nseindia.com](http://www.nseindia.com)

### **Applicant's Depository Account and Bank Details**

Please note that, providing bank account details, PAN No's, Client ID and DP ID in the space provided in the application form is mandatory and applications that do not contain such details are liable to be rejected.

Applicants should note that on the basis of name of the Applicants, Depository Participant's name, Depository Participant Identification number and Beneficiary Account Number provided by them in the Application Form as entered into the Stock Exchange online system, the Registrar to the Issue will obtain front the Depository the demographic details including address, Applicants bank account details, MICR code and occupation (hereinafter referred to as 'Demographic Details'). These Demographic Details would be used for all correspondence with the Applicants including mailing of the Allotment Advice. The Demographic Details given by Applicants in the Application Form would not be used for any other purpose by the Registrar to the Issue.

By signing the Application Form, the Applicant would be deemed to have authorized the depositories to provide, upon request, to the Registrar to the Issue, the required Demographic Details as available on its records.

### **Submission of Application Form**

All Application Forms duly completed shall be submitted to the Designated Intermediaries. The aforesaid intermediaries shall, at the time of receipt of application, give an acknowledgement to investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the application form, in physical or electronic mode, respectively.

### **Communications**

All future communications in connection with Applications made in this Issue should be addressed to the Registrar to the Issue quoting the full name of the sole or First Applicant, Application Form number, Applicants Depository Account Details, number of Equity Shares applied for, date of Application form, name and address of the Designated Intermediary where the Application was submitted thereof and a copy of the acknowledgement slip.

Investors can contact the Compliance Officer or the Registrar to the Issue in case of any pre Issue or post Issue related problems such as non-receipt of letters of allotment, credit of allotted shares in the respective beneficiary accounts, etc.

### **Disposal of Application and Application Moneys and Interest in Case of Delay**

The Company shall ensure the dispatch of Allotment advice, and give benefit to the beneficiary account with Depository Participants and submit the documents pertaining to the Allotment to the Stock Exchange within 2 (two) working days of date of Allotment of Equity Shares.



The Company shall use best efforts to ensure that all steps for completion of the necessary formalities for listing and commencement of trading at SME Platform of NSE where the Equity Shares are proposed to be listed are taken within 6 (Six) working days from Issue Closing Date.

In accordance with the Companies Act, the requirements of the Stock Exchange and the SEBI Regulations, the Company further undertakes that:

1. Allotment and Listing of Equity Shares shall be made within 6 (Six) days of the Issue Closing Date;
2. The Company will provide adequate funds required for dispatch of Allotment Advice to the Registrar to the Issue.

### **Right to Reject Applications**

In case of QIB Applicants, the Company in consultation with the LM may reject Applications provided that the reasons for rejecting the same shall be provided to such Applicant in writing. In case of Non Institutional Applicants, Retail Individual Applicants who applied, the Company has a right to reject Applications based on technical grounds.

### **Impersonation**

*Attention of the 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."

### **Undertakings by Our Company**

We undertake as follows:

- 1) That the complaints received in respect of the Issue shall be attended to by us expeditiously and satisfactorily;
- 2) That all steps will be taken for the completion of the necessary formalities for listing and commencement of trading at the Stock Exchange where the Equity Shares are proposed to be listed within 6 (six) Working days of Issue Closing Date.
- 3) That if the Company do not proceed with the Issue, the reason thereof shall be given as a public notice to be issued by our Company within two days of the Issue Closing Date. The public notice shall be issued in the same newspapers where the pre-Issue advertisements were published. The stock exchange on which the Equity Shares are proposed to be listed shall also be informed promptly;
- 4) That the our Promoters' contribution in full has already been brought in;
- 5) That no further issue of Equity Shares shall be made till the Equity Shares offered through the Prospectus are listed or until the Application monies are unblocked on account of non-listing, under subscription etc. and
- 6) That if the Company withdraws the Issue after the Issue Closing Date, our Company shall be required to file a fresh offer document with the ROC/ SEBI, in the event our Company subsequently decides to proceed with the Issuer;

### **Utilization of Issue Proceeds**

The Board of Directors of our Company certifies that:

- 1) All monies received out of the Issue shall be credited/ transferred to a separate bank account other than the bank account referred to in sub section (3) of Section 40 of the Companies Act 2013;

- 2) Details of all monies utilized out of the Issue referred above shall be disclosed and continue to be disclosed till the time any part of the issue proceeds remains unutilized, under an appropriate head in our balance sheet of our company indicating the purpose for which such monies have been utilized;
- 3) Details of all unutilized monies out of the Issue, if any shall be disclosed under the appropriate separate head in the balance sheet of our company indicating the form in which such unutilized monies have been invested and
- 4) Our Company shall comply with the requirements of SEBI Listing Regulations, 2015 in relation to the disclosure and monitoring of the utilization of the proceeds of the Issue.
- 5) Our Company shall not have recourse to the Issue Proceeds until the approval for listing and trading of the Equity Shares from the Stock Exchange where listing is sought has been received.
- 6) The Lead Manager undertakes that the complaints or comments received in respect of the Issue shall be attended by our Company expeditiously and satisfactorily.

**Equity Shares in Dematerialized Form with NSDL or CDSL**

To enable all shareholders of our Company to have their shareholding in electronic form, the Company has signed the following tripartite agreements with the Depositories and the Registrar and Share Transfer Agent:

- a) Agreement dated April 13, 2018 between NSDL, the Company and the Registrar to the Issue;
- b) Agreement dated April 17, 2018 between CDSL, the Company and the Registrar to the Issue;

The Company's equity shares bear an ISIN No. INE00C801012

## 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 the 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 the Fixed Price Issues. The purpose of the “General Information Document for Investing in Public Issues” is to provide general guidance to potential Applicants in IPOs, 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**”) as amended.

Applicants should note that investment in equity and equity related securities involves risk and Applicant should not invest any funds in the Issue unless they can afford to take the risk of losing their investment. The specific terms relating to securities and/or for subscribing to securities in an Issue and the relevant information about the Issuer undertaking the Issue; are set out in the Prospectus filed by the Issuer with the Registrar of Companies (“**RoC**”). Applicants should carefully read the entire Prospectus and the Application Form and the Abridged Prospectus of the Issuer in which they are proposing to invest through the Issue. In case of any difference in interpretation or conflict and/or overlap between the disclosure included in this document and the Prospectus, the disclosures in the Prospectus shall prevail. The Prospectus of the Issuer is available on the websites of stock exchanges, on the website(s) of the **LM(s)** to the Issue and on the website of Securities and Exchange Board of India (“**SEBI**”) at [www.sebi.gov.in](http://www.sebi.gov.in).

For the definitions of capitalized terms and abbreviations used herein Applicants may 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 Chapter XB of SEBI (ICDR) regulations, wherein as per,

- Regulation 106M (1): An issuer whose post-issue face value capital does not exceed ten crore rupees shall issue its specified securities in accordance with provisions of this Chapter.
- Regulation 106M (2): An issuer whose post-issue face value capital is more than ten crore rupees and upto twenty five crore rupees, may also issue its specified securities in accordance with provisions of this Chapter.

The present Issue being made under Regulation 106M (2) of Chapter XB of SEBI (ICDR) Regulation.

## 2.2 Other Eligibility Requirements

In addition to the eligibility requirements specified in paragraphs 2.1 an Issuer proposing to undertake an IPO is required to comply with various other requirements as specified in the SEBI ICDR Regulations, 2009, the Companies Act, 1956 and the Companies Act, 2013 as may be applicable (“the Companies Act”), the Securities Contracts (Regulation) Rules, 1957 (the “SCRR”), industry-specific regulations, if any, and other applicable laws for the time being in force.

Following are the eligibility requirements for making an SME IPO under Regulation 106M (2) of Chapter XB of SEBI (ICDR) Regulation:

- a) In accordance with Regulation 106(P) of SEBI (ICDR) Regulation, Issue has to be 100% underwritten and the LM has to underwrite at least 15% of the total issue size.
- b) In accordance with regulation 106(R) of SEBI (ICDR) Regulation, total number of proposed allottees in the Issue shall be greater than or equal to fifty, otherwise the entire application money will be blocked forthwith. If such money is not repaid within eight days from the date the company becomes liable to repay it, than the Company and every officer in default shall, on and from expiry of eight days, be liable to repay such application money, with interest as prescribed under Section 40 of the Companies Act, 2013.
- c) In accordance with Regulation 106(O) the SEBI (ICDR) Regulation, 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) Regulation, 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) Our Company was originally incorporated as “Shiva Industrial Security Agency (Gujarat) Private Limited” on July 11, 1997 vide Registration Certificate No. 04-32649 under the provisions of the Companies Act, 1956 with the Registrar of Companies, Gujarat.

Subsequently, our Company was converted into a Public Limited Company pursuant to Special Resolution passed at the Extra Ordinary General Meeting of the Company held on February 27, 2018 and the name of our Company was changed from “Shiva Industrial Security Agency (Gujarat) Private Limited” to “Shiva Industrial Security Agency (Gujarat) Limited” vide a fresh Certificate of Incorporation dated March 10, 2018 having CIN U67120GJ1997PLC032649 issued by the Registrar of Companies, Gujarat.

- f) The post issue paid up capital of the company will be 1,01,05,805 equity shares of face value of Rs. 10/- aggregating to Rs. 10.10Crore which is less than Rs. 25 Crore.
- g) The company confirms that it has track record of more than 3 years.
- h) The company confirms that it has positive cash accruals (earnings before depreciation and tax) from operations for at least 2 financial years preceding the application and its net-worth as on March 31, 2018 is positive.
- 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 of competent jurisdiction against the Issuer.
- 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 1 year preceding the date of filing application to NSE for listing on SME segment.

Issuer shall also comply with all the other requirements as laid down for such an Issue under Chapter X-B of SEBI (ICDR) Regulations and subsequent circulars and guidelines issued by SEBI and the Stock Exchange.

As per Regulation 106 (M) (3) of SEBI (ICDR) Regulation, 2009 the provisions of regulations 6(1), 6(2), 6(3) , Regulation 8, Regulation 9, Regulation 10, Regulation 25, Regulation 26, Regulation 27 and Sub regulation (1) of Regulation 49 of SEBI (ICDR) Regulations, 2009 shall not apply to this Issue.

Thus the Company is eligible for the Issue in accordance with Regulation 106M(2) and other provision of Chapter XB of SEBI (ICDR) Regulations as the post –issue face value capital does not exceed Rs. 2,500 Lakh. Company also complies with the eligibility conditions laid by the SME Platform of NSE for listing of our Equity Shares.

### 2.3 Types of Public Issues – Fixed Price Issues and Book Built Issues

In accordance with the provisions of the SEBI ICDR Regulations, 2009, an Issuer can either determine the Issue Price through the Book Building Process (“**Book Built Issue**”) or undertake a Fixed Price Issue (“**Fixed Price Issue**”). An Issuer may mention Floor Price or Price Band in the RHP (in case of a Book Built Issue) and a Price or Price Band in this Draft Prospectus (in case of a fixed price Issue) and determine the price at a later date before registering the Prospectus with the Registrar of Companies.

The cap on the Price Band should be less than or equal to 120% of the Floor Price. The Issuer shall announce the Price or the Floor Price or the Price Band through advertisement in all newspapers in which the pre-issue advertisement was given at least five Working Days before the Bid/Issue Opening Date, in case of an IPO and at least one Working Day before the Bid/Issue Opening Date, in case of an FPO.

The Floor Price or the Issue price cannot be lesser than the face value of the securities.

Applicants should refer to the Prospectus or Issue advertisements to check whether the Issue is a Book Built Issue or a Fixed Price Issue.

### 2.4 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.

### 2.5 Migration To Main Board

SME Issuer may migrate to the Main Board of Stock Exchange from the SME Exchange at a later date subject to the following:

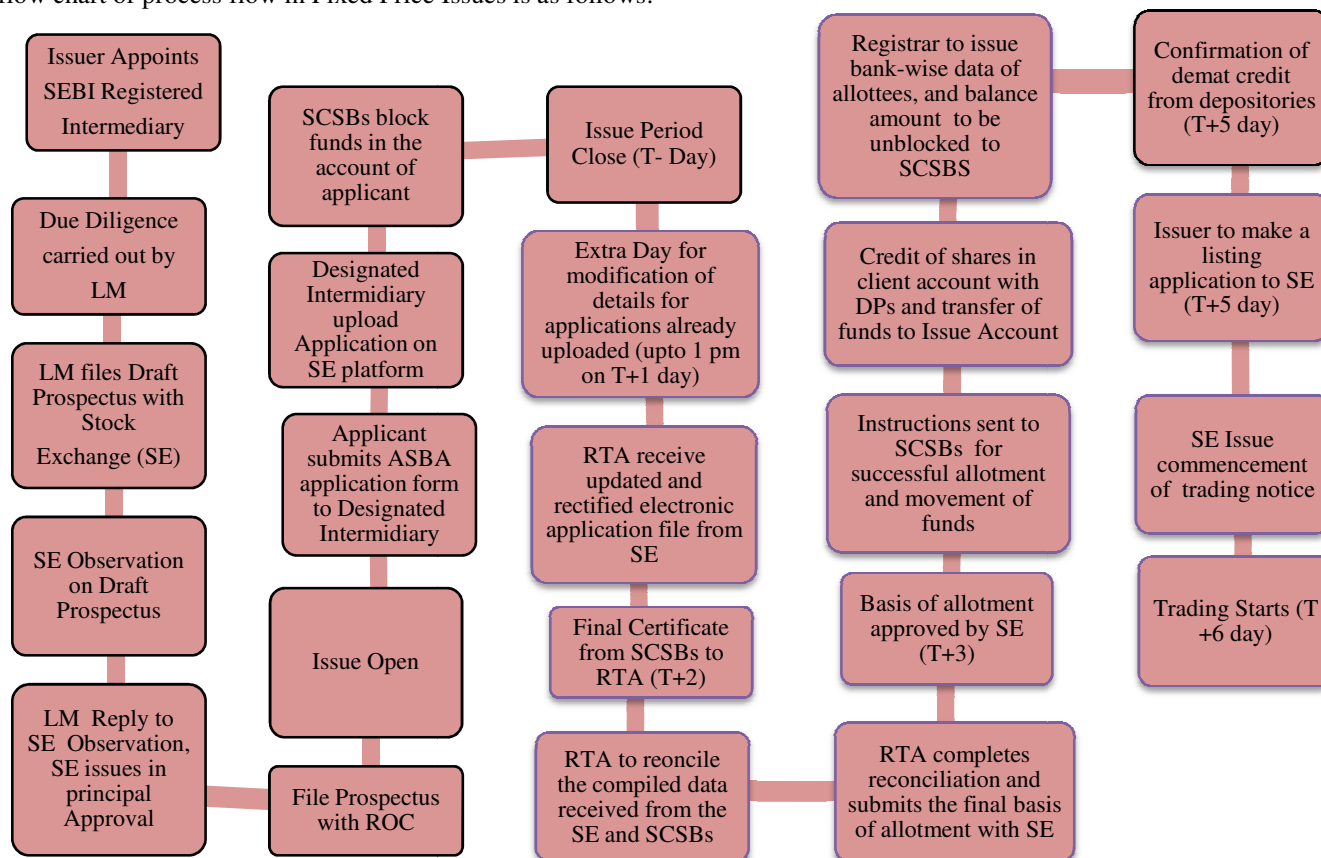
- a) If the Paid up Capital of the Company is likely to increase above Rs. 25 crores by virtue of any further issue of capital by way of rights, preferential issue, bonus issue etc. (which has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other 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), The Company shall apply to SE for listing of its shares on its Main Board subject to the fulfillment of the eligibility criteria for listing of specified securities laid down by the Main Board.

OR

- b) If the Paid up Capital of the company is more than 10 crores but below 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 Promoters in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal.

## 2.6 Flowchart Of Timelines

A flow chart of process flow in Fixed Price 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 Bidders/Applicants, such as NRIs, FII's, FPIs and FVCIs may not be allowed to apply in the Issue or to hold Equity Shares, in excess of certain limits specified under applicable law. Applicants are requested to refer to the Prospectus for more details.

Subject to the above, an illustrative list of Applicants is as follows:

- Indian nationals resident in India who are competent to contract under the Indian Contract Act, 1872, in single or joint names (not more than three) or in the names of minors as natural / legal guardian;
- Hindu Undivided Families or HUFs, in the individual name of the Karta. The Bidder/Applicant should specify that the Application is being made in the name of the HUF in the Application Form as follows: "Name of sole or first Applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta". Applications by HUFs may be considered at par with those from individuals;
- Companies, corporate bodies and societies registered under applicable law in India and authorized to invest in equity shares under their respective constitutional and charter documents;
- Mutual Funds registered with SEBI;
- Eligible NRIs on a repatriation basis or on a non-repatriation basis subject to applicable law; NRIs other than Eligible NRIs are not eligible to participate in this Issue.
- Indian Financial Institutions, scheduled commercial banks regional rural banks, co-operative banks (subject to RBI regulations and the SEBI ICDR Regulations, 2009 and other laws, as applicable);
- FPIs other than Category III foreign portfolio investors, VCFs and FVCIs registered with SEBI.

- Limited liability partnerships registered in India and authorized to invest in equity shares.
- State Industrial Development Corporations.
- Trusts/societies registered under the Societies Registration Act, 1860, as amended or under any other law relating to trusts/societies and who are authorized under their respective constitutions to hold and invest in equity shares;
- Scientific and/ or Industrial Research Organizations authorized to invest in equity shares.
- Insurance Companies registered with IRDA;
- Provident Funds and Pension Funds with minimum corpus of Rs. 2500 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, air force of the Union of India or by Department of Posts, India;
- Any other person eligible to apply to this Issue, under the laws, rules, regulations, guidelines, and policies applicable to them and under Indian Laws.

As per the existing regulations, OCBs are not allowed to participate in an Issue.

#### **Section 4: Applying in the Issue**

**Fixed Price Issue:** Applicants should only use the specified cum Application Form either bearing the stamp of Designated Intermediaries as available or downloaded from the websites of the Stock Exchanges. Application Forms are available with the registered office of the Issuer, and office of the RTA and at the office of the LM. For further details regarding availability of Application Forms, Applicants may refer to the Prospectus.

Applicants should ensure that they apply in the appropriate category. The prescribed color of the Application Form for various categories of Applicants is as follows:

Category	Color of the Application
Resident Indian, Eligible NRIs applying on a non -repatriation basis	White
NRIs, FVCIs, FIIs, their Sub-Accounts (other than Sub-Accounts which are foreign corporate(s) or foreign individuals bidding under the QIB), FPIs on a repatriation basis	Blue

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 Application Form/ Application Form (Fixed Price Issue)**

Applicants may note that forms not filled completely or correctly as per instructions provided in this GID, the Prospectus and 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

PLEASE FILL IN BLOCK LETTERS

<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>	
Address : _____		Contact Details : _____		CIN No. _____	
TO, THE BOARD OF DIRECTORS XYZ LIMITED		<b>FIXED PRICE ONE ISSUE</b> <b>INE00000000000</b>		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 / SUB-AGENT'S STAMP & CODE		ENBROW 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					
For NSDL enter 8 digit DP ID followed by 8 digit Client ID / For CDSL enter 16 digit Client ID					
4. BID OPTIONS (ONLY RETAIL INDIVIDUAL BIDDERS CAN BID AT "CUT-OFF")					
Bid Option:	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)			5. CATEGORY
		Bid Price	Retail Discount	Net Price	
Option 1					<input type="checkbox"/> Retail Individual Bidder
(OR) Option 2					<input type="checkbox"/> Non-Institutional Bidder
(OR) Option 3					<input type="checkbox"/> QIB
6. INVESTOR STATUS					
<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 (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					
7. PAYMENT DETAILS					
Amount paid (₹ in figures) _____ (₹ in words) _____					
PAYMENT OPTION: FULL PAYMENT <input type="checkbox"/> PART PAYMENT <input type="checkbox"/>					
ASBA Bank A/c No. _____					
Bank Name & Branch _____					
<small>WE, THE UNDERSIGNED, HEREBY CONFIRM THAT WE HAVE READ AND UNDERSTOOD THE TERMS AND CONDITIONS OF THIS BID CUM APPLICATION FORM AND THE ATTACHED AGREEMENTS AND THE GENERAL INFORMATION DOCUMENT FOR INVESTING IN PUBLIC ISSUES (GID) AND HEREBY AGREE AND CONFIRM THE "BIDDERS UNDERTAKING" AS GIVEN OVERLEAF. WE, ON BEHALF OF JOINT APPLICANTS, IF ANY, HEREBY CONFIRM THAT WE HAVE READ THE INSTRUCTIONS FOR FILLING UP 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 / SCBS / DP / RTA STAMP (Acknowledgement stamp of Bid in Stock Exchange system)	
TEAR HERE					
LOGO		<b>XYZ LIMITED</b> <b>INITIAL PUBLIC ISSUE - R</b>		Acknowledgement Slip for Broker/SCSB/DP/RTA	
DPID / CLID		PAN of Sole / First Bidder		Bid cum Application Form No. _____	
Amount paid (₹ in figures)		Bank & Branch		Stamp & Signature of SCSB Branch	
ASBA Bank A/c No.		Received from Mr./Ms.		Stamp & Signature of SCSB Branch	
Telephone / Mobile		Email			
TEAR HERE					
XYZ LIMITED - INITIAL PUBLIC ISSUE - R		Stamp & Signature of Broker / SCBS / DP / RTA		Name of Sole / First Bidder	
No. of Equity Shares		Option 1		Option 2	
Bid Price		Option 3		Option 4	
Amount Paid (₹)		ASBA Bank A/c No.		Bank & Branch	
ASBA Bank A/c No.		Bank & Branch		Acknowledgement Slip for Bidder	
Bid cum Application Form No.		Bid cum Application Form No.			

<p><b>COMMON BID CUM APPLICATION FORM</b></p>	<p><b>XYZ LIMITED - INITIAL PUBLIC ISSUE - NR</b></p> <p>Address : _____ Contact Details: _____ CIN No _____</p>	<p>For Eligible NRI, FI, FVCI, applying on Restriction Basis</p>																												
<p>LOGO</p>	<p>TO, THE BOARD OF DIRECTORS XYZ LIMITED</p>	<p><b>FIXED PRICE DME ISSUE</b> <b>INE00000000000</b></p> <p>Bid cum Application Form No. _____</p>																												
<p>TEAR HERE</p>																														
<p><b>SYNDICATE MEMBER'S STAMP &amp; CODE</b></p>	<p><b>BROKER/SCSB/DPRTA STAMP &amp; CODE</b></p>	<p><b>1. NAME &amp; CONTACT DETAILS OF SOLE / FIRST BIDDER</b></p> <p>Mr. / Ms. _____</p> <p>Address _____</p> <p>Email _____</p> <p>Tel. No (with STD code) / Mobile _____</p>																												
<p><b>SUB-BROKER'S / SUB-AGENT'S STAMP &amp; CODE</b></p>	<p><b>ENGROW BROKER'S BRANCH STAMP &amp; CODE</b></p>	<p><b>2. PAN OF SOLE / FIRST BIDDER</b></p> <p>_____</p>																												
<p><b>BANK BRANCH SERIAL NO.</b></p>	<p><b>SCSB SERIAL NO.</b></p>	<p><b>3. BIDDER'S DEPOSITORY ACCOUNT DETAILS</b> <input type="checkbox"/> NSDL <input type="checkbox"/> CDSL</p> <p>For NSDL, enter 8 digit DP ID followed by 8 digit Client ID / For CDSL, enter 16 digit Client ID</p>																												
<p>TEAR HERE</p>																														
<p><b>4. BID OPTIONS (ONLY RETAIL INDIVIDUAL BIDDERS CAN BID AT "CUT-OFF")</b></p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th rowspan="2">Bid Options</th> <th rowspan="2">No. of Equity Shares Bid (in figures) (Bid must be in multiples of Bid Lot as advertised)</th> <th colspan="4">Price per Equity Share (₹) "Cut-off"</th> </tr> <tr> <th>Bid Price</th> <th>Retail Discount</th> <th>Net Price</th> <th>"Cut-off" (Please tick)</th> </tr> </thead> <tbody> <tr> <td>Option 1</td> <td></td> <td></td> <td></td> <td></td> <td><input type="checkbox"/></td> </tr> <tr> <td>(OR) Option 2</td> <td></td> <td></td> <td></td> <td></td> <td><input type="checkbox"/></td> </tr> <tr> <td>(OR) Option 3</td> <td></td> <td></td> <td></td> <td></td> <td><input type="checkbox"/></td> </tr> </tbody> </table>		Bid Options	No. of Equity Shares Bid (in figures) (Bid must be in multiples of Bid Lot as advertised)	Price per Equity Share (₹) "Cut-off"				Bid Price	Retail Discount	Net Price	"Cut-off" (Please tick)	Option 1					<input type="checkbox"/>	(OR) Option 2					<input type="checkbox"/>	(OR) Option 3					<input type="checkbox"/>	<p><b>5. CATEGORY</b></p> <p><input type="checkbox"/> Retail Investor Bidder</p> <p><input type="checkbox"/> Non-Institutional Bidder</p> <p><input type="checkbox"/> QIB</p>
Bid Options	No. of Equity Shares Bid (in figures) (Bid must be in multiples of Bid Lot as advertised)			Price per Equity Share (₹) "Cut-off"																										
		Bid Price	Retail Discount	Net Price	"Cut-off" (Please tick)																									
Option 1					<input type="checkbox"/>																									
(OR) Option 2					<input type="checkbox"/>																									
(OR) Option 3					<input type="checkbox"/>																									
<p><b>6. Investor Status</b></p> <p><input type="checkbox"/> Non-Resident Indians (Repatriation basis) NRI</p> <p><input type="checkbox"/> Foreign Institutional Investor FI</p> <p><input type="checkbox"/> Foreign Venture Capital Investor FVC</p> <p><input type="checkbox"/> FI Sub Account Corporate/Individual FISA</p> <p><input type="checkbox"/> Others (Please Specify) OTH</p>																														
<p><b>7. PAYMENT DETAILS</b></p> <p>Amount paid (₹ in figures) _____ (₹ in words) _____</p> <p><b>PAYMENT OPTION : FULL PAY</b></p> <p>ASBA Bank A/c No. _____</p> <p>Bank Name &amp; Branch _____</p>																														
<p><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 APPLICANT'S UNDERTAKING AND THE GENERAL INFORMATION DOCUMENT FOR INVITING IN PUBLIC ISSUES (GID) AND HEREBY AGREE AND CONFIRM THE UNDERTAKING AS GIVEN OVERLEAF I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ THE INSTRUCTIONS FOR FILING UP THE BID CUM APPLICATION FORM GIVEN OVERLEAF.</small></p>																														
<p><b>8A. SIGNATURE OF SOLE / FIRST BIDDER</b></p>	<p><b>8B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(S)</b> (AS PER BANK RECORDS)</p> <p>I/We authorize the SCSB to deal with as per necessary to make the Application in the time</p> <p>1) _____</p> <p>2) _____</p> <p>3) _____</p>	<p><b>BROKER / SCSB / DE / RTA STAMP</b> (Acknowledging receipt of Bid in Stock Exchange system)</p>																												

<p>LOGO</p>	<p><b>XYZ LIMITED</b></p> <p><b>INITIAL PUBLIC ISSUE - NR</b></p>	<p><b>Acknowledgement Slip for Broker/SCSB/DPRTA</b></p> <p>Bid cum Application Form No. _____</p>
<p>TEAR HERE</p>		
<p>DPID / CUID</p>	<p>Amount paid (₹ in figures) _____ Bank &amp; Branch _____</p> <p>ASBA Bank A/c No. _____</p> <p>Received from Mr./Ms. _____</p> <p>Telephone / Mobile _____ Email _____</p>	<p><b>Stamp &amp; Signature of SCSB Branch</b></p>
<p>TEAR HERE</p>		
<p><b>XYZ LIMITED - INITIAL PUBLIC ISSUE - NR</b></p>	<p>Option 1 Option 2 Option 3</p> <p>No. of Equity Shares _____</p> <p>Bid Price _____</p> <p>Amount Paid (₹) _____</p> <p>ASBA Bank A/c No. _____</p> <p>Bank &amp; Branch _____</p>	<p><b>Stamp &amp; Signature of Broker / SCSB / DP / RTA</b></p> <p><b>Acknowledgement Slip for Bidder</b></p> <p>Bid cum Application Form No. _____</p>

#### 4.1.1 FIELD NUMBER 1: NAME AND CONTACT DETAILS OF THE SOLE/FIRST APPLICANT

Applicants should ensure that the name provided in this field is exactly the same as the name in which the Depository Account is held.

- a) **Mandatory Fields:** 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,
- b) The Designated Intermediaries and the Registrar to the Issue only for correspondence(s) related to an Issue and for no other purposes.
- c) **Joint Applications:** In the case of Joint Applications, the Applications should be made in the name of the Applicant whose name appears first in the Depository account. The name so entered should be the same as it appears in the Depository records. The signature of only such first Applicant would be required in the Bid cum Application Form/Application Form and such first Applicant would be deemed to have signed on behalf of the joint holders. All communications may be addressed to such Applicant and may be dispatched to his or her address as per the Demographic Details received from the Depositories.
- d) **Impersonation:** Attention of the Applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:

“Any person who:

- makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or
  - makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or
  - otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447.”
- e) **Nomination Facility to Applicant:** Nomination facility is available in accordance with the provisions of Section 72 of the Companies Act, 2013. In case of allotment of the Equity Shares in dematerialized form, there is no need to make a separate nomination as the nomination registered with the Depository may prevail. For changing nominations, the Applicants should inform their respective DP.

#### 4.1.2 FIELD NUMBER 2: PAN NUMBER OF SOLE FIRST APPLICANT

- a) PAN (of the sole/ first Applicant) provided in the Application Form should be exactly the same as the PAN of the person(s) in whose name the relevant beneficiary account is held as per the Depositories’ records.
- b) PAN is the sole identification number for participants transacting in the securities market irrespective of the amount of transaction except for Applications on behalf of the Central or State Government, Applications by officials appointed by the courts and Applications by Applicants residing in Sikkim (“PAN Exempted Applicants”). Consequently, all Applicants, other than the PAN Exempted Applicants, are required to disclose their PAN in the Application Form, irrespective of the Application Amount. 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 for credit’ are liable to be rejected pursuant to the circular issued by SEBI on July 29, 2010, bearing number CIR/MRD/DP/22/2010. Such accounts are classified as “Inactive demat accounts” and demographic details are not provided by depositories.

#### 4.1.3 FIELD NUMBER 3: APPLICANTS DEPOSITORY ACCOUNT DETAILS

- a) Applicants should ensure that DP ID and the Client ID are correctly filled in the Application Form. The DP ID and Client ID provided in the Application Form should match with the DP ID and Client ID available in the Depository database, **otherwise, the Application Form is liable to be rejected.**
- b) Applicants should ensure that the beneficiary account provided in the Application Form is active.
- c) Applicants should note that on the basis of 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 as per Draft Prospectus. However a Prospectus registered with RoC contains one price.
- b) Minimum and Maximum Application Size

- i. For Retails Individual Applicants

The Application must be for a minimum of [●] equity shares. As the application price payable by the retail individual applicants cannot exceed Rs. 200000 they can make Application for only minimum Application size i.e for [●] 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. 200000 and in multiples of [●] 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 Applicant cannot withdraw its Application after the Issue Closing Date and is required to pay 100% QIB Margin upon submission of Application. In case of revision of Applications, the Non Institutional Applicants, who are individuals, have to ensure that the Application Amount is greater than Rs. 200000 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 prescribed 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 the Designated Intermediaries 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 PFI 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. Application 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 Application clearly indicates the scheme for which the application has been made.
  - iii. Application by Mutual Funds, and sub-accounts of FPIs (or FPIs and its sub-accounts) submitted with the same PAN but with different beneficiary account numbers, Client IDs, and DP IDs.

#### **4.1.5 FIELD NUMBER 5: CATEGORY OF APPLICANTS**

- a) The categories of Applicants identified as per the SEBI ICDR Regulations, 2009 as amended for the purpose of Application, allocation and allotment in the Issue are RIIs, Individual applicants other than RIIs, and other investors (including corporate bodies or institutions, irrespective of the number of specified securities applied for).
- b) An Issuer can make reservation for certain categories of Applicants as permitted under the SEBI ICDR Regulations, 2009 as amended. For details of any reservations made in the Issue, Applicants may refer to the Prospectus.
- c) The SEBI ICDR Regulations, 2009, specify the allocation or allotment that may be made to various categories of Applicants in an Issue depending upon compliance with the eligibility conditions. 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**

- a) All Applicants are required to use ASBA facility to block 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 funds shall be blocked 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.
- b) All categories of investors can participate in the Issue only through ASBA mechanism.
- c) Application Amount cannot be paid in cash, through money order or through postal order or through stock invest.

##### **4.1.7.1 Payment instructions for Applicants**

- (a) Applicants may submit the Application Form either in physical mode or online mode to any Designated Intermediaries.
- (b) 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.
- (c) Applicant should ensure that the Application Form is also signed by the ASBA Account holder(s) if the Applicant is not the ASBA Account holder;
- (d) Applicant shall note that for the purpose of blocking funds under ASBA facility clearly demarcated funds shall be available in the account.
- (e) From one ASBA Account, a maximum of five Application Forms can be submitted.
- (f) Applicants applying through a member of the Syndicate should ensure that the Application Form is submitted to a member of the Syndicate only at the Specified Locations. Applicants should also note that Application Forms submitted to the Syndicate at the Specified Locations may not be accepted by the member of the Syndicate if the SCSB where the ASBA Account, as specified in the Application Form, is maintained has not named at least one branch at that location for the members of the Syndicate to deposit Application Forms (a list of such branches is available on the website of SEBI at <http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries>).
- (g) 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 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.
- (h) ASBA Applicant 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.
- (i) Upon receipt of 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.
- (j) 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 may upload the details on the Stock Exchange Platform.
- (k) If sufficient funds are not available in the ASBA Account, the Designated Branch of the SCSB may not upload such Applications on the Stock Exchange platform and such Applications are liable to be rejected.
- (l) Upon submission of a completed 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.
- (m) The Application Amount may remain blocked in the aforesaid ASBA Account until finalization of the Basis of allotment and consequent transfer of the Application Amount against the Allotted Equity Shares to the Public Issue Account, or until withdrawal or failure of the Issue, or until withdrawal or rejection of the Application, as the case may be.
- (n) SCSBs applying in the Issue must apply through an Account maintained with any other SCSB; else their Application is liable to be rejected.

#### 4.1.8 Unblocking of ASBA Account

- a) Once the Basis of Allotment is approved by the Designated Stock Exchange, the Registrar to the Issue may provide the following details to the controlling branches of each SCSB, along with instructions to unblock the relevant bank accounts and for successful 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, if any, 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/ non allotment / partial allotment ASBA Application, if any, along with reasons for rejection and details of withdrawn or unsuccessful Application, 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.

In the event of withdrawal or rejection of the Application Form and for unsuccessful Application, the Registrar to the Issue may give instructions to the SCSB to unblock the Application Amount in the relevant ASBA Account within 6 Working Days of the Issue Closing Date.

#### **4.1.8.1 Discount (if applicable)**

- a) The Discount is stated in absolute rupee terms.
- b) RII, Employees and Retail Individual Shareholders are only eligible for discount. For Discounts offered in the Issue, Applicants may refer to the Prospectus.
- c) For the Applicants entitled to the applicable Discount in the Issue the Application Amount less Discount (if applicable) shall be blocked.

#### **4.1.8.2 Additional Instructions for NRIs**

The Non-Resident Indians who intend to block funds in their Non-Resident Ordinary (NRO) accounts shall use the form meant for Resident Indians (non-repatriation basis). In the case of Application by NRIs applying on a repatriation basis, blocking of funds in their NRO account shall not be accepted.

#### **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 Applicant, then the Signature of the ASBA Account holder(s) is also required.
- c) In relation to the Applications, signature has to be correctly affixed in the authorization/undertaking box in the Application Form, or an authorization has to be provided to the SCSB via the electronic mode, for blocking funds in the ASBA Account equivalent to the Application Amount mentioned in the 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**

Applicants should ensure that they receive the acknowledgment duly signed and stamped by the Designated Intermediary, as applicable, for submission of the Application Form.

- a) All communications in connection with Applications made in the Issue should be addressed as under:
  - i. In case of queries related to Allotment, non-receipt of Allotment Advice, credit of allotted equity shares, the Applicants should contact the Registrar to the Issue.
  - ii. In case of Applications submitted to the Designated Branches of the SCSBs or Registered Brokers or Registered RTA/DP, the Applicants should contact the relevant Designated Branch of the SCSBs or Registered Brokers or Registered RTA/DP, as the case maybe.
  - iii. Applicant may contact the Company Secretary and Compliance Officer or LM(s) in case of any other complaints in relation to the Issue.



- b) The following details (as applicable) should be quoted while making any queries –
- Full name of the sole or Applicant, Application Form number, Applicants' DP ID, Client ID, PAN, number of Equity Shares applied for, amount paid on application.
  - name and address of the Designated Intermediary, where the Application was submitted; or
  - In case of ASBA Applications, ASBA Account number in which the amount equivalent to the Application Amount was blocked.

For further details, Applicant may refer to the Prospectus and the Application Form.

#### **4.2 INSTRUCTIONS FOR FILING THE REVISION FORM**

- During the Issue Period, any Applicant (other than QIBs and NIIs, who can only revise their application upwards) who has registered his or her interest in the Equity Shares at a particular number of shares is free to revise number of shares applied using revision forms available separately.
- RII may revise their applications till closure of the issue period or withdraw their applications until finalization of allotment.
- Revisions can be made in both the desired number of Equity Shares and the Bid Amount by using the Revision Form.
- 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 same Designated Intermediary 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 NRI, APPLYING ON A NON-REPATRIATION BASIS</b>																												
<b>LOGO</b>	TO, THE BOARD OF DIRECTORS XYZ LIMITED	<b>BOOK BUILT ISSUE</b> <b>ISIN :</b> _____ <b>Bid cum Application Form No.</b> _____																												
<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>																												
<b>SUB-BROKER'S / SUB-AGENT'S STAMP &amp; CODE</b>	<b>ESCROW BANK/SCSB BRANCH STAMP &amp; CODE</b>	Mr. / Ms. _____ Address _____ Tel. No. (with STD code) / Mobile _____ Email _____ <b>2. PAN OF SOLE / FIRST BIDDER</b> _____ <b>3. BIDDER'S DEPOSITORY ACCOUNT DETAILS</b> <input type="checkbox"/> NSDL <input type="checkbox"/> CDSL <small>(For NSDL, enter 8 digit DP ID followed by 8 digit Client ID / For CDSL, enter 16 digit Client ID)</small>																												
<b>BANK BRANCH SERIAL NO.</b>	<b>SCSB SERIAL NO.</b>	<b>PLEASE CHANGE MY BID</b>																												
<b>4 FROM (AS PER LAST BID OR REVISION)</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 (Bids must be in multiples of Bid Lot as advertised) (In Figures)</th> <th colspan="4">Price per Equity Share (₹): "Cut-off" (Price in multiples of ₹ 1/- only)</th> </tr> <tr> <th>Bid Price</th> <th>Retail Discount</th> <th>Net Price</th> <th>"Cut-off" (Please tick)</th> </tr> <tr> <td>Option 1</td> <td>8 7 6 5 4 3 2 1</td> <td>8 7 6 5 4 3 2 1</td> <td>8 7 6 5 4 3 2 1</td> <td>8 7 6 5 4 3 2 1</td> <td><input type="checkbox"/></td> </tr> <tr> <td>(OR) Option 2</td> <td>8 7 6 5 4 3 2 1</td> <td>8 7 6 5 4 3 2 1</td> <td>8 7 6 5 4 3 2 1</td> <td>8 7 6 5 4 3 2 1</td> <td><input type="checkbox"/></td> </tr> <tr> <td>(OR) Option 3</td> <td>8 7 6 5 4 3 2 1</td> <td>8 7 6 5 4 3 2 1</td> <td>8 7 6 5 4 3 2 1</td> <td>8 7 6 5 4 3 2 1</td> <td><input type="checkbox"/></td> </tr> </table>			Bid Options:	No. of Equity Shares Bid (Bids must be in multiples of Bid Lot as advertised) (In Figures)	Price per Equity Share (₹): "Cut-off" (Price in multiples of ₹ 1/- only)				Bid Price	Retail Discount	Net Price	"Cut-off" (Please tick)	Option 1	8 7 6 5 4 3 2 1	8 7 6 5 4 3 2 1	8 7 6 5 4 3 2 1	8 7 6 5 4 3 2 1	<input type="checkbox"/>	(OR) Option 2	8 7 6 5 4 3 2 1	8 7 6 5 4 3 2 1	8 7 6 5 4 3 2 1	8 7 6 5 4 3 2 1	<input type="checkbox"/>	(OR) Option 3	8 7 6 5 4 3 2 1	8 7 6 5 4 3 2 1	8 7 6 5 4 3 2 1	8 7 6 5 4 3 2 1	<input type="checkbox"/>
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<b>6. PAYMENT DETAILS</b> Additional Amount Paid (₹ in figures) _____ (₹ in words) _____ ASBA Bank A/c No. _____ Bank Name & Branch _____ PAYMENT OPTION - FULL PAYMENT <input type="checkbox"/> PART PAYMENT <input type="checkbox"/>																														
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TEAR HERE																														
<b>LOGO</b>	<b>XYZ LIMITED</b>	<b>Acknowledgement Slip for Broker/SCSB/DP/RTA</b> <b>Bid cum Application Form No.</b> _____																												
<b>BID REVISION FORM - INITIAL PUBLIC ISSUE - R</b> DPID / CLID _____ Additional Amount Paid (₹) _____ Bank & Branch _____ ASBA Bank A/c No. _____ Received from Mr./Ms. _____ Telephone / Mobile _____ Email _____		<b>PAN of Sole / First Bidder</b> _____ <b>Stamp &amp; Signature of SCSB Branch</b> _____ <b>Name of Sole / First Bidder</b> _____ <b>Acknowledgement Slip for Bidder</b> <b>Bid cum Application Form No.</b> _____																												
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<b>XYZ LIMITED - BID REVISION FORM - 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>8 7 6 5 4 3 2 1</td> <td>8 7 6 5 4 3 2 1</td> <td>8 7 6 5 4 3 2 1</td> </tr> <tr> <td>Bid Price</td> <td>8 7 6 5 4 3 2 1</td> <td>8 7 6 5 4 3 2 1</td> <td>8 7 6 5 4 3 2 1</td> </tr> <tr> <td>Additional Amount Paid (₹)</td> <td>8 7 6 5 4 3 2 1</td> <td>8 7 6 5 4 3 2 1</td> <td>8 7 6 5 4 3 2 1</td> </tr> <tr> <td>ASBA Bank A/c No.</td> <td colspan="3">_____</td> </tr> <tr> <td>Bank &amp; Branch</td> <td colspan="3">_____</td> </tr> </table>				Option 1	Option 2	Option 3	No. of Equity Shares	8 7 6 5 4 3 2 1	8 7 6 5 4 3 2 1	8 7 6 5 4 3 2 1	Bid Price	8 7 6 5 4 3 2 1	8 7 6 5 4 3 2 1	8 7 6 5 4 3 2 1	Additional Amount Paid (₹)	8 7 6 5 4 3 2 1	8 7 6 5 4 3 2 1	8 7 6 5 4 3 2 1	ASBA Bank A/c No.	_____			Bank & Branch	_____						
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#### 4.2.1 FIELDS 1, 2 AND 3: NAME AND CONTACT DETAILS OF SOLE/FIRST APPLICANT, PAN OF SOLE/FIRST APPLICANT & DEPOSITORY ACCOUNT DETAILS OF THE APPLICANT

Applicants should refer to instructions contained in paragraphs 4.1.1, 4.1.2 and 4.1.3.

#### 4.2.2 FIELD 4 & 5: BID OPTIONS REVISION 'FROM' AND 'TO'

- Apart from mentioning the revised options in the Revision Form, the Applicant must also mention the details of the share applied for given in his or her Application Form or earlier Revision Form.
- 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.200,000/- due to revision and the application may be considered, subject to the eligibility, for allocation under the Non-Institutional Category.

#### 4.2.3 FIELD 6: PAYMENT DETAILS

Applicant may Issue instructions to block the revised amount in the ASBA Account, to the 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

Applicants may submit completed application form / Revision Form in the following manner:-

Mode of Application	Submission of Application Form
All Investor Applications	To the Designated Intermediaries

The aforesaid intermediaries shall, at the time of receipt of application, give an acknowledgement to investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the application form, in physical or electronic mode, respectively

### SECTION 5: ISSUE PROCEDURE IN FIXED PRICE ISSUE

#### 5.1 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 Designated Intermediary.

Applicants may submit an Application Form either in physical/ electronic form to Designated Intermediaries or the Designated Branches of the SCSBs authorizing blocking of funds that are available in the bank account specified in the Application Form only ("ASBA Account"). The Application Form is also made available on the websites of the Stock Exchanges at least one day prior to the Issue Opening Date.

In a fixed price Issue, allocation in the net offer to the public category is made as follows: minimum fifty per cent to Retail Individual Investors; and remaining to (i) individual investors other than Retail Individual Investors; and (ii) other Applicants including corporate bodies or institutions, irrespective of the number of specified securities applied for. The unsubscribed portion in either of the categories specified above may be allocated to the Applicants in the other category.

#### 5.2 GROUNDS FOR TECHNICAL REJECTIONS

Applicants are advised to note that the Applications are liable to be rejected, inter-alia, on the following technical grounds:-

- Amount paid does not tally with the amount payable for the Equity shares applied for;
- In case of partnership firms, Application for Equity Shares made in the name of the individual partners and no firm as such shall be entitled to apply.
- Application by persons not competent to contract under the Indian Contract Act, 1872, including minors, insane person.
- PAN not mentioned in the Application Form.
- GIR number furnished instead of PAN.
- Applications for lower number of Equity Shares than the minimum specified for that category of investors;
- Applications at a price other than the Fixed Price of the Issue;
- Applications for number of Equity Shares which are not in multiples of [●];
- Category not ticked;

- Multiple Applications as defined in this Draft Prospectus as such, based on common PAN;
- In case of Applications under power of attorney or by limited companies, corporate, trust etc., relevant documents are not being submitted;
- Signature of sole Applicant is missing;
- Application Forms are not delivered by the Applicants within the time prescribed as per the Application Form, Issue Opening Date advertisement and Prospectus as per the instructions in the Prospectus and Application Forms;
- In case no corresponding record is available with the Depositories that matches the DP ID, the Client ID and the PAN;
- Applications for amounts greater than the maximum permissible amounts prescribed by the regulations;
- Applications by OCBs;
- Applications by US person other than in reliance on Regulation S or “qualified institutional buyers” as defined in Rule 144A under the Securities Act;
- Application not duly signed by the sole applicant;
- Application by any person outside India if not in compliance with applicable foreign and Indian Laws;
- Application that do not comply with the securities laws of their respective jurisdictions are liable to be rejected.
- Applications by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority;
- Application by person not eligible to acquire equity shares of the company in terms of all applicable laws, rules, regulations, guidelines, and approvals.
- Application or revision thereof by QIB Applicants, Non Institutional Applicants where the Application Amount is in excess of Rs. 200000 received after 3.00 pm on the issue Closing date unless the extended time is permitted by NSE.
- Inadequate funds in the bank account to block the Application Amount specified in the Application Form/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 Exchanges; 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.
- Details of ASBA Account not provided in the Application form
- From one ASBA Account, more than five applications are made by applicant.

For details of instructions in relation to the Application Form, Applicants may refer to the relevant section of GID.

**APPLICANT 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.**

#### **SECTION 6: ISSUE PROCEDURE IN BOOK BUILT ISSUE**

This being the 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 SME Platform of NSE (The Designated Stock Exchange). In the event of oversubscription, the allotment will be made on a proportionate basis in marketable lots as set forth here:

- 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 [●] Equity Shares the allotment will be made as follows:
  - i. Each successful applicant shall be allotted [●] Equity Shares;
  - ii. 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.
- d) If the proportionate allotment to an applicant works out to a number that is not a multiple of [●] Equity Shares, the applicant would be allotted Shares by rounding off to the lower nearest multiple of [●] Equity Shares subject to a minimum allotment of [●] 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 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 [●] 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, upto 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 the SEBI (ICDR) Regulations, as the Retail Individual Investor category is entitled to more than fifty percent on proportionate basis, the retail individual investors shall be allocated that higher percentage.
  - ii. Remaining to Individual applicants other than retail individual investors and Other investors including corporate bodies or institutions, irrespective of the number of specified securities applied for;
  - iii. The unsubscribed portion in either of the categories specified in (a) or (b) above may be available for allocation to the 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 SME Platform of NSE.

The Executive Director/ Managing Director of the SME Platform of NSE, Designated Stock Exchange in addition to Lead Merchant Banker and Registrar to the Public Offer 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.

## 7.2 DESIGNATED DATE AND ALLOTMENT OF EQUITY SHARES

- a) **Designated Date:** On the Designated Date, the SCSBs shall transfer the funds represented by allocation of Equity Shares into the Public Issue Account with the Bankers to the Issue.
- b) **Issuance of Allotment Advice:** Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar shall upload the same on its website. On the basis of the approved Basis of Allotment, the Issuer shall pass necessary corporate action to facilitate the Allotment and credit of Equity Shares. 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) initiate corporate action for credit of shares to the successful Applicants Depository Account will be completed within 5 Working Days of the Issue Closing Date. The Issuer also ensures the credit of shares to the successful Applicant's depository account is completed within 5 Working Days of the Issue Closing Date.



## **SECTION 8: INTEREST AND REFUNDS**

### **8.1 COMPLETION OF FORMALITIES FOR LISTING & COMMENCEMENT OF TRADING**

The Issuer may ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges are taken within 6 Working Days of the Issue Closing Date. The Registrar to the Issue may give instructions for credit to Equity Shares the beneficiary account with DPs, and dispatch the Allotment Advice within 6 Working Days of the Issue Closing Date.

### **8.2 GROUNDS FOR UNBLOCKING OF FUNDS**

#### **8.2.1 Non Receipt of Listing Permission**

An Issuer makes an application to the Stock Exchange(s) for permission to deal in/list and for an official quotation of the Equity Shares. All the Stock Exchanges from where such permission is sought are disclosed in Prospectus. The Designated Stock Exchange may be as disclosed in the Prospectus with which the Basis of Allotment may be finalized.

If the permissions to deal in and for an official quotation of the Equity Shares are not granted by any of the Stock Exchange(s), the Issuer may forthwith initiate action to unblock the application amount from the Investors accounts. If such money is not repaid within the eight days after the Issuer becomes liable to repay it, then the Issuer and every director of the Issuer who is an officer in default may, on and from such expiry of eight days, be liable to repay the money, with interest at such rate, as prescribed under Section 73 of Companies Act, and disclosed in the Prospectus.

#### **8.2.2 Minimum Subscription**

This Issue is not restricted to any minimum subscription level. This Issue is 100% underwritten.

As per Section 39 of Companies Act, 2013 if the “stated minimum amount” has not been subscribed and the sum payable on application is not received within a period of 30 days from the date of the Prospectus, the application money has to be returned within such period as may be prescribed. If our company does not receive the 100% subscription of the offer through the Offer Document including devolvement of underwriters, if any, within sixty (60) days from the date of closure of the issue, our company shall forthwith unblock the entire application amount received. If there is a delay beyond eighty days after our company becomes liable to pay the amount, our company and every officer in default will, on and from the expiry of this period be jointly and severally liable to repay the money, with interest or other penalty as prescribed under SEBI Regulations and the Companies Act, 2013.

The minimum number of allottees in this Issue shall be 50 shareholders. In case the minimum number of prospective allottees is less than 50 no allotment will be made pursuant to this Issue and the amounts in the ASBA Account shall be unblocked within 6 working days of closure of the issue.

Further in accordance with Regulation 106(Q) of the SEBI (ICDR) Regulations, our Company shall ensure that the minimum application size in terms of number of specified securities shall not be less than Rs.100000/- (Rupees One Lakh) per application.

The equity shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and applications may not be made by persons in any such jurisdiction, except in compliance without the applicable laws of such jurisdiction.

#### **8.2.3 MINIMUM NUMBER OF ALLOTTEES**

The Issuer may ensure that the number of prospective allottees to whom Equity Shares may be allotted may not be less than 50 failing which the entire application monies may be unblocked forthwith.

### **8.3 Mode of Unblocking of Funds**

Within 6 Working Days of the Issue Closing Date, the Registrar to the Issue may give instructions to SCSBs for unblocking the amount in ASBA Account on unsuccessful Application and also for any excess amount blocked on Application.

### 8.3.1 Mode of making refunds for Applicants

The Registrar to the Issue may instruct the controlling branch of the SCSB to unblock the funds in the relevant ASBA Account for any withdrawn, rejected or unsuccessful ASBA applications or in the event of withdrawal or failure of the Issue.

### 8.4 Interest In Case Of Delay in Allotment

The Issuer may pay interest at the rate of 15% per annum if demat credits are not made to 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 6 working days from the Issue Closing Date, if Allotment is not made.

## **SECTION 9: GLOSSARY AND ABBREVIATIONS**

*Unless the context otherwise indicates or implies, certain definitions and abbreviations used in this document may have the meaning as provided below. References to any legislation, act or regulation may be to such legislation, act or regulation as amended from time to time.*

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 Exchanges
Application Form	The form in terms of which the Applicant should make an application for Allotment in case of issues other than Book Built Issues, includes Fixed Price Issue
Application Supported by Blocked Amount/ (ASBA)/ASBA	An application, whether physical or electronic, used by Applicants to make a Application authorizing an SCSB to block the Bid Amount in the specified bank account maintained with such SCSB
ASBA Account	Account maintained with an SCSB which may be blocked by such SCSB to the extent of the Application Amount of the ASBA Applicant
ASBA Application	An Application made by an ASBA Applicant
Applicant	Prospective Applicants in the Issue who apply through ASBA
Basis of Allotment	The basis on which the Equity Shares may be Allotted to successful Applicants under the Issue
Bid	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 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 Closing Date
Issue Closing 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



Term	Description
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, 2009. Applicants may refer to the Prospectus for the Issue Period
Application Amount	The value indicated in the Application Form and payable by the Applicant upon submission of the Application, less discounts (if applicable).
Application Form	The form in terms of which the Applicant should make an offer to subscribe for or purchase the Equity Shares and which may be considered as the application for Allotment for the purposes of the Draft Prospectus, whether applying through the ASBA or otherwise.
Applicant	Any prospective investor (including an ASBA Applicant) who makes a Application pursuant to the terms of the Prospectus and the Application Form. In case of issues undertaken through the fixed price process, all references to a Applicant should be construed to mean an Applicant
Book Built Process/ Book Building Process/ Book Building Method	The book building process as provided under SEBI ICDR Regulations, 2009,
Broker Centres	Broker Centres notified by the Stock Exchanges, where Applicants can submit the Application Form to a Registered Broker. The details of such broker centres, along with the names and contact details of the Registered Brokers are available on the websites of the Stock Exchanges.
Lead Manager/ LM	The Lead Manager to the Issue as disclosed in the 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
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
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

Term	Description
Designated Branches	Such branches of the SCSBs which may collect the Application Forms used by the ASBA Applicants applying through the ASBA and a list of which is available on <a href="http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries">http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries</a> .
Designated CDP Locations	Such locations of the CDPs where Applicant can submit the Application Forms to Collecting Depository Participants.  The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept Application Forms are available on the websites of the Stock Exchange i.e. <a href="http://www.nseindia.com">www.nseindia.com</a>
Designated RTA Locations	Such locations of the RTAs where Applicant can submit the Application Forms to RTAs.  The details of such Designated RTA Locations, along with names and contact details of the RTAs eligible to accept Application Forms are available on the websites of the Stock Exchange i.e. <a href="http://www.nseindia.com">www.nseindia.com</a>
Designated Date	The date on or after which funds are transferred by the SCSBs to the Public Issue Account of the Issuer.
Designated Stock Exchange	The designated stock exchange as disclosed in the Draft Prospectus of the Issuer
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
Discount	Discount to the Issue Price that may be provided to Applicants in accordance with the SEBI ICDR Regulations, 2009.
Draft Prospectus	The Draft Prospectus filed with Stock Exchange in case of Fixed Price Issues and which may mention a price
Employees	Employees of an Issuer as defined under SEBI ICDR Regulations, 2009 and including, in case of a new company, persons in the permanent and full time employment of the promoting companies excluding the promoters and immediate relatives of the promoter. For further details Applicant may refer to the Prospectus
Equity Shares	Equity shares of the Issuer
FCNR Account	Foreign Currency Non-Resident Account
First Applicant	The Applicant whose name appears first in the Application Form or Revision Form
FII(s)	Foreign Institutional Investors as defined under the SEBI (Foreign Institutional Investors) Regulations, 1995 and registered with SEBI under applicable laws in India
Fixed Price Issue/Fixed Price Process/Fixed Price Method	The Fixed Price process as provided under SEBI ICDR Regulations, 2009, in terms of which the Issue is being made
FPIs	Foreign Portfolio Investors as defined under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014
FPO	Further public offering
Foreign Venture Capital Investors or FVCIs	Foreign Venture Capital Investors as defined and registered with SEBI under the SEBI (Foreign Venture Capital Investors) Regulations, 2000
IPO	Initial public offering
Issue	Public Issue of Equity Shares of the Issuer including the Offer for Sale if applicable

Term	Description
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(s)
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 Prospectus constitutes an invitation to subscribe to or purchase the Equity Shares
NRO Account	Non-Resident Ordinary Account
Net Issue	The Issue less reservation portion
Non-Institutional Investors or NIIs	All Applicants, including sub accounts of FIIs registered with SEBI which are foreign corporate or foreign individuals and FPIs which are Category III foreign portfolio investors, that are not QIBs or RIBs and who have Applied for Equity Shares for an amount of more than Rs. 200,000 (but not including NRIs other than Eligible NRIs)
Non-Institutional Category	The portion of the Issue being such number of Equity Shares available for allocation to NIIs on a proportionate basis and as disclosed in the Prospectus and the Application Form
Non-Resident	A person resident outside India, as defined under FEMA and includes Eligible NRIs, FIIs, FPIs and FVCIs
OCB/Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date had taken benefits under the general permission granted to OCBs under FEMA
Offer for Sale	Public offer of such number of Equity Shares as disclosed in the Prospectus through an offer for sale by the Selling Shareholder
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
Pricing Date	The date on which the Issuer in consultation with the Lead Manager(s), finalize the Issue Price

Term	Description
Prospectus	The prospectus filed with the RoC in accordance with Section 32 of the Companies Act, 2013 read with section 26 of Companies Act 2013 after the Pricing Date, containing the Issue Price, the size of the Issue and certain other information
Public Issue Account	An account opened with the Banker to the Issue to receive monies from the ASBA Accounts on the Designated Date
QIB Category	The portion of the Issue being such number of Equity Shares to be Allotted to QIBs on a proportionate basis
Qualified Institutional Buyers or QIBs	As defined under SEBI ICDR Regulations, 2009
RTA	Registrar to the Issue and Share Transfer Agent
Registered Broker	Stock Brokers registered with the Stock Exchanges having nationwide terminals, other than the members of the Syndicate
Registrar to the Issue/RTI	The Registrar to the Issue as disclosed in the Prospectus and Application Form
Reserved Category/ Categories	Categories of persons eligible for making application/bidding under reservation portion
Reservation Portion	The portion of the Issue reserved for category of eligible Applicants as provided under the SEBI ICDR Regulations, 2009
Retail Individual Investors / RIIs	Investors who applies or bids for a value of not more than Rs. 200,000.
Retail Individual Shareholders	Shareholders of a listed Issuer who applies or bids for a value of not more than Rs.200,000.
Retail Category	The portion of the Issue being such number of Equity Shares available for allocation to RIIs which shall not be less than the minimum bid lot, subject to availability in RII category and the remaining shares to be allotted on proportionate basis.
Revision Form	The form used by the Applicant in an issue to modify the quantity of Equity Shares indicates therein in any of their Application Forms or any previous Revision Form(s)
RoC	The Registrar of Companies
SEBI	The Securities and Exchange Board of India constituted under the Securities and Exchange Board of India Act, 1992
SEBI ICDR Regulations, 2009	The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009
Self Certified Syndicate Bank(s) or SCSB(s)	A bank registered with SEBI, which offers the facility of ASBA and a list of which is available on <a href="http://www.sebi.gov.in/cms/sebi_data/attachdocs/1316087201341.html">http://www.sebi.gov.in/cms/sebi_data/attachdocs/1316087201341.html</a>
Specified Locations	Refer to definition of Broker Centers
Stock Exchanges/ SE	The stock exchanges as disclosed in the Prospectus of the Issuer where the Equity Shares Allotted pursuant to the Issue are proposed to be listed
Syndicate	The Lead Manager(s) and the Syndicate Member
Syndicate Agreement	The agreement to be entered into among the Issuer, and the Syndicate in relation to collection of the Bids in this Issue (excluding Application from ASBA Applicants)

Term	Description
Syndicate Member(s)/SM	The Syndicate Member(s) as disclosed in the Prospectus
Underwriters	The Lead Manager(s)
Underwriting Agreement	The agreement dated entered into between the Underwriters and our company.
Working Day	Any day, other than 2nd and 4th Saturday of the month, Sundays or public holidays, on which commercial banks in India are open for business, provided however, with reference to announcement Issue Period, “Working Days” shall mean all days, excluding Saturdays, Sundays and public holidays, which are working days for commercial banks in India.

## **RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES**

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the Government of India and FEMA. While the Industrial Policy, 1991 prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Under the Industrial Policy, unless specifically restricted, foreign investment is freely permitted in all sectors of the Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. The government bodies responsible for granting foreign investment approvals are the RBI and the relevant ministry or ministries of the Government of India.

The Government has from time to time made policy pronouncements on FDI through press notes and press releases. The Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India ("DIPP"), issued the consolidated FDI policy circular of 2017 ("FDI Policy 2017"), which with effect from August 28, 2017, consolidates and supersedes all previous press notes, press releases and clarifications on FDI policy issued by the DIPP that were in force and effect as on August 28, 2017.

Subject to certain conditions, the transfer of shares by way of sale between an Indian resident and a non-resident does not require the prior approval of the RBI or the relevant ministry or ministries of the Government of India, provided that (i) the activities of the investee company are under the automatic route under the FDI Policy 2017 and transfer does not attract the provisions of the SEBI Takeover Regulations; (ii) the non-resident shareholding is within the sectoral limits under the FDI Policy 2017; and (iii) the pricing is in accordance with the guidelines prescribed by the SEBI and the RBI.

As per the existing policy of the Government of India, OCBs cannot participate in the Offer.

The Equity Shares have not been and will not be registered under the Securities Act or any other applicable law of the United States and, unless so registered, and may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. Accordingly, the Equity Shares are only being offered and sold (i) within the United States only to persons reasonably believed to be "qualified institutional buyers" (as defined in Rule 144A under the Securities Act and referred to in this Draft Prospectus as "U.S. QIBs", for the avoidance of doubt, the term U.S. QIBs does not refer to a category of institutional investor defined under applicable Indian regulations and referred to in this Draft Prospectus as "QIBs") in transactions exempt from, or not subject to, the registration requirements of the Securities Act, and (ii) outside the United States in offshore transactions in reliance on Regulation S under the Securities Act and the applicable laws of the jurisdiction where those offers and sales occur.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and application may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

The above information is given for the benefit of the applicants. Our Company and the LMs are not liable for any amendments or modification or changes in applicable laws.

**SECTION VIII - MAIN PROVISIONS OF THE ARTICLE OF ASSOCIATION**

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 to the extent any express provision is not made, 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. The headings and sub-headings are for convenience and the materiality of any regulation shall not be influenced by them.
(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 SHIV A INDUSTRIAL SECURITY AGENCY(GUJARAT) LIMITED
(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 5 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 by way of Ordinary Resolution, 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 share 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
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	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.
<b>FURTHER ISSUE OF SHARES</b>	
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.
<b>POWER TO OFFER SHARES/OPTIONS TO ACQUIRE SHARES</b>	
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.
	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.
<b>REDEEMABLE PREFERENCE SHARES</b>		
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.
<b>PROVISIONS APPLICABLE IN CASE OF REDEEMABLE SHARES</b>		
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.
<b>NEW CAPITAL SAME AS ORIGINAL CAPITAL</b>		
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.	
<b>RESTRICTIONS ON PURCHASE BY COMPANY OR GIVING OF LOANS BY IT FOR PURCHASE OF ITS SHARES</b>		
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.
<b>REDUCTION OF CAPITAL</b>		
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.
<b>CONSOLIDATION AND DIVISION OF CAPITAL</b>	
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.
(d)	Classify or re-classify any unissued share capital into such other class as may be permitted under the provision of the Companies Act, 2013 and the rules, notifications and circulars issued thereunder from time to time as may deem fit to the company subject to approval of the members by Ordinary Resolution.
<b>SALE OF FRACTIONAL SHARES</b>	
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. Provided that in case where the amount of fraction coupon is direct result of the issue of Bonus shares not of any significant amount exceeding Rs. 5,000 (Rupees Five Thousand) the general meeting may resolve to transfer the integer made out of the fractions to be allotted and issued to top 100 holders of the shares in the Indian Public Category.
<b>MODIFICATION OF RIGHTS</b>	
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
<b>ISSUE OF FURTHER SHARES ON PARI PASSU BASIS</b>	
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 <i>pari passu</i> therewith.
<b>NO ISSUE WITH DISPROPORTIONATE RIGHTS</b>	
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 if 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	

	<p>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.</p> <p>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.</p>		
<b>SHARES TO BE NUMBERED PROGRESSIVELY</b>			
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.		
<b>DIRECTORS MAY ALLOT SHARES FULLY PAID-UP</b>			
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.		
<b>APPLICATION OF PREMIUM RECEIVED ON SHARES</b>			
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.	
<b>ACCEPTANCE OF SHARES</b>			
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.		
<b>LIABILITY OF MEMBERS</b>			
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.		
<b>LIMITATION OF TIME FOR ISSUE OF CERTIFICATE</b>			
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 time 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.
<b>ISSUE OF NEW CERTIFICATE IN PLACE OF DEFACED, LOST OR DESTROYED</b>	
27.	<p>If any certificate be worn out, defaced mutilated or torn or if there be no further space on the back thereof for endorsement of transfer, then upon production and surrender thereof to the Company, a new certificate may be issued in lieu thereof, and if any certificate lost or destroyed then upon proof thereof to the satisfaction of the Company and on execution of such indemnity as the Company deem adequate, being given, 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.</p> <p>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.</p> <p>The provisions of this Article shall mutatis mutandis apply to debentures of the Company.</p>
<b>RIGHT TO OBTAIN COPIES OF AND INSPECT TRUST DEED</b>	
28.	<p>(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.</p> <p>(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.</p>
<b>JOINT ALLOTTEES OF HOLDERS</b>	
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.
<b>COMPANY NOT BOUND TO RECOGNISE ANY INTEREST IN SHARE OTHER THAN THAT OF REGISTERED HOLDER</b>	
30.	<p>(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.</p> <p>(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.</p>
<b>WHO MAY HOLD SHARES</b>	
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.
<b>SWEAT EQUITY</b>	
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.
<b>DECLARATIONS IN RESPECT OF BENEFICIAL INTEREST IN ANY SHARES</b>	
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.
<b>FUNDS OF COMPANY NOT TO BE APPLIED IN PURCHASE OF SHARES OF THE COMPANY</b>	
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.
<b>ISSUE OF SHARES WITHOUT VOTING RIGHTS</b>	
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.
<b>SECTION 45 OF ACT NOT TO APPLY</b>	
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;
<b>TRUST NOT RECOGNIZED</b>	
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.
<b>REGISTRATION OF CHARGES</b>	
39.	<p>The provisions of the Act relating to registration of charges shall be complied with.</p> <p>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.</p> <p>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.</p> <p>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.</p> <p>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.</p>
<b>UNDERWRITING AND BROKERAGE COMMISSION MAY BE PAID</b>	
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.
<b>BROKERAGE MAY BE PAID</b>	
41.	The Company may pay a reasonable sum for brokerage on any issue of shares and debentures.
<b>CALLS ON SHARES</b>	
<b>DIRECTORS MAY MAKE CALLS</b>	
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.
<b>CALLS ON SHARES OF THE SAME CLASS TO BE MADE ON UNIFORM BASIS</b>	

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.
<b>NOTICE OF CALLS</b>	
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.
<b>CALLS TO DATE FROM RESOLUTION</b>	
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.
<b>DIRECTORS MAY EXTEND TIME</b>	
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.
<b>CALL TO CARRY INTEREST AFTER DUE DATE</b>	
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.
<b>PROOF ON TRIAL IN SUIT FOR MONEY DUE ON SHARES</b>	
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.
<b>PAYMENT IN ANTICIPATION OF CALL MAY CARRY INTEREST</b>	
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.
<b>FORFEITURE, SURRENDER AND LIEN</b>	
<b>IF CALL OR INSTALLMENT NOT PAID, NOTICE MAY BE GIVEN</b>	
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.	
	<b>FORM OF NOTICE</b>	
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.	
	<b>IN DEFAULT TO PAYMENT SHARES TO BE FORFEITED</b>	
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.	
	<b>NOTICE OF FORFEITURE</b>	
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.	
	<b>FORFEITED SHARES TO BECOME PROPERTY OF THE COMPANY</b>	
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.	
	<b>POWER TO ANNUL FORFEITURE</b>	
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.	
	<b>ARREARS TO BE PAID NOTWITHSTANDING FORFEITURE</b>	
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.	
	<b>EFFECT OF FORFEITURE</b>	
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.	
	<b>PROCEEDS HOW TO BE APPLIED</b>	
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.	
	<b>DECLARATION OF FORFEITURE</b>	
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.
<b>TITLE OF PURCHASER AND ALLOTTEE OF FORFEITED SHARES</b>	
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.
<b>PARTIAL PAYMENT NOT TO PRECLUDE FORFEITURE</b>	
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.
<b>THE PROVISIONS OF THESE ARTICLES AS TO FORFEITURE TO APPLY IN CASE OF NON-PAYMENT OF ANY SUM</b>	
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.
<b>BOARD MAY ACCEPT SURRENDER OF SHARES</b>	
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.
<b>COMPANY'S LIEN ON SHARE/DEBENTURES</b>	
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.
<b>ENFORCING LIEN BY SALE</b>	

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.
<b>APPLICATION OF PROCEEDS OF SALE</b>	
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.
<b>VALIDITY OF SALE IN EXERCISE OF LIEN AND AFTER FORFEITURE</b>	
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.
<b>BOARD OF DIRECTORS MAY ISSUE NEW CERTIFICATES</b>	
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.
<b>SUM PAYABLE ON ALLOTMENT TO BE DEEMED A CALL</b>	
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.
<b>TRANSFER AND TRANSMISSION OF SHARES</b>	
<b>REGISTER OF TRANSFER</b>	
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.
<b>EXECUTION OF TRANSFER</b>	
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.
<b>INSTRUMENT OF TRANSFER</b>	
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.
<b>FORM OF TRANSFER</b>	
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.
<b>NO TRANSFER TO A PERSON OF UNSOUND MIND, ETC</b>	
75.	No transfer shall be made to a minor or a person of unsound mind.
<b>TRANSFER OF SHARES</b>	
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.
<b>DIRECTORS MAY REFUSE TO REGISTER TRANSFER</b>	
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.
<b>NO FEE ON TRANSFER OR TRANSMISSION</b>	
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.
<b>TRANSFER TO BE LEFT AT OFFICE AS EVIDENCE OF TITLE GIVEN</b>	
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.
<b>WHEN TRANSFER TO BE RETAINED</b>	
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.
<b>DEATH OF ONE OR MORE JOINT HOLDERS OF SHARES</b>	
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.



<b>TITLE TO SHARES OF DECEASED HOLDER</b>	
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.
<b>REGISTRATION OF PERSONS ENTITLED TO SHARE OTHERWISE THAN BY TRANSFER</b>	
83.	<p>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.</p> <p>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.</p>
<b>CLAIMANT TO BE ENTITLED TO SAME ADVANTAGE</b>	
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.
<b>TRANSMISSION OF SHARE</b>	
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.
<b>BOARD MAY REFUSE TO TRANSMIT</b>	
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.
<b>BOARD MAY REQUIRE EVIDENCE OF TRANSMISSION</b>	
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.
<b>TRANSFER BY LEGAL REPRESENTATION</b>	

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 of 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

	<p>the meeting of the Company.</p> <p>Provided further that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the 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.</p>
<b>TRUST NOT RECOGNISED</b>	
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.
<b>TRANSFER OF SECURITIES</b>	
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 who are entered as beneficial owners in the records of depository.
<b>NOTICE OF APPLICATION WHEN TO BE GIVEN</b>	
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.
<b>REFUSAL TO REGISTER NOMINEE</b>	
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.
<b>PERSON ENTITLED MAY RECEIVE DIVIDEND WITHOUT BEING REGISTERED AS A MEMBER</b>	
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.
<b>BOARD MAY REFUSE TRANSFER TO MORE THAN THREE PERSONS</b>	
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.
<b>JOINT HOLDERS</b>	
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;
<b>JOINT AND SEVERAL LIABILITIES FOR ALL PAYMENTS IN RESPECT OF SHARES</b>	
(a)	The joint holders of any share shall be liable severally as well as jointly for and in respect of all calls and other payments which ought to be made in respect of such share.
<b>TITLE OF SURVIVORS</b>	
(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.
<b>EFFECTUAL RECEIPTS</b>	
(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.
<b>DELIVERY OF CERTIFICATE AND GIVING OF NOTICE TO FIRST NAMED HOLDER</b>	
(d)	Only the person whose name stands first in the Register of Members as one of the joint holders of any share shall be entitled to delivery of the 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).
<b>VOTES OF JOINT HOLDERS</b>	
(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 member in whose (deceased member's) sole name any shares stand shall for the purpose of this Article, be deemed joint holders.
<b>CONVERSION OF SHARES INTO STOCK</b>	
<b>SHARES MAY BE CONVERTED INTO STOCK</b>	
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.
<b>RIGHTS OF STOCK-HOLDERS</b>	
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.
<b>MEETING OF MEMBERS</b>	
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.
<b>DISTINCTION BETWEEN ANNUAL GENERAL MEETING AND EXTRA-ORDINARY GENERAL MEETING</b>		
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.
<b>CALLING OF EXTRA-ORDINARY GENERAL MEETING</b>		
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.
<b>LENGTH OF NOTICE FOR CALLING MEETING</b>		
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 and/or as may be provided by Securities Exchange Board of India or any stock exchange where the shares of the company are listed: 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 or such other percent of the members entitled to vote at such meeting as may be provided from time to time in the Companies Act, 2013 or any rules, regulations or notifications made/issued thereunder.
	(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.
<b>EXPLANATORY STATEMENT TO BE ANNEXED TO NOTICE / SPECIAL BUSINESS</b>		
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.
<b>QUORUM</b>		
109.	(1)	The quorum for a General Meeting of the Company shall, subject to the provisions of the Companies Act, 2013 or any re-enactment thereof providing for lesser numbers, 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.
<b>RESOLUTION PASSED AT ADJOURNED MEETING</b>		



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.
<b>CIRCULATION OF MEMBERS' RESOLUTION</b>		
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.
<b>VOTES OF MEMBERS</b>		
<b>VOTES MAY BE GIVEN BY PROXY OR ATTORNEY</b>		
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.
<b>VOTES OF MEMBERS</b>		
200.	(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 their 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

	<p>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:</p> <p>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.</p>
<b>RIGHT OF MEMBER TO USE HIS VOTES DIFFERENTLY</b>	
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.
<b>REPRESENTATION OF BODY CORPORATE</b>	
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.
<b>REPRESENTATION OF THE PRESIDENT OF INDIA OR GOVERNORS</b>	
123.	<p>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.</p> <p>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.</p>
<b>RESTRICTION ON EXERCISE OF VOTING RIGHT BY MEMBERS WHO HAVE NOT PAID CALLS</b>	
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.
<b>RESTRICTION ON EXERCISE OF VOTING RIGHT IN OTHER CASES TO BE VOID</b>	
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.
<b>HOW MEMBER NON-COMPOS MENTIS MAY VOTE</b>	
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.
<b>INSTRUMENT OF PROXY</b>	
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.
<b>INSTRUMENT OF PROXY TO BE DEPOSITED AT REGISTERED OFFICE</b>	
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 and not more than fifteen.
	(2)	<p>The Persons named hereinafter are the Directors of the Company at the time of adoption of new set of Articles:-</p> <p>(1) Maj (Retd.) Mr. Sushil Kumar Sharma (DIN 01121236)</p> <p>(2) Mr Sameer Sushil Kumar Sharma (DIN 01565999)</p> <p>(3) Mrs. Anubha Sameer Sharma (DIN 01121475)</p> <p>(4) Lt. Gen. (Retd) Mr. Anoop Malhota (DIN 08075416)</p> <p>(5) Mr. K Baskaran (DIN 07176788)</p> <p>Out of above at Sr. No. (4) Lt. Gen. (Retd) Mr. Anoop Malhota is Additional Director appointed in the quota of Independent Director and at Sr. No. (5) Mr. K Baskaran is Nominee Director representing Canbank Venture Capital Funds Limited (CVCFL)</p>
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.	<p>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:</p> <p>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:</p> <p>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.</p>
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#### NOMINEE DIRECTORS

138.	<p>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.</p> <p>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:</p> <p>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.</p>
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)	<p>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.</p> <p>(i) by way of monthly, quarterly or annual payment with the approval of the Central Government: or</p> <p>(ii) by way of commission if the Company by a special resolution authorises such payments.</p>
	(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.	<p>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.</p>
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<b>TRAVELLING EXPENSES INCURRED BY A DIRECTOR NOT A BONAFIDE RESIDENT OR BY DIRECTOR GOING OUT ON COMPANY'S BUSINESS</b>	
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.
<b>DIRECTORS MAY ACT NOTWITHSTANDING ANY VACANCY</b>	
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.
<b>DISCLOSURE OF INTEREST OF DIRECTORS</b>	
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.
<b>INTERESTED DIRECTOR NOT TO PARTICIPATE OR VOTE ON BOARD'S PROCEEDINGS</b>	
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.	<p>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.</p> <p>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.</p> <p>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.</p>	
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.
<b>DISQUALIFICATION OF THE DIRECTOR</b>		
150.	(1)	<p>A person shall not be eligible for appointment as a director of a company, if –</p> <ul style="list-style-type: none"> <li>(a) he is of unsound mind and stands so declared by a competent court;</li> <li>(b) he is an undischarged insolvent;</li> <li>(c) he has applied to be adjudicated as an insolvent and his application is pending;</li> <li>(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;</li> <li>(e) an order disqualifying him for appointment as a director has been passed by a Court or Tribunal and the order is in force;</li> <li>(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;</li> <li>(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</li> <li>(h) he has not complied with sub-section (3) of section 152.</li> </ul>
	(2)	<p>No person who is or has been a director of a company which –</p> <ul style="list-style-type: none"> <li>(a) has not filed financial statements or annual returns for any continuous period of three financial years; or</li> <li>(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.</li> </ul>
<b>DIRECTORS VACATING OFFICE</b>		
151.		<p>The office of a Director shall be vacated if :</p> <ul style="list-style-type: none"> <li>(i) he is found to be of unsound mind by a Court of competent jurisdiction;</li> <li>(ii) he applied to be adjudicated an insolvent;</li> <li>(iii) he is adjudicated an insolvent;</li> <li>(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;</li> <li>(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;</li> <li>(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;</li> <li>(vii) he is removed in pursuance of Section 169 of Act;</li> <li>(viii) having been appointed a Director by virtue of his holding any office or other employment in the</li> </ul>



	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.	
<b>DIRECTOR MAY BE DIRECTOR OF COMPANIES PROMOTED BY THE COMPANY</b>		
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.	
<b>RETIREMENT AND ROTATION OF DIRECTORS</b>		
<b>RETIREMENT OF DIRECTORS BY ROTATION</b>		
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.
<b>APPOINTMENT OF DIRECTOR TO BE VOTE INDIVIDUALLY</b>		
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.
<b>RESIGNATION OF DIRECTOR</b>		
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.
<b>REGISTER OF DIRECTORS AND KEY MANAGERIAL PERSONNEL AND NOTIFICATION OF CHANGES TO REGISTRAR</b>		
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.
<b>APPOINTMENT OF TECHNICAL OR EXECUTIVE DIRECTORS</b>		
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.
<b>REMOVAL OF DIRECTORS</b>		
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.
<b>ELIGIBILITY FOR RE-ELECTION</b>		
160.		A retiring Director shall be eligible for re-election.
<b>PROCEEDINGS OF DIRECTORS</b>		
<b>MEETINGS OF BOARD</b>		
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.
<b>QUORUM</b>		
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.
<b>DECISION OF QUESTIONS</b>		
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.
<b>BOARD MAY APPOINT CHAIRMAN, CO-CHAIRMAN AND VICE CHAIRMAN</b>		
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.
<b>POWER OF BOARD MEETING</b>		
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.

<b>MEETING OF THE COMMITTEE HOW TO BE GOVERNED</b>		
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.
<b>DEFECTS IN APPOINTMENT OF DIRECTORS NOT TO INVALIDATE ACTIONS TAKEN</b>		
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.
<b>PASSING OF RESOLUTION BY CIRCULATION</b>		
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.
<b>SPECIAL NOTICE</b>		
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.
<b>GENERAL POWERS OF THE BOARD</b>		
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.
<b>CERTAIN POWERS TO BE EXERCISED BY THE BOARD ONLY AT MEETINGS</b>		
172.		The Board of Directors of a company shall, subject to applicable provisions of Section 179 of the Companies Act, 2013 and the rules made thereunder, exercise the following powers on behalf of the company by means of resolutions passed at meetings of the Board, namely: -



		<p>(a) to make calls on shareholders in respect of money unpaid on their shares;</p> <p>(b) to authorize buy-back of securities under section 68;</p> <p>(c) to issue securities, including debentures, whether in or outside India;</p> <p>(d) to borrow monies;</p> <p>(e) to invest the funds of the company;</p> <p>(f) to grant loans or give guarantee or provide security in respect of loans;</p> <p>(g) to approve financial statement and the Board's report;</p> <p>(h) to diversify the business of the company;</p> <p>(i) to approve amalgamation, merger or reconstruction;</p> <p>(j) to take over a company or acquire a controlling or substantial stake in another company;</p> <p>(k) to make political contributions;</p> <p>(l) to appoint or remove key managerial personnel (KMP);</p> <p>(m) to take note of appointment(s) or removal(s) of one level below the Key Managerial Personnel;</p> <p>(n) to appoint internal auditors and secretarial auditor;</p> <p>(o) to take note of disclosure of director's interest and shareholding;</p> <p>(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;</p> <p>(q) to invite and accept or renew public deposits and related matters;</p> <p>(r) to review or change the terms and conditions of public deposit;</p> <p>(s) to approve quarterly, half yearly and annual financial statements or financial results as the case may be.</p> <p>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:</p> <p>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.</p>
<b>RESTRICTIONS ON POWERS OF BOARD</b>		
173.	(1)	<p>The Board of Directors of a company shall exercise the following powers only with the consent of the company by a special resolution, namely: -</p> <p>(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.</p> <p>(b) to invest otherwise in trust securities the amount of compensation received by it as a result of any merger or amalgamation;</p> <p>(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:</p> <p>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.</p> <p>(d) to remit, or give time for the repayment of, any debt due from a director.</p>
	(2)	<p>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.</p>
	(3)	<p>Nothing contained in clause (a) of sub-section (1) shall affect -</p> <p>(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</p> <p>(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.</p>
	(4)	<p>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:</p> <p>Provided that this sub-section shall not be deemed to authorise the company to effect any reduction in</p>

		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.
<b>POWER TO BORROW</b>		
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 of 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.
<b>THE PAYMENT OR REPAYMENT OF MONEYS BORROWED</b>		
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.
<b>BONDS, DEBENTURES, ETC. TO BE SUBJECT TO CONTROL OF DIRECTORS</b>		
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.
<b>CONDITION ON WHICH MONEY MAY BE BORROWED</b>		
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.
<b>TERMS OF ISSUE OF DEBENTURES</b>		
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.
<b>DEBENTURES WITH VOTING RIGHTS NOT BE ISSUED</b>		
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.
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#### 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:
	<ol style="list-style-type: none"> <li>1) To pay the costs, charges and expenses preliminary and incidental to the promotion, formation, establishment, and registration of the Company.</li> <li>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</li> </ol>

	<p>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.</p> <p>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.</p> <p>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.</p> <p>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.</p> <p>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.</p> <p>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.</p> <p>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.</p> <p>9) To refer any claims or demands by or against the Company or any difference to arbitration and observe and perform the awards.</p> <p>10) To act on behalf of the Company in all matters relating to bankruptcy and insolvency.</p> <p>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.</p> <p>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.</p> <p>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 though fit.</p> <p>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.</p> <p>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.</p> <p>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.</p> <p>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</p>
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	<p>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.</p> <p>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.</p> <p>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 the for the benefit of the Company, in such manner &amp; 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.</p> <p>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.</p> <p>21) From time to time make, vary and repeal by-laws for regulation of the business of the Company, its officers and servants.</p> <p>22) To redeem redeemable preference shares.</p> <p>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.</p> <p>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.</p>
<b>APPOINTMENT OF INDEPENDENT DIRECTOR</b>	
183.	<p>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.</p> <p>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.</p> <p>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.</p>

	<p>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.</p> <p>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:</p> <p>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.</p> <p>Notwithstanding anything contained in this Act -</p> <p>(i) an independent director;</p> <p>(ii) a non-executive director not being promoter or key managerial personnel,</p> <p>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.</p> <p>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.</p>	
<b>KEY MANAGERIAL PERSONNEL</b>		
<b>APPOINTMENT OF KEY MANAGERIAL PERSONNEL</b>		
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)	<p>A whole-time key managerial personnel shall not hold office in more than one company except in its subsidiary company at the same time:</p> <p>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.</p> <p>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.</p> <p>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.</p>
	(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.
<b>REMUNERATION OF KEY MANAGERIAL PERSONNEL</b>		
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.	
<b>DIRECTORS MAY CONFER POWER ON MANAGING DIRECTOR</b>		
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.	
<b>CERTAIN PERSONS NOT TO BE APPOINTED AS MANAGING DIRECTORS</b>		
187.	<p>No company shall appoint or continue the employment of any person as Managing Director, Whole-time Director or Manager who -</p> <p>(a) is below the age of twenty-one years or has attained the age of seventy years:</p> <p>Provided that appointment of a person who has attained the age of seventy years may be made by passing a</p>	

	<p>special resolution in which case the explanatory statement annexed to the notice for such motion shall indicate the justification for appointing such person;</p> <p>(b) is an undischarged insolvent or has at any time been adjudged as an insolvent;</p> <p>(c) has at any time suspended payment to his creditors or makes, or has at anytime made, a composition with them; or</p> <p>(d) has at any time been convicted by a court of an offence and sentenced for a period of more than six months.</p> <p>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.</p>
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.	<p>The Company shall not appoint or employ at the same time more than one of the following categories of managerial personnel namely:-</p> <p>a) Managing Director and</p> <p>b) Manager.</p> <p>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.</p>
<b>THE SECRETARY</b>	
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.
<b>THE SEAL, ITS CUSTODY AND USE</b>	
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.
<b>MINUTES</b>	
192.	<p>(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.</p> <p>(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.</p> <p>(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.</p> <p>(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.</p>
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.
<b>PRESUMPTIONS TO BE DRAWN WHERE MINUTES DULY DRAWN AND SIGNED</b>		
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.
<b>DIVIDENDS</b>		
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 warrantor 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.
<b>DIVIDEND TO JOINT HOLDERS</b>		
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.	
<b>APPORTIONMENT OF DIVIDENDS</b>		
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.	
<b>DECLARATION OF DIVIDENDS</b>		
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.	
<b>RESTRICTION ON AMOUNT OF DIVIDEND</b>		
202.	No larger dividend shall be declared than is recommended by the Board, but the Company in General Meeting may declare a smaller dividend.	
<b>DIVIDEND OUT OF PROFITS ONLY AND NOT TO CARRY INTEREST</b>		
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.
<b>INTERIM DIVIDENDS</b>		
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.	
<b>DEBTS MAY BE DEDUCTED</b>		
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.	
<b>DIVIDEND AND CALL TOGETHER</b>		
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.						
<b>EFFECT OF TRANSFER</b>							
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.						
<b>RETENTION IN CERTAIN CASES</b>							
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.						
<b>NO MEMBER TO RECEIVE INTEREST OR DIVIDEND WHILST INDEBTED TO THE COMPANY AND COMPANY'S RIGHT TO REIMBURSEMENT THERE OUT</b>							
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.						
<b>PAYMENT BY POST</b>							
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 of 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.						
<b>DIVIDEND TO BE PAID WITHIN THIRTY DAYS</b>							
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: <ol style="list-style-type: none"> <li>the dividend could not be paid by reason of the operation of any law or</li> <li>a shareholder has given directions to the Company regarding the payment of dividend and these directions cannot be complied with or</li> <li>there is dispute, regarding the right to receive the dividend or</li> <li>the dividend has been lawfully adjusted by the Company against any sum due to it from the shareholder or</li> <li>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.</li> </ol>						
<b>UNPAID OR UNCLAIMED DIVIDEND</b>							
212.	<table border="1"> <tr> <td>(1)</td><td>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.</td></tr> <tr> <td>(2)</td><td>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.</td></tr> <tr> <td>(3)</td><td>If any default is made in transferring the total amount referred to in sub-section (1) or any part thereof</td></tr> </table>	(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
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(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.
<b>CAPITALIZATION OF RESERVES</b>		
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.
<b>INSPECTION BY MEMBERS</b>	
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 statute or authorised by the Board of Directors or by a resolution of the Company in General Meeting.
<b>TRANSFER BOOKS AND REGISTER OF MEMBERS WHEN CLOSED</b>	
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.
<b>STATEMENT OF ACCOUNTS TO BE LAID IN GENERAL MEETING</b>	
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.
<b>FINANCIAL STATEMENT</b>	
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.
<b>AUTHENTICATION OF FINANCIAL STATEMENT</b>	
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.

<b>BOARD'S REPORT TO BE ATTACHED TO FINANCIAL STATEMENT</b>	
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.
<b>RIGHT OF MEMBERS TO COPIES OF FINANCIAL STATEMENT AND AUDITOR'S REPORT</b>	
225.	<p>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:</p> <ul style="list-style-type: none"> <li>(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;</li> <li>(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.</li> </ul>
<b>A COPY OF THE FINANCIAL STATEMENT ETC. TO BE FILED WITH REGISTRAR</b>	
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.
<b>RIGHT OF MEMBER TO COPIES OF AUDITED FINANCIAL STATEMENT</b>	
227.	<p>(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.</p> <p>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.</p>



		<p>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.</p> <p>Provided also that every subsidiary or subsidiaries shall -</p> <p>(a) place separate audited accounts in respect of each of its subsidiary on its website, if any;</p> <p>(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.</p>
	(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.
<b>ACCOUNTS TO BE AUDITED</b>		
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.
<b>APPOINTMENT OF AUDITORS</b>		
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)	<p>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.</p> <p>Provided that the company shall place the matter relating to such appointment for ratification by members at every annual general meeting.</p> <p>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:</p> <p>Provided also that the certificate shall also indicate whether the auditor satisfies the criteria provided in Section 141:</p> <p>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.</p>
	(3)	<p>At any Annual General Meeting a retiring Auditor by whatsoever authority appointed shall be reappointed unless:</p> <p>(a) he is not disqualified for re-appointment;</p> <p>(b) he has not given the company a notice in writing of his unwillingness to be re-appointed; and</p> <p>(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.</p>
	(4)	<p>The company shall not appoint or reappoint -</p> <p>(a) an individual as auditor for more than one term of five consecutive years; and</p> <p>(b) an audit firm as auditor for more than two terms of five consecutive years:</p> <p>Provided that—</p> <p>(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.</p> <p>(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.</p>
	(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.

<b>POWER OF BOARD TO MODIFY FINAL ACCOUNTS</b>	
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.
<b>DOCUMENTS AND NOTICE</b>	
<b>SERVICES OF DOCUMENTS ON MEMBER BY COMPANY</b>	
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.
<b>SERVICE OF DOCUMENTS ON COMPANY</b>	
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.
<b>SERVICE OF DOCUMENTS ON THE COMPANY IN CASE OF SHARES HELD IN DEMATERIALIZED FORM</b>	
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.
<b>AUTHENTICATION OF DOCUMENTS AND PROCEEDINGS</b>	
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.
<b>REGISTERS AND DOCUMENTS</b>	
<b>REGISTERS AND DOCUMENTS TO BE MAINTAINED BY THE COMPANY</b>	
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.
<b>MAINTENANCE AND INSPECTION OF DOCUMENTS IN ELECTRONIC FORM</b>	
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.	

## **SECTION IX – 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 the Company or entered into more than two years before the date of the Draft Prospectus) which are or may be deemed material have been entered or to be entered into by the Company which are or may be deemed material will be attached to the copy of the Prospectus, delivered to the Registrar of Companies, for registration. Copies of the abovementioned contracts and also the documents for inspection referred to hereunder, may be inspected at the Registered and Corporate Office between 10 a.m. and 5 p.m. on all Working Days from the date of this Draft Prospectus until the Issue Closing Date.

#### **Material Contracts**

1. Issue Agreement dated October 13, 2018 between our Company and Hem Securities Limited as LM to the Issue.
2. Agreement dated March 10, 2018 executed between our Company and the Registrar to the Issue (Karvy Computershare Private Limited)
3. Banker to the Issue Agreement dated [●] among our Company, LM, Banker to the Issue and the Registrar to the Issue.
4. Market Making Agreement dated [●] between our Company, LM and Market Maker.
5. Underwriting Agreement dated [●] between our Company, LM and Underwriter.
6. Tripartite Agreement dated April 17, 2018 among CDSL, the Company and the Registrar to the Issue.
7. Tripartite Agreement dated April 13, 2018 among NSDL, the Company and the Registrar to the Issue.

#### **Material Documents**

1. Certified copies of the Memorandum and Articles of Association of the Company as amended.
2. Certificate of Incorporation dated July 11, 1997 issued by the Registrar of Companies, Gujarat, Dadra & Nagar Haveli.
3. Fresh Certificate of Incorporation dated March 10, 2018 issued by the Registrar of Companies, Gujarat, Ahmedabad consequent upon Conversion of the Company to Public Company.
4. Copy of the Board Resolution dated March 14, 2018 authorizing the Issue and other related matters.
5. Copy of Shareholder's Resolution dated March 14, 2018 authorizing the Issue and other related matters.
6. Copy of Share Subscription cum Shareholder Agreement dated April 18, 2015 and a further agreement dated September 24, 2018 executed between Canbank Venture Capital Fund Limited ("CVCFL"), Our Company and Mr. Sushil Pyarelal Sharma, Sameer Sushilkumar Sharma and Mrs. Anubha Sameer Sharma (Promoters) of our Company.
7. Copies of Audited Financial Statements of our Company for the stub period ended June 30, 2018 and years ended March 31, 2018, 2017, 2016, 2015 and 2014.
8. Peer Review Auditors Report on Restated Financial Statements of our Company for the stub period ended June 30, 2018 and years ended March 31, 2018, 2017, 2016, 2015 and 2014.
9. Copy of the Statement of Tax Benefits dated September 24, 2018 from the Statutory Auditor.
10. Consents of the LM, Legal Advisor to the Issue, Registrar to the Issue, Market Maker, Underwriter, Banker to the Issue, Statutory Auditor of the Company, Peer Review Auditor, Promoters of our Company, Directors of our Company, Company Secretary and Compliance Officer, Chief Financial Officer, Bankers to our Company, as referred to, in their respective capacities.
11. Copy of Certificate from the Peer Review Auditors of our Company, N K Sultania & Co., Chartered Accountant dated October 22, 2018 regarding the Eligibility of the Issue.
12. Board Resolution dated October 29, 2018 for approval of Draft Prospectus, dated [●] for approval of Prospectus
13. Due Diligence Certificate from LM dated October 29, 2018 to be filed with the National Stock Exchange and SEBI.
14. Approval from NSE vide letter dated [●] to use the name of NSE in the Prospectus for listing of Equity Shares on the SME Platform of the NSE.

Any of the contracts or documents mentioned in this Draft Prospectus may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without reference to the Shareholders subject to compliance of the provisions contained in the Companies Act and other relevant statutes.

## DECLARATION

We, the person/persons mentioned herein below, as Directors or otherwise, as mentioned, certify that all relevant provisions of the Companies Act, 2013, the Companies Act, 1956, to the extent applicable, the guidelines issued by the Government of India and the regulations and guidelines issued by Securities and Exchange Board of India established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with while issuing the Draft Prospectus. No statement made in the Draft Prospectus is contrary to the provisions of the Companies Act, 2013, the Companies Act, 1956, to the extent applicable and the Securities and Exchange Board of India Act, 1992, each as amended from time to time or the rules made there under or regulations and guidelines issued, as the case may be. We further certify that all the statements made in the Draft Prospectus are true and correct.

### SIGNED BY THE DIRECTORS OF OUR COMPANY

Sd/- _____	<b>Mr. Sushil Pyarelal Sharma</b> <i>Chairman and Non-Executive Director</i> DIN: 01121236
Sd/- _____	<b>Mr. Sameer Sushilkumar Sharma</b> <i>Managing Director</i> DIN: 01565999
Sd/- _____	<b>Mrs. Anubha Sameer Sharma</b> <i>Whole Time Director</i> DIN: 01121475
Sd/- _____	<b>Mr. Baskaran Kesavareddiyar</b> <i>Nominee Director</i> DIN: 07176788
Sd/- _____	<b>Mr. Anoop Anand Malhotra</b> <i>Independent Director</i> DIN: 08075416
Sd/- _____	<b>Mr. Nareshkumar Chamanlal Seth</b> <i>Independent Director</i> DIN: 08082501

### SIGNED BY THE CHIEF FINANCIAL OFFICER OF THE COMPANY:

Sd/- _____	<b>Mr. Mohmed Parvez Ayaz Shaikh</b> <i>Company Secretary and Compliance Officer</i>
Sd/- _____	<b>Mr. Vijay Kumar Singh</b> <i>Chief Financial Officer</i>

**Place: Surat**

**Date: October 29, 2018**