



**SM AUTO STAMPING LIMITED**  
**Corporate Identity Number: U27109MH2006PLC163789**

Our Company was originally incorporated as “SM Auto Stamping Private Limited” on August 14, 2006 vide Registration no. 163789 (CIN: U27109MH2006PTC163789) under the provisions of the Companies Act, 1956 with the Registrar of Companies, Mumbai. Further, pursuant to Special Resolution passed by the shareholders at the Extra Ordinary General Meeting held on December 05, 2019, our company was converted into a Public Limited Company and consequently the name of our Company was changed from “SM Auto Stamping Private Limited” to “SM Auto Stamping Limited” vide a fresh Certificate of Incorporation dated December 19, 2019 issued by the Registrar of Companies, Mumbai. The Corporate Identification Number of our Company post conversion is U27109MH2006PLC163789. For further details please refer to chapter titled “*History and Certain Corporate Matters*” beginning on page 112 of this Prospectus.

**Registered Office:** J-41, MIDC, Ambad Nashik-422010, Maharashtra, India

**Contact Person:** Mrs. Priya Anuj Khadilkar, Company Secretary & Compliance Officer

**Tel No:** +91-253-6621106/07; **E-mail:** [acc@smautostamping.com](mailto:acc@smautostamping.com); **Website:** [www.smautostamping.com](http://www.smautostamping.com)

**Promoters of Our Company:** Mr. Mukund Narayan Kulkarni, Mr. Suresh Gunwant Fegde and Mrs. Alka Mukund Kulkarni

**THE ISSUE**

**INITIAL PUBLIC OFFER OF 38,40,000 EQUITY SHARES OF FACE VALUE OF ₹ 10/- EACH (THE "EQUITY SHARES") OF SM AUTO STAMPING LIMITED ("OUR COMPANY" OR "SMASL" OR "THE ISSUER") AT AN ISSUE PRICE OF ₹ 18/- PER EQUITY SHARE FOR CASH, AGGREGATING UP TO ₹ 691.20 LAKHS ("PUBLIC ISSUE") OUT OF WHICH 2,00,000 EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH AT AN ISSUE PRICE OF ₹ 18/- PER EQUITY SHARE FOR CASH, AGGREGATING ₹ 36.00 LAKHS WILL BE RESERVED FOR SUBSCRIPTION BY THE MARKET MAKER TO THE ISSUE (THE "MARKET MAKER RESERVATION PORTION"). THE PUBLIC ISSUE LESS MARKET MAKER RESERVATION PORTION I.E. ISSUE OF 36,40,000 EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH, AT AN ISSUE PRICE OF ₹ 18/- PER EQUITY SHARE FOR CASH, AGGREGATING UPTO ₹655.20 LAKHS IS HEREINAFTER REFERRED TO AS THE "NET ISSUE". THE PUBLIC ISSUE AND NET ISSUE WILL CONSTITUTE 26.88% AND 25.48% RESPECTIVELY OF THE POST-ISSUE PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY.**

**THIS ISSUE IS BEING MADE IN TERMS OF CHAPTER IX OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018 (THE "SEBI (ICDR) REGULATIONS"), AS AMENDED. IN TERMS OF RULE 19(2)(b)(i) OF THE SECURITIES CONTRACTS (REGULATION) RULES, 1957, AS AMENDED, THIS IS AN ISSUE FOR AT LEAST 25% OF THE POST-ISSUE PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY. THIS ISSUE IS A FIXED PRICE ISSUE AND ALLOCATION IN THE NET ISSUE TO THE PUBLIC WILL BE MADE IN TERMS OF REGULATION 253 OF THE SEBI (ICDR) REGULATIONS, AS AMENDED. FOR FURTHER DETAILS, PLEASE REFER "ISSUE PROCEDURE" ON PAGE 236 OF THIS PROSPECTUS.**

All potential investors shall participate in the Issue through an Application Supported by Blocked Amount (“ASBA”) process including through UPI mode (as applicable) by providing details about the bank account which will be blocked by the Self Certified Syndicate Banks (“SCSBs”) for the same. For details in this regard, specific attention is invited to “*Issue Procedure*” on page 236 of this Prospectus. A copy of Prospectus will be delivered to the Registrar of Companies for filing in accordance with Section 26 of the Companies Act, 2013.

**ELIGIBLE INVESTORS**

For details in relation to Eligible Investors, please refer to section titled “*Issue Procedure*” beginning on page 236 of this Prospectus.

**RISK IN RELATION TO THE FIRST ISSUE**

This being the first public Issue of our Company, there has been no formal market for the Equity Shares. The face value of the Equity Shares is Rs. 10 each and the Issue Price is 1.8 times of the face value of the Equity Shares. The Issue Price (determined and justified by our Company in consultation with the Lead Manager as stated in “*Basis for Issue Price*” on page 82 should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active or sustained trading in the Equity Shares or regarding the price at which the Equity Shares will be traded after listing.

**GENERAL RISKS**

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 entire investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Issue. For taking an investment decision, investors must rely on their own examination of our Company and the Issue including the risks involved. The Equity Shares issued 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 the Prospectus. Specific attention of the investors is invited to the section “*Risk Factors*” beginning on page 24 of this Prospectus.

**ISSUER'S ABSOLUTE RESPONSIBILITY**

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

**LISTING**

The Equity Shares Issued through this Prospectus are proposed to be listed on the SME Platform of BSE in terms of the Chapter IX of the SEBI (ICDR) Regulations, 2018 as amended from time to time. Our Company has received an approval letter dated January 31, 2020 from BSE Limited (“BSE”) for using its name in the Offer Document for listing of our shares on the SME Platform of BSE. For the purpose of this Issue, the Designated Stock Exchange will be the BSE Limited (“BSE”).

**LEAD MANAGERS TO THE ISSUE**

 **Hem Securities Ltd.**

**HEM SECURITIES LIMITED**

**Address:** 904, A Wing, Naman Midtown, Senapati Bapat Marg, Elphinstone Road, Lower Parel, Mumbai-400013, India  
**Tel. No.:** +91- 022- 49060000  
**Fax No.:** +91- 022- 22625991  
**Website:** [www.hemsecurities.com](http://www.hemsecurities.com)  
**Email:** [ib@hemsecurities.com](mailto:ib@hemsecurities.com)  
**Investor Grievance Email:** [redressal@hemsecurities.com](mailto:redressal@hemsecurities.com)  
**Contact Person :** Mr. Anil Bhargava  
**SEBI Regn. No.** INM000010981

**REGISTRAR TO THE ISSUE**

 **Bigshare Services Pvt. Ltd.**

**BIGSHARE SERVICES PRIVATE LIMITED**

**Address:** 1<sup>st</sup> Floor, Bharat Tin Works Building, Opp. Vasant Oasis, Makwana Road, Marol, Andheri East, Mumbai - 400059  
**Tel No.:** +91-022-62638200  
**Fax No.:** +91-022-62638299  
**Website:** [www.bigshareonline.com](http://www.bigshareonline.com)  
**Email:** [ipo@bigshareonline.com](mailto:ipo@bigshareonline.com)  
**Contact Person:** Mr. Ashish Bhope  
**SEBI Regn. No.:** INR000001385

**ISSUE PROGRAMME**

**ISSUE OPENS ON: TUESDAY, MARCH 03, 2020**

**ISSUE CLOSES ON: THURSDAY, MARCH 05, 2020**

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**SECTION I – GENERAL****DEFINITIONS AND ABBREVIATIONS**

*This 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, and any reference to a statutory provision shall include any subordinate legislation made from time to time under that provision.*

*The words and expressions used in this Prospectus but not defined herein, shall have, to the extent applicable, the meaning ascribed to such terms under the Companies Act, 2013, the SEBI (ICDR) Regulations, 2018, the Securities Contracts Regulation Act, 1992 (“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 the Articles of Association” on page 85, 133 and 259 respectively, shall have the meaning ascribed to such terms in such sections.*

**General Terms**

<b>Terms</b>	<b>Description</b>
“SMASL”, “the Company”, “our Company”, “Issuer” and “SM Auto Stamping Limited”	SM Auto Stamping Limited, a Company incorporated in India under the Companies Act, 1956 having its registered office at J-41, MIDC, Ambad Nashik-422010, Maharashtra, India.
“we”, “us” and “our”	Unless the context otherwise indicates or implies refers to our Company.
“you”, “your” or “yours”	Prospective investors in this Issue

**Company related and Conventional terms**

<b>Term</b>	<b>Description</b>
AOA / Articles / Articles of Association	Articles of Association of SM Auto Stamping Limited as amended from time to time.
Audit Committee	The Committee of the Board of Directors constituted as the Company’s Audit Committee in accordance with Section 177 of the Companies Act, 2013 as described in the chapter titled “ <i>Our Management</i> ” beginning on page 116 of this Prospectus.
Auditors/ Statutory Auditors	The Statutory Auditors of our Company being M/s Milind M. Kulkarni And Associates. Chartered Accountants (Firm Registration No. 126975W)
Associate Companies	A body corporate in which our company has a significant influence and includes a joint venture company. In our case being, SM Autovision Private Limited.
Bankers to our Company	TJSB Sahakari 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 “ <i>Our Management</i> ” beginning on page 116 of this Prospectus.
Chief Financial Officer/ CFO	The Chief Financial Officer of our Company being Mr. Suresh Govind Jagdale.
CIN	Corporate Identification Number
Companies Act / Act	The Companies Act, 2013 and amendments thereto.
Company Secretary and Compliance Officer	The Company Secretary & Compliance Officer of our Company being Mrs. Priya Anuj Khadilkar (Membership No. A59078)
Depositories	National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).
Depositories Act	The Depositories Act, 1996, as amended from time to time.
DIN	Directors Identification Number.
Director(s) / our Directors	The Director(s) of our Company, unless otherwise specified.
DP/ Depository Participant	A depository participant as defined under the Depositories Act
DP ID	Depository’s Participant’s Identity Number



Equity Shareholders/ Shareholders	Persons/ Entities holding Equity Shares of our Company.
Equity Shares	Equity Shares of the Company of Face Value of ₹ 10/- each unless otherwise specified in the context thereof.
Executive Directors	Executive Directors are the Managing Director & Whole-time Directors of our Company.
Fugitive economic offender	Shall mean an individual who is declared a fugitive economic offender under section 12 of the Fugitive Economic Offenders Act, 2018 (17 of 2018)
GIR Number	General Index Registry Number.
Group Companies	Such Companies as are included in the Chapter titled <b>“Our Group Company”</b> beginning on page 214 of this Prospectus.
HNI	High Net worth Individual
HUF	Hindu Undivided Family
IBC	The Insolvency and Bankruptcy Code, 2016
Independent Director	An Independent Director as defined under Section 2(47) of the Companies Act, 2013 and as defined under the Listing Regulations. For details of our Independent Directors, see <b>“Our Management”</b> on page 116 of this Prospectus.
Indian GAAP	Generally Accepted Accounting Principles in India.
ISIN	International Securities Identification Number. In this case being INE0C4I01011
IT Act	The Income Tax Act, 1961 as amended till date.
JV/ Joint Venture	A commercial enterprise undertaken jointly by two or more parties which otherwise retain their distinct identities.
Key Management Personnel/ KMP	Key Management Personnel of our Company in terms of Regulation 2(1)(bb) of the SEBI Regulations and the Companies Act, 2013. For details, see section titled <b>“Our Management”</b> on page 116 of this Prospectus.
LLP	Limited Liability Partnership
Materiality Policy	The policy on identification of group companies, material creditors and material litigation, adopted by our Board on December 20, 2019 in accordance with the requirements of the SEBI (ICDR) Regulations, 2018 as amended from time to time.
MOA / Memorandum / Memorandum of Association	Memorandum of Association of SM Auto Stamping Limited as amended from time to time.
MD or Managing Director	The Managing Director of our Company, Mr. Mukund Narayan Kulkarni
Nomination and Remuneration Committee	The nomination and remuneration committee of our Board constituted in accordance with Section 178 of the Companies Act, 2013 as described in the chapter titled <b>“Our Management”</b> beginning on page 116 of this Prospectus
Non-Executive Director	A Director not being an Executive Director.
NRIs / Non-Resident Indians	A person resident outside India, as defined under Foreign Exchange Management Act, 1999 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.
Promoter(s)	Shall mean promoters of our Company i.e. Mr. Mukund Narayan Kulkarni, Mr. Suresh Gunwant Fegde and Mrs. Alka Mukund Kulkarni. For further details, please refer to section titled <b>“Our Promoters &amp; Promoter Group”</b> beginning on page 127 of this Prospectus.
Promoter Group	Includes such Persons and companies constituting our promoter group covered under Regulation 2(1) (pp) of the SEBI (ICDR) Regulations, 2018 as enlisted in the section <b>“Our Promoters and Promoter Group”</b> beginning on page 127 of this Prospectus.
Person or Persons	Any individual, sole proprietorship, unincorporated association, unincorporated organization, body corporate, corporation, company, partnership, limited liability company, joint venture, or trust or any other entity or organization validly constituted and/or incorporated in the jurisdiction in which it exists and operates, as the context requires.
Proforma Financial Statements	Proforma financial statements of our Company as at and for the year ended March 31, 2019 and as at and for the six months period ended September 30, 2019, prepared to reflect the impact of a material divestment made by us in our erstwhile Subsidiary Company, SM



	Autovision Private Limited, which was made after the date of latest restated financial statements i.e. after September 30, 2019. The Proforma financial statements reflect the results of operations as if such divestment was made on March 31, 2018. For further details, please refer to section titled " <b>Financial Information</b> " beginning on page 133 of this Prospectus.
RBI Act	The Reserve Bank of India Act, 1934 as amended from time to time.
Registered Office of our Company	The Registered Office of our Company situated at J-41, MIDC, Ambad Nashik-422010, Maharashtra, India.
Reserve Bank of India / RBI	Reserve Bank of India constituted under the RBI Act.
Restated Financial Statements	The Restated Financial statements of our Company, which comprises the restated consolidated statement of Assets and Liabilities as at September 30, 2019, March 31 2019, 2018 and 2017 and the restated consolidated statements of profit and loss and the restated consolidated cash flows for the period ended September 30, 2019, March 31, 2019, 2018 and 2017 of our Company prepared in accordance with Indian GAAP and the Companies Act and restated in accordance with the SEBI (ICDR) Regulations, 2018 and the Revised Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the ICAI, together with the schedules, notes and annexure thereto
RoC/ Registrar of Companies	Registrar of Companies, Mumbai.
SEBI	Securities and Exchange Board of India constituted under the SEBI Act, 1992.
SEBI (ICDR) Regulations /ICDR Regulation/ Regulation	SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 issued by SEBI on September 11, 2018, as amended, including instructions and clarifications issued by SEBI from time to time.
SEBI (Venture Capital) Regulations	Securities Exchange Board of India (Venture Capital) Regulations, 1996 as amended from time to time.
SEBI Act	Securities and Exchange Board of India Act, 1992, 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.
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.
Stakeholders' Relationship Committee	Stakeholders' relationship committee of our Company constituted in accordance with Section 178 of the Companies Act, 2013 and as described in the chapter titled " <b>Our Management</b> " beginning on page 116 of this Prospectus
Stock Exchange	Unless the context requires otherwise, refers to, BSE Limited
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. Suresh Gunwant Fegde and Mr. Mukund Narayan Kulkarni

### Issue Related Terms

Terms	Description
Acknowledgement Slip	The slip or document issued by the Designated Intermediary to an applicant as proof of registration of the Application.
Allocation/ Allocation of Equity Shares	The Allocation of Equity Shares of our Company pursuant to Fresh Issue of Equity Shares to the successful Applicants.
Allotment/Allot/Allotted	Unless the context otherwise requires, means the allotment of Equity Shares, pursuant to the Issue to the successful applicants.
Allotment Advice	Note or advice or intimation of Allotment sent to the Applicants who have been allotted Equity Shares after the Basis of Allotment has been approved by the Designated Stock Exchanges
Allottee (s)	A successful applicant 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 Prospectus.
Application Form	The form, whether physical or electronic, used by an Applicant to make an application, which will be considered as the application for Allotment for purposes of this 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 ASBA Investor with an SCSB which will be blocked by such SCSB to the extent of the Application Amount of the ASBA Investor.
Bankers to the Issue/ Public Issue Bank/ Sponsor Bank	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	Agreement dated February 05, 2020 entered into amongst the Company, Lead Manager, the Registrar, Sponsor Bank and the Banker to the Issue.
Basis of Allotment	The basis on which the Equity Shares will be Allotted to successful applicants under the issue and which is described in the chapter titled “Issue Procedure” beginning on page 236 of this Prospectus.
Broker Centers	Broker centres notified by the Stock Exchanges, where the investors can submit the Application Forms to a Registered Broker. The details of such Broker Centers, along with the names and contact details of the Registered Brokers are available on the websites of the Stock Exchange.
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 LM, 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, 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.
Depository Participant	A Depository Participant as defined under the Depositories Act, 1996.
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 Prospectus
Designated SCSB Branches	Such branches of the SCSBs which shall collect the ASBA Application Form from the Applicant 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> . Recognized-Intermediaries or at such other website as may be prescribed by SEBI from time to time
Designated CDP Locations	Such locations of the CDPs where Applicant can submit the Application Forms to Collecting Depository Participants. The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept Application Forms are available on the website of the Stock Exchange i.e. <a href="http://www.bseindia.com">www.bseindia.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.bseindia.com">www.bseindia.com</a>
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	In our case, Hem Securities Limited having its Registered office at 203, Jaipur Tower, M I Road, Jaipur, 302001, Rajasthan.
Designated Stock Exchange	BSE Limited (SME Exchange) ("BSE SME")
DP ID	Depository Participant's Identity Number
Draft Prospectus	Draft Prospectus dated December 31, 2019 issued in accordance with Section 26 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
Electronic Transfer of Funds	Refunds through NACH, NEFT, Direct Credit or RTGS as applicable.
Eligible QFIs	QFIs from such jurisdictions outside India where it is not unlawful to make an issue or invitation under the Issue and in relation to whom the Prospectus constitutes an invitation to purchase the Equity shares issued thereby and who have opened Demat accounts with SEBI registered qualified depository participants.
FII/ Foreign Institutional Investors	Foreign Institutional Investor as defined under SEBI (Foreign Institutional Investors) Regulations, 1995, as amended) registered with SEBI under applicable laws in India.
First/ Sole Applicant	The Applicant whose name appears first in the Application Form or Revision Form.
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 Corporate Purposes	Include such identified purposes for which no specific amount is allocated or any amount so specified towards general corporate purpose or any such purpose by whatever name called, in the offer document. Provided that any issue related expenses shall not be considered as a part of general corporate purpose merely because no specific amount has been allocated for such expenses in the offer document.
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.
Issue Agreement	The Agreement dated December 23, 2019 between our Company and Lead Manager, Hem Securities Limited.
Issue/Public Issue/Initial Public Offering/ IPO	The Public Issue of 38,40,000 Equity shares of ₹10/- each at issue price of ₹18/- per Equity share, including a premium of ₹8/- per equity share aggregating to ₹691.20 lakhs
Issue Opening Date	The date on which the Lead Manager, 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, 2018. In this case being March 03, 2020.
Issue Closing Date	The date after which the Lead Manager, 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, 2018. In this case being March 05, 2020



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.
Issue Price	The Price at which the Equity Shares are being issued by our Company under this Prospectus being Rs. 18/-per Equity share.
Issue Proceeds	Proceeds to be raised by our Company through this Issue, for further details please refer chapter titled “ <i>Objects of the Issue</i> ” beginning on page 77of this Prospectus
Listing Agreement	The Equity Listing Agreement to be signed between our Company and the Stock Exchange.
LM/Lead Manager	Lead Manager to the Issue, in this case being Hem Securities Limited (HSL).
Lot Size	8000 Equity shares
Mandate Request	Mandate Request means a request initiated on the RII by sponsor bank to authorize blocking of funds equivalent to the application amount and subsequent debit to funds in case of allotment.
Market Maker	Member Brokers of BSE who are specifically registered as Market Makers with the BSE SME Platform. In our case, Hem Securities Limited is the sole Market Maker
Market Making Agreement	The Market Making Agreement dated January 16, 2020 and addendum dated February 1, 2020 between our Company and Market Maker, Hem Securities Limited
Market Maker Reservation Portion	The reserved portion of 2,00,000 Equity Shares of ₹10 each at an Issue price of ₹18/-each is aggregating to ₹36.00 Lakhs 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 36,40,000 equity Shares of ₹10/- each at a price of ₹18/-per Equity Share (the “Issue Price”), including a share premium of ₹8/-per equity share aggregating to ₹655.20 Lacs.
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 “ <i>Objects of the Issue</i> ” beginning on page 77 of this 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/-
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	This Prospectus dated February 25, 2020 filed with the RoC in accordance with the provisions of Section 26 of the Companies Act, 2013, containing, <i>inter alia</i> , the Issue Price, issue opening and issue closing dates.
Public Issue Account	Account opened with the ICICI Bank Limited to receive monies from the SCSBs from the bank account of the Applicant, 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/	Registrar to the Issue being Bigshare Services Private Limited.



RTA/ RTI	
Registrar Agreement	The agreement dated December 23, 2019 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 either BSE 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 the website of the Stock Exchange.
Regulations	SEBI (Issue of Capital And Disclosure Requirements) Regulations, 2018as amended from time to time.
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, 2018.
Retail Individual Investors	Individual investors (including HUFs, in the name of Karta and Eligible NRIs) who apply for the Equity Shares of a value of not more than ₹ 2,00,000.
Revision Form	The form used by the Applicants to modify the quantity of Equity Shares or the Application Amount in any of their Applications or any previous Revision Form(s).
Registrar and Share Transfer Agents or RTAs	Registrar and share transfer agents registered with SEBI and eligible to procure Applications at the Designated RTA Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 DATED November 10, 2015 issued by SEBI.
SEBI SAST / SEBI (SAST) Regulations	SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 as amended
SEBI Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
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="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes</a>
SME Exchange	SME Platform of the BSE i.e. BSE SME.
SEBI(PFUTP) Regulations/PFUTP Regulations	SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Markets) Regulations, 2003
Specified Securities	Equity shares offered through this Prospectus.
Transaction Registration Slip/ TRS	The slip or document issued by the member of the Syndicate or SCSB (only on demand) as the case may be, to the Applicant as proof of registration of the Application.
Underwriter	The LM who has underwritten this Issue pursuant to the provisions of the SEBI (ICDR) Regulations, 2018 and the Securities and Exchange Board of India (Underwriters) Regulations, 1993, as amended from time to time.
Underwriting Agreement	The Agreement dated January 16, 2020 and addendum dated February 1, 2020 between the Underwriters Hem Securities Limited and our Company.
UPI	UPI is an instant payment system developed by the NCPI, it enables merging several banking features, seamless fund routing & merchant payment into one hood. UPI allow instant transfer of money between any two bank accounts using a payment address which uniquely identifies a person’s bank account
UPI ID	ID created on Unified Payment Interface (UPI) for single window mobile payment system developed by the National Payment Corporation of India (NPCI)
UPI Mandate Request/ Mandate Request	A request (intimating the RII by way of notification on the UPI application and by way of a SMS directing the RII to such UPI application) to the RII by sponsor bank to authorize blocking of funds equivalent to the application amount and subsequent debit to funds in case of allotment.
UPI PIN	Password to authenticate UPI transaction
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	In accordance with Regulation 2(1)(mmm) of SEBI (ICDR) Regulations, 2018, working days means, all days on which commercial banks in Mumbai are open for business. However, in respect of– (a) announcement of Price Band; and (b) Issue period, working days shall mean all days, excluding Saturdays, Sundays and public holidays, on which commercial banks in Mumbai are open for business; (c) the time period between the Issue Closing Date and the listing of the Equity Shares on the Stock Exchange, working day shall mean all trading days of the Stock Exchange, excluding Sundays and bank holidays, as per circulars issued by SEBI.
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**Technical and Industry Related Terms**

Term	Description
ACMA	Automotive Component Manufacturer Association of India
AL	Aluminium Alloys
AMP	Automotive Mission Plan
BD	Bills Discounting
CNC	Computerized Numerical Control
CR	Cold roller
CU	Copper based alloys
CV	Commercial Vehicle
D.G. Sets	Diesel Generator sets
DESA	United Nations Department of Economic and Social Affairs
EDD	Extra deep draw
GTA	Goods Transport Agency
HCV	Heavy Commercial Vehicle
HR	Hard Roller
HRPO	Hot Rolled Pickled and Oiled
IEA	International Energy Agency
LCV	Light Commercial Vehicle
MIDC	Maharashtra Industrial Development Corporation Ltd.
MRP	Maximum Retail Price
MSEB	Maharashtra State Electricity Board
Mt/MT	Metric Tonne
P & M	Plant and Machinery
PV	Passenger Vehicles
R&D	Research and Development
SIAM	Society of Indian Automobile Manufactures
Sq. Ft.	Square Feet
U.S.	United States of America
UN	United Nations

**Abbreviations**

Abbreviation	Full Form
₹ / ₹/ 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
BSE	BSE Limited (formerly known as Bombay Stock Exchange Limited)
CDSL	Central Depository Services (India) Limited
CAGR	Compounded Annual Growth Rate
CAN	Confirmation of Allocation Note
Companies Act, 2013	Companies Act, 2013 to the extent in force pursuant to the notification of sections of the Companies Act, along with the relevant rules made thereunder as amended.
Companies Act, 1956	Companies Act, 1956 (without reference to the provisions that have ceased upon notification of the Companies Act) along with the relevant rules made thereunder
CA	Chartered Accountant
CAD	Canadian Dollar
CAIIB	Certified Associate of Indian Institute of Bankers
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
C.P.C.	Code of Civil Procedure, 1908
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
EMI	Equated Monthly Installment
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	“ <b>Foreign Portfolio Investor</b> ” 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
GVA	Gross Value Added
HUF	Hindu Undivided Family
HNI	High Net Worth Individual
HSL	Hem Securities Limited
IBC	The Insolvency and Bankruptcy Code, 2016
ICAI	The Institute of Chartered Accountants of India
ISIN	International Securities Identification Number
IST	Indian Standard Time
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
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
Ind AS	Indian Accounting Standards as referred to in and notified by the Ind AS Rules
Ind AS Rules	The Companies (Indian Accounting Standard) Rules, 2015
IRDA	Insurance Regulatory and Development Authority
KMP	Key Managerial Personnel
LM	Lead Manager

LLB	Bachelor of Law
Ltd.	Limited
LLP	Limited Liability Partnership
MAT	Minimum Alternate Tax
MoF	Ministry of Finance, Government of India
MoU	Memorandum of Understanding
M. A	Master of Arts
MCA	Ministry of Corporate Affairs, Government of India
M. B. A	Master of Business Administration
MAT	Minimum Alternate Tax
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
NCLT	National Company Law Tribunal
Net worth	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
NCT	National Capital Territory
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
PGDBA	Post Graduate Diploma in Business Administration
PLR	Prime Lending Rate
PAC	Persons Acting in Concert
P/E Ratio	Price/Earnings Ratio
PAN	Permanent Account Number
PAT	Profit After Tax
P.O.	Purchase Order
PBT	Profit Before Tax
PLI	Postal Life Insurance
POA	Power of Attorney
PSU	Public Sector Undertaking(s)
Pvt.	Private



Q.C.	Quality Control
RoC	Registrar of Companies
RBI	The Reserve Bank of India
Registration Act	Registration Act, 1908
ROE	Return on Equity
R&D	Research & Development
Rs. or ₹	Rupees, the official currency of the Republic of India
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
UIN	Unique identification number
US/United States	United States of America
USD/ US\$/ \$	United States Dollar, the official currency of the United States of America
U.S. GAAP	Generally Accepted Accounting Principles in the United 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.
Wilful Defaulter(s)	Wilful defaulter as defined under Regulation 2(1)(III) of the SEBI (ICDR) Regulations, 2018.
WDV	Written Down Value
WTD	Whole Time Director
w.e.f.	With effect from
-, ()	Represent Outflow

The words and expressions used but not defined in this 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, SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 the Depositories Act and the rules and regulations made thereunder.

Notwithstanding the foregoing, terms in “*Main Provisions of the Articles of Association*”, “*Statement of Tax Benefits*”, “*Industry Overview*”, “*Regulations and Policies in India*”, “*Financial Information of the Company*”, “*Outstanding Litigations and Material Developments*” and “*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 Prospectus to “India” are to the Republic of India. All references in the Prospectus to the “U.S.”, “USA” or “United States” are to the United States of America.

In this 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 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 Prospectus, all figures have been expressed in Rupees and Lakh. Unless stated otherwise, the financial data in the Prospectus is derived from our restated consolidated financial statements prepared for the period ended 30<sup>th</sup> September 2019 and financial year ended 31<sup>st</sup> March 2019, 2018 and 2017 in accordance with Indian GAAP, the Companies Act and SEBI (ICDR) Regulations, 2018 included under Section titled “*Financial Information of the Company*” beginning on page 133 of this Prospectus. In addition, the Proforma Financial Statements, as required under the SEBI ICDR Regulations in relation to the divestment of our erstwhile Subsidiary, SM Autovision Private Limited, in which we made divestment with effect from November 27,2019 is included in this Prospectus.

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 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 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 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, 2018, as stated in the report of our Peer Review Auditor, set out in section titled “*Financial Information of the Company*” beginning on page 133 of this Prospectus. There are no subsidiaries of our Company as on date of the Prospectus. Our fiscal year commences on April 1 of every year and ends on March 31<sup>st</sup> of every next year.

For additional definitions used in this Prospectus, see the section “*Definitions and Abbreviations*” on page 1 of this Prospectus. In the section titled “*Main Provisions of the Articles of Association*”, on page 259 of the 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 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 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, 2018 the section titled “**Basis for Issue Price**” on page 82 of the 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 “₹” or “Rs.” are to Indian Rupees, the official currency of the Republic of India. Except where specified, including in the section titled “**Industry Overview**” throughout the 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 Operations**” on page 24, 95 and 191 of this Prospectus, unless otherwise indicated, have been calculated based on our restated respectively financial statement prepared in accordance with Indian GAAP.

The 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, 2018. 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 Prospectus includes certain “forward-looking statements”. We have included statements in the 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. General economic and business conditions in the markets in which we operate and in the local, regional, national and international economies;
2. Fluctuations in operating costs;
3. Disruption in our manufacturing operations
4. Changes in consumer demand;
5. Failure to successfully upgrade our product portfolio, from time to time;
6. any change in government policies resulting in increases in taxes payable by us;
7. our ability to retain our key managements persons and other employees;
8. Changes in laws and regulations that apply to the industries in which we operate.
9. our failure to keep pace with rapid changes in technology;
10. our ability to grow our business;
11. our ability to make interest and principal payments on our existing debt obligations and satisfy the other covenants contained in our existing debt agreements;
12. general economic, political and other risks that are out of our control;
13. Inflation, deflation, unanticipated turbulence in interest rates, equity prices or other rates or prices;
14. Company’s ability to successfully implement its growth strategy and expansion plans ;
15. failure to comply with regulations prescribed by authorities of the jurisdictions in which we operate;
16. inability to successfully obtain registrations in a timely manner or at all;
17. occurrence of Environmental Problems & Uninsured Losses;
18. conflicts of interest with affiliated companies, the promoter group, group Companies and other related parties;
19. any adverse outcome in the legal proceedings in which we are involved; and
20. Concentration of ownership among our Promoters.
21. The performance of the financial markets in India and globally.

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 24, 95 and 191 respectively of the 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 LM 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 – SUMMARY OF PROSPECTUS

### A. OVERVIEW OF BUSINESS

Incorporated in 2006, we are one of the auto-component manufacturers located in Nashik catering to the sheet metal components and sub-assemblies requirements of automobile parts/equipment manufacturers. Our range of product primarily covers sheet metal pressed components for clutches, brakes, engine mountings, chassis, shaft drive, body trims, bearings etc. which are used in passenger cars, commercial vehicles and tractors. Our products such as deep drawn components and control panel components also find application in electrical equipments industry.

### OVERVIEW OF THE INDUSTRY

#### **Indian Auto-components Industry**

The Auto & Auto Component industry's impact on the Indian economy currently is significant as it contributes ~7% to the country's GDP and is expected to increase to 12% as per the Automotive Mission Plan. The industry is likely to grow from 80 Billion USD to 270 Billion USD by 2026 and generate an additional 65 Million jobs. The Automotive industry is key to the domestic Manufacturing Sector contributing over 40% and impacting the fortunes of several related manufacturing industries such as Iron and Steel, Aluminum, Rubber, Chemicals, Molds etc.

### B. PROMOTERS

Mr. Mukund Narayan Kulkarni, Mr. Suresh Gunwant Fegde and Mrs. Alka Mukund Kulkarni are the Promoters of our Company.

### C. DETAILS OF THE ISSUE

This is an Initial Public Fresh Issue of 38,40,000 Equity Shares of face value of Rs. 10 each of our Company for cash at a price of Rs. 18/-per Equity Share (including a share premium of Rs. 8/-per Equity Share) aggregating to Rs. 691.20lakhs ("The Issue"), out of which 2,00,000Equity Shares of face value of Rs. 10 each for cash at a price of Rs. 18/-per Equity Share aggregating up to Rs. 36.00lakhs 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 36,40,000Equity Shares of face value of Rs. 10 each, at an issue price of Rs. 18/-per Equity Share for cash, aggregating to Rs. 655.20 lakhs is hereinafter referred to as the "Net Issue". The Public Issue and Net Issue will constitute 26.88% and 25.48% respectively of the post- issue paid-up Equity Share capital of our Company.

### D. OBJECTS OF THE ISSUE

Our Company intends to utilize the Proceeds of the Issue to meet the following objects:-

Sr. No.	Particulars	Amt (Rs. in lakhs)
1.	Working Capital requirement	500.00
2.	General Corporate Purpose	89.83
3.	To meet Issue Expenses	101.37
	<b>Total</b>	<b>691.20</b>

### E. PRE-ISSUE SHAREHOLDING OF PROMOTER AND PROMOTER GROUP

Our Promoters and Promoter Group collectively holds 1,04,47,832 equity shares of our Company aggregating to 100% of the pre-issue paid-up Share Capital of our Company. Following are the details of the shareholding of the Promoters and Promoter Group, as on date of this Prospectus:-

Sr. No	Names	Pre IPO	
		Shares Held	% Shares Held
	<b>Promoters</b>		



1.	Mr. Mukund Narayan Kulkarni	100	0.00
2.	Mr. Suresh Gunwant Fegde	35,52,164	33.99
3.	Mrs. Alka Mukund Kulkarni	68,95,352	65.99
<b>Sub Total (A)</b>		<b>1,04,47,616</b>	<b>99.99</b>
<b>Promoter Group</b>			
1.	Mr. Aditya Mukund Kulkarni	8	0.00
2.	Mrs. Reshma Jayant Fegde	8	0.00
3.	Mr. Ajinkya Mukund Kulkarni	100	0.00
4.	Mr. Jayant Suresh Fegde	100	0.00
<b>Sub Total (B)</b>		<b>216</b>	<b>0.01</b>
<b>Grand Total (A+B)</b>		<b>1,04,47,832</b>	<b>100.00</b>

## F. SUMMARY OF FINANCIAL INFORMATION

Following are the details as per the restated consolidated financial statements for the period ended September 30, 2019 and financial years ended on March 31, 2019, 2018 and 2017:

Particulars	Amt. (Rs. in lakhs)			
	September 30, 2019	March 31, 2019	March 31, 2018	March 31, 2017
Share Capital	1,044.78	130.60	130.60	130.60
Net Worth	1125.31	1,120.62	855.22	771.22
Revenue	3,154.28	7,530.53	6,335.07	5,083.48
Profit after tax	4.70	265.40	84.00	(173.11)
Earnings per Share (based on Weighted Average Number of Shares and after taking effect of bonus shares issued on September 19, 2019)	0.04	2.54	0.80	(1.66)
Net Asset Value per Share (based on Actual Number of Shares)	10.77	85.81	65.48	59.05
Total Borrowings	2,386.15	2,153.61	2,150.35	2,658.12

## G. AUDITOR QUALIFICATIONS

The Audited Consolidated Financial Statements of the group includes certain qualifications in the Audit Reports on the consolidated financial statements of the group which are mentioned here below:-

### Auditor's Observations which required adjustment in restated financial statements

- For the financial year ended **March 31, 2018**, and **March 31, 2019** we have drawn attention on the notes in consolidated financial statements in the Audit Report, which are reproduced hereunder:-

“Note 14 to the consolidated financial statements which state that, during the year company has changed accounting policy for valuation of inventory. The amount of duties and taxes is also included in the purchase cost of closing Inventory to comply with Income Computation and Disclosure Standards as prescribed under Income Tax law.”

For details in respect of adjustment made in restated consolidated financial statements, please refer to Note 16 Material Adjustments.

### Auditor's Observations which do not require any corrective adjustments:

- For the financial year ended **March 31, 2017**, we have made an observation in the Audit Report, which is reproduced hereunder:-

***“The records of inventory maintained by the group are not proper and sufficient to verify the stock declared by the group. Consequently, we were unable to determine whether any adjustment to stock amount was necessary”***

Further attention drawn on the notes in consolidated financial statements in the Audit Report which is reproduced hereunder:-

“Note 8 & 16 to the financial statements which state that Trade Payables’ and Trade Receivable balances are subject to confirmation.”

- For the financial year ended **March 31, 2018**, we have drawn attention on the notes in consolidated financial statements in the Audit Report, which are reproduced hereunder:-
  - (a) “Note 8 & 16 to the consolidated financial statements which state that Trade Payables’ and Trade Receivable balances are subject to confirmation.”
  - (b) “Note 8 to the consolidated financial statement also state that the company has not classified its creditors as Micro, Small and Medium Enterprises as required under Micro, Small and Medium Enterprises Development Act 2006. Information required to be reported under the Act could not therefore be compiled for verification by Auditor. ‘
- For the period ended **September 30, 2019** we have drawn attention on the notes in consolidated financial statements in the Audit Report, which are reproduced hereunder:-
  - (a) Note 9 & 17 to the financial statements which state that Trade Payables’ and Trade Receivables’ balances are subject to confirmation.
  - (b) Note 9 to the financial statement which also states that the company has not classified its creditors as Micro, Small and Medium Enterprises as required under Micro, Small and Medium Enterprises Development Act 2006.
  - (c) Note 16 to the financial statements which states that, during the year company has changed accounting policy for valuation of inventory.

## H. SUMMARY OF OUTSTANDING LITIGATIONS

Our Company is involved in certain legal proceedings. A brief detail of such outstanding litigations as on the date of this Prospectus are as follows:

### Litigations/Matters against our Company:-

Nature of Cases	No. of Outstanding Cases	Amount Involved (Rs. in Lacs)
Direct Tax Liabilities	1	1.91
Indirect Tax Liabilities	2	1.29

### Litigations/matters against our Directors & Promoters:-

Nature of Cases	No. of Outstanding Cases	Amount Involved (Rs. in Lacs)
Criminal Matter	1	Undetermined*
Direct Tax Liabilities	6	2.99

\* Note:- The liability amount of Summary Criminal case filed against our Promoter Director, Mrs. Alka Mukund Kulkarni in the capacity of occupier of our C-13 factory unit by Maharashtra State through A.C. Ade, Deputy Director, Industrial Safety & Health, Nashik under Rule 3(1) and 5(1) of Schedule VIII-A of Rule 57 annexed to Maharashtra Factories Rules, 1963 read with Section 92 of Factories Act, 1948 in the court of Chief Judicial Magistrate, Nashik, could not be determined, as complete case documents are not available with us.

For further details of Statutory or legal proceedings involving our Company, please refer to the chapter titled ***“Outstanding Litigations and Material Developments”*** on page 205 of this Prospectus.

## I. RISK FACTORS



For details on the risks involved in our business, please see the Chapter titled “Risk Factors” beginning on page 24 of this Prospectus.

**J. SUMMARY OF CONTINGENT LIABILITIES**

Following is the summary of the Contingent Liabilities of the Company for the period ended September 30, 2019 and financial years ended on March 31, 2019, 2018 and 2017:-

Particulars	For the period ended on September 30, 2019	For the year ended on		
		March 31, 2019	March 31, 2018	March 31, 2017
Bank Guarantee	-	-	-	49.93

For further details on the Contingent Liabilities, please see the Annexure XXXVI under Chapter titled “Financial Information of the Company” beginning on page 176 of the Prospectus.

**K. SUMMARY OF RELATED PARTY TRANSACTIONS**

Following is the summary of the related party transactions entered by the Company (based on Consolidated Financial Statements) for the period ended on September 30, 2019 and financial years ended on March 31, 2019, 2018 and 2017:-

**List of Related parties**

**Names of the related parties with whom transactions were carried out during the years and description of relationship:**

Sr. No.	Name of the Person / Entity	Relation
1	Suresh Fegde	Director in Holding Company
2	Alka Kulkarni	Director in Holding Company
3	Mukund Kulkarni	Director in Subsidiary Company
4	Jayant Fegde	Director in Subsidiary Company
5	Aditya Kulkarni	Son of Mukund Kulkarni and Alka Kulkarni
6	Ajinkya Kulkarni	Son of Mukund Kulkarni and Alka Kulkarni
7	Ajinkya Kulkarni HUF	HUF of Director’s son



Transactions with related parties

(Rs. in lacs)

Particulars	Nature of Transaction	Amount of Transaction in April 19 to Sept.-19		Amount Outstanding as on 30.09.19 (Payable)/ Receivable	Amount of Transaction in 2018-19		Amount Outstanding as on 31.03.19 (Payable)/ Receivable	Amount of Transaction in 2017-18		Amount Outstanding as on 31.03.18 (Payable)/ Receivable	Amount of Transaction in 2016-17		Amount Outstanding as on 31.03.17 (Payable)/ Receivable
		Debit	credit		Debit	credit		Debit	credit		Debit	credit	
<b>(A) Key Managerial Personnel</b>													
<b>Managerial Remuneration</b>													
Suresh Fegde	Remuneration	20.40	-	-	40.70	-	-	24.00	-	-	17.25	-	-
Alka Kulkarni	Remuneration	20.40	-	-	40.70	-	-	24.00	-	-	17.25	-	-
Mukund Kulkarni	Remuneration	20.40	-	-	39.10	-	-	24.00	-	-	17.25	-	-
Jayant Fegde	Remuneration	1.83	-	-	7.23	-	-	4.79	-	-	4.19	-	-
<b>Others</b>													
Alka Kulkarni	Unsecured Loan							2.68	0.31	0.00	2.67	0.50	-2.36
Alka Kulkarni	Interest on Unsecured Loan	-	3.28	-	-	-	-3.28	0.07	0.00	-3.28	0.81	0.58	3.21
Mukund Kulkarni: Holding	Unsecured Loan	-	-	0.00	2.42	-	-	-	2.42	-2.42	4.69	4.12	0.00
Mukund Kulkarni: Subsidiary	Unsecured Loan	1.53	4.11	-70.15	12.73	46.78	-67.57	51.52	10.59	-33.51	30.35	10.74	-74.44



Mukund Kulkarni: Subsidiary	Interest on Unsecured Loan	4.11	0.41	-3.70	5.78	-	0.00	6.59	-	0.00	10.74	-	-
Suresh Fegde :Subsidiary	Unsecured Loan	0.93	0.09	-	0.00	-	-0.84	-	-	-0.84	-	-	-0.84
Suresh Fegde :Subsidiary	Interest on Unsecured Loan	0.09	-	-	0.10	0.01	-0.09	-	-	-	-	-	-
Alka Kulkarni: Holding	Advance given	2.48	-	2.48									
Suresh Fegde :Holding	Advance given	1.79	-	1.79	-	-	-	-	4.82	-	5.46	0.64	4.82
<b>(B )Other Related Party Transactions</b>													
<b>Relatives of Directors</b>													
Aditya Kulkarni	Unsecured Loan	4.32	4.96	-71.64	6.71	26.71	-71.00	5.61	5.61	-51.00	9.12	9.12	-51.00
Ajinkya Kulkarni	Unsecured Loan	10.00	6.83	-	6.83	10.00	-3.17	-	-	-	-	-	-
Ajinkya Kulkarni - HUF	Unsecured Loan	31.21	31.21	-	0.00	-	-	-	-	-	-	-	-
Aditya Kulkarni	Interest on Unsecured Loan	4.26	-	-	6.71	-	-	5.61	-	-	9.12	-	-



## L. DETAILS OF FINANCING ARRANGEMENTS

There are no financing arrangements whereby the promoters, members of the promoter group, the directors of the issuer and their relatives have financed the purchase by any other person of securities of the issuer other than in the normal course of the business of the financing entity during the period of six months immediately preceding the date of this Prospectus

## M. WEIGHTED AVERAGE PRICE OF THE SHARES ACQUIRED BY PROMOTERS IN LAST ONE YEAR

Date of Allotment/ Transfer	Number of Shares Acquired	Nature of Acquisition (Allotment/Transfer)	Issue/Transfer price per Share	Weighted Average Price
<b>Mr. Mukund Narayan Kulkarni</b>				
November 15, 2019	100	Transfer	10	
<b>Total</b>	<b>100</b>			<b>10</b>
<b>Mr. Suresh Gunwant Fegde</b>				
August 29, 2019	2	Transfer	10	
September 19, 2019	31,08,217	Bonus Issue	Nil	
October 10, 2019	16	Transfer	10	
<b>Total</b>	<b>31,08,235</b>	-	-	<b>0.00</b>
<b>Mrs. Alka Mukund Kulkarni</b>				
August 29, 2019	4	Transfer	10	
September 19, 2019	60,33,594	Bonus Issue	Nil	
October 10, 2019	16	Transfer	10	
<b>Total</b>	<b>60,33,614</b>	-	-	<b>0.00</b>

Note: The above table relates to shares acquired by Promoters in last one year only.

## N. AVERAGE COST OF ACQUISITION OF SHARES

The average cost of acquisition of Equity 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. Mukund Narayan Kulkarni	100	10
2.	Mr. Suresh Gunwant Fegde	35,52,164	1.25
3.	Mrs. Alka Mukund Kulkarni	68,95,352	1.25

## O. PRE IPO PLACEMENT

Our Company is not considering any pre-IPO placement of equity shares of the Company.

## P. EQUITY SHARES ISSUED 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 (₹)	Issue Price (₹)	Reasons for Allotment	Benefits Accrued to our Company	Name of Allottees	No. of Shares Allotted
March 29, 2009	9,77,488	10	10	Takeover of business	Acquisition of partnership firms*	Mr. Mukund Narayan Kulkarni	5,36,855
						Mr. Suresh Gunwant Fegde	4,40,633
March 25, 2014	3,18,491	10	10	Conversion of loan into equity shares	Reduction of debts and increase in	Mr. Mukund Narayan Kulkarni	2,68,491
						Mrs. AlkaMukund Kulkarni	50,000



					Capital		
September 19, 2019	91,41,853	10	-	Bonus in the ratio of 7:1 i.e. 7 Equity Share for every 1 Equity Shares held	Capitalization of Reserves & Surplus**	Mr. Suresh Gunwant Fegde	31,08,217
						M/s B.S.Steels (sole proprietorship firm of Mr. Amarjeet Singh Bali)	7
						Mrs. AlkaMukund Kulkarni	60,33,594
						Mr. Aditya Mukund Kulkarni	7
						Mrs. Lata Girishankar Patil	7
						Mr. Ulhas Ramdas Mahajan	7
						Mrs. Dipali Ulhas Mahajan	7
						Mr. Girishankar Baliram Patil	7
<b>Total</b>						<b>91,41,853</b>	

\*Further allotment of 9,77,488 Equity shares of Face Value of Rs. 10/- each pursuant to takeover of partnership firms, namely, M/s S.M. Industries and M/s Spam Fab Technocrats from the Promoters, Mr. Mukund Narayan Kulkarni and Mr. Suresh Gunwant Fegde vide agreements dated April 30, 2007

\*\*Above allotment of shares has been made out of Reserve & Surplus available for distribution to shareholders and no part of revaluation reserve has been utilized for the purpose.

#### Q. SPLIT/ CONSOLIDATION OF EQUITY SHARES

Our Company has not done any split or consolidation of Equity Shares during the last one year from the date of this Prospectus.

### **SECTION III: 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 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 133, 95 and 181 respectively of this 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 affect on our business, results of operations, financial condition and prospects.

This 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 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 affects 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 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 24 and “**Management Discussion and Analysis of Financial Condition and Results of Operations**” on page 191 of this 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 Accounting Standards

1. **We are subject to strict quality requirements and are consequently required to maintain our product quality. Any failure to comply with such quality standards may lead to cancellation of existing and future work orders which may adversely affect our reputation, financial conditions, cash flows and results of operations.**

We specialize in manufacture and supply of automotive sheet components on technical specifications as per the requirements of our customers. Given the nature of our products and the sector in which we operate, our customers have high and exacting standards for product quality as well as delivery schedules. Adherence to quality standards is a critical factor in our manufacturing process as any defects in the products manufactured by our Company or failure to comply with the technical specifications of our customers may lead to cancellation of the orders placed by our customers. Further, any failure to make timely deliveries of products in the desired



quantity as per our customers' requirements could also result in the cancellation of orders placed by our customers and may adversely affect our business and financial position.

Thus, we have to maintain stringent quality control mechanism at each stage of the manufacturing process and are required to maintain the quality and precision level for each product. As a result, we are required to incur expenses to maintain our quality assurance systems such as periodic checking by the operators to ensure there is no defect in the manufacturing facilities and machineries, and in the manufacturing processes. We will continue to spend a portion of our future revenues to manage our product quality and to maintain our quality control a failure of which may negatively impact our profitability.

For further details of our Business, Please refer chapter titled "***Our Business***" beginning on page 95 of this Prospectus.

***2. We are yet to apply for certain regulatory licenses, registrations and approvals in respect of our business operations. Failure to obtain or maintain licenses, registrations, permits and approvals may severely affect our business and results of operations.***

We are governed by various laws and regulations for our business and operations. We are required, and will continue to be required, to obtain and hold relevant licenses, approvals and permits at state and central government levels for carrying our business operations. The approvals, licenses, registrations and permits obtained by us may contain conditions, some of which could be onerous. Additionally, we will need to apply for renewal of certain approvals, licenses, registrations and permits, which are needed to be updated pursuant to conversion of Company from private to public Company.

While we have obtained a number of approvals, licenses, registrations and permits from the relevant authorities, we are yet to apply for certain licenses/approvals relating to our manufacturing units which inter-alia includes (i) NOC from fire department for all three factory units (ii) Renewal of consent to operate and Authorization from MPCB for our factory units situated at B-198, MIDC, Nashik and J-41, MIDC, Nashik. Further, we have not executed final lease agreements with MIDC in respect of our factory land situated at J-41 and B-198, MIDC, Ambad, Nashik as stipulated under the Assignment deeds of respective properties. Any failure to apply for and obtain the required consents and registrations or any cognizance being taken by the concerned authorities for non-registration could result in levy of penalties and other legal proceedings which may adversely affect our business, financial condition, results of operations and prospects. For further details regarding the material approvals, licenses, registrations and permits, which have not been obtained by our Company or are, pending renewal, see Chapter titled "***Government and Other Approvals***" on page 209 of this Prospectus.

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 and 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 affect on our business.

***3. Our business is substantially dependent on our certain major customers, with whom we do not have firm commitment agreements. The loss of any significant clients may have a material and adverse affect on our business and results of operations.***

We are dependent on certain major customers, especially MSL Driveline Systems Limited from which we derive around 50% of our revenue (from products and services) in F.Y. 2018-19. Our other major customers include Reliable Autotech Pvt. Ltd., Scrap Traders, JBM Auto Limited and Innova Rubbers Private Limited. For the year ended March 31, 2019 and stub period ended September 30, 2019, our top five customers cumulatively accounted for approximately 91% and 90% of our revenue from operations respectively. In the event any one or more customers cease to continue doing business with us, our business may be adversely affected. The loss of such clients may be caused mainly because of competition. There may be factors other than our performance, which may not be predictable, which could cause loss of clients. Also, we generally do not enter into any long-term contracts with our customers and any change in the buying pattern of the customers could adversely affect the business of our Company. Further, any significant reduction in demand for our products from our key clients, any requirement to lower the price offered by these clients, or any loss or financial difficulties caused to these clients, or bad debts of the dues from these clients, or change in relationship with the clients could have a material adverse affect on our business, result of operations, financial conditions and cash flow.

We cannot assure that we shall generate the same quantum of business, or any business at all, and the loss of business from one or



more of them may adversely affect our revenues and results of operations. However, the composition and revenue generated from these customers might change as we strive to add new customers in the normal course of business. While we are constantly striving to increase our customer base and reduce dependence on any particular customer, there is no assurance that we will be able to broaden our customer base in any future periods, or that our business or results of operations will not be adversely affected by a reduction in demand or cessation of our relationship with any of our major customers.

**4. We are heavily dependent on the performance of the Automobile Sector particularly, passenger vehicle, commercial vehicles and tractors market in India. Any adverse changes in the conditions affecting these markets can adversely impact our business, results of operations and financial condition.**

Our sheet metal auto-components business is heavily dependent on the performance of the Automobile Sector particularly, passenger vehicle, commercial vehicles and tractors market in India. We are therefore exposed to fluctuations in the performance of these markets. In the event of a decrease in demand in these markets or any developments that make the sale of components in these markets less economically beneficial, we may experience pronounced effects on our business, results of operations and financial condition. The automotive market is affected by, amongst other things, changes in government policies, economic conditions, demographic trends, employment and income levels and interest rates, which may negatively affect the demand of our products which may materially adversely affect our business, results of operations and financial condition.

**5. There are certain outstanding legal proceedings involving Our Company, Directors and Promoters. Any failure to defend these proceedings successfully may have an adverse affect on our financial conditions, business, reputation and result of ongoing operations.**

Our Company, Directors and Promoters are involved in certain legal proceedings, which if determined, against us/them could harm our reputation or adversely affect our business, financial condition and results of operations. These proceedings are pending at different levels of adjudication before various courts, tribunals and appellate authorities. For details kindly refer chapter titled “Outstanding Litigations and Material Developments” on page 205 of this Prospectus.

A brief detail of such outstanding litigations as on the date of this Prospectus are as follows:

**Litigations/Matters against our Company:-**

Nature of Cases	No. of Outstanding Cases	Amount Involved (Rs. in Lacs)
Direct Tax Liabilities	1	1.91
Indirect Tax Liabilities	2	1.29

**Litigations/matters against our Directors & Promoters:-**

Nature of Cases	No. of Outstanding Cases	Amount Involved (Rs. in Lacs)
Criminal Matter	1	Undetermined*
Direct Tax Liabilities	6	2.99

\* Note:- The liability amount of Summary Criminal case filed against our Promoter Director, Mrs. Alka Mukund Kulkarni in the capacity of occupier of our C-13 factory unit by Maharashtra State through A.C. Ade, Deputy Director, Industrial Safety & Health, Nashik under Rule 3(1) and 5(1) of Schedule VIII-A of Rule 57 annexed to Maharashtra Factories Rules, 1963 read with Section 92 of Factories Act, 1948 in the court of Chief Judicial Magistrate, Nashik, could not be determined, as complete case documents are not available with us.

For further details of Statutory or legal proceedings involving our Company, Directors and Promoters, please refer to the chapter titled “Outstanding Litigations and Material Developments” on page 205 of this Prospectus.

**6. Our failure to identify and understand evolving industry trends and preferences and to develop new products to meet our customers' demands may materially adversely affect our business.**

Changes in consumer preferences, regulatory or industry requirements or in competitive technologies may render certain of our products obsolete or less attractive. Our ability to anticipate changes in technology and regulatory standards and to successfully develop and introduce new and enhanced products on a timely basis is a significant factor in our ability to remain competitive.



However, there can be no assurance that we will be able to secure the necessary technological knowledge, through technical assistance agreements or otherwise, that will allow us to develop our product portfolio in this manner. If we are unable to obtain such knowledge in a timely manner, or at all, we may be unable to effectively implement our strategies, and our business and results of operations may be adversely affected. Moreover, we cannot assure you that we will be able to achieve the technological advances that may be necessary for us to remain competitive or that certain of our products will not become obsolete.

To compete effectively in the metal sheet components industry, we must be able to develop, upgrade and manufacture new products to meet our customers' demand in a timely manner. In order to do so, we need to identify and understand the key market trends and address our customers' evolving needs proactively and on a timely basis. As a result, we may incur capital expenditures for development of products to meet the demands of our customers. We cannot assure you, however, that we will be able to install and commission the equipment needed to manufacture products for our customers on time. Our failure to successfully and timely develop and manufacture new products in order to cater to the requirements of our customers and industry trends could have a material adverse effect on our business, financial condition, results of operations and future prospects.

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

Our Company has not complied with certain statutory provisions under the Companies Act such as:-

- There are few discrepancies noticed in some of our corporate records relating to minutes and forms filed with the Registrar of Companies (ROC), which inter-alia includes clerical & technical errors in the Annual Returns filed by our Company with the ROC in past years, for instance, list of transfers were not attached in the Annual Return filed by Company for F.Y. 2012-13. Further, there are certain forms which are filed with delayed fees or has not been filed with ROC.
- There has been inadequate/incorrect disclosure on letterheads of the Company as per Section 12 of the Companies Act, 2013, which has now been rectified.
- Our Company has advanced an amount of Rs. 5.46 lakhs to our Director, Mr. Suresh Fegde during F.Y. 2016-17 which is a non-compliance of Section 185 of the Companies Act, 2013. However, the said loan was cleared in F.Y. 2017-18. Further, our Company has advanced certain amounts to our Group Company, SM Autovision Private Limited during the F.Y. 2014-15 and period Apr.'15 to May'15 which was in violation of Section 185 of the Companies Act, 2013. The balance amount of such contravened loan as on May 31, 2015 was Rs. 76.01 lakhs and the said loan was also cleared itself in F.Y. 2015-16.
- In terms of Section 129(1) of the Companies Act, 2013, Our Company has not fully complied with some Accounting Standards such as AS-2 for Valuation of Inventories, AS-15 for Employee Benefits & AS-10 for Accounting for Fixed Assets in the past. However, now the Company has made necessary compliance in the restated financial statements of the Company.
- Our Company in the past has inadvertently borrowed certain amount which is termed as deposits under the purview of Section 58A of Companies Act, 1956/Section 73 of Companies Act, 2013. However the same have been repaid and there are no other unsecured loans outstanding as on date of this Prospectus.

Further, we are not in possession of valuation report dated 07.02.2007 for immovable assets, which was taken at the time of acquisition of partnership firms, namely, M/s S.M. Industries and M/s. Spam Fab Technocrats. 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 shall be affected.

**8. *Our Statutory Auditors have expressed qualified opinion on our Standalone and Consolidated financial statements for the financial year ended Mar.'17 and has included certain emphasis of matters in their Audit Reports on our Standalone and Consolidated financial statements for the period ended Sept.'19 and financial year ended Mar.'19, Mar.'18 and Mar.'17.***

Our Statutory Auditors have expressed qualified opinion on our Standalone and Consolidated financial statements for the financial year ended Mar.'17 and has included certain emphasis of matters & significant notes in their Audit Reports on our Standalone and



Consolidated financial statements for the period ended Sept.'19 and financial year ended Mar.'19, Mar.'18 and Mar.'17, which are mentioned here below:-

➤ **F.Y. 2016-17**

❖ **Standalone Financial Statements**

**Basis for Qualified Opinion**

*The records of inventory maintained by the Company are not proper and sufficient to verify the stock declared by the Company. Consequently, we are unable to determine whether any adjustment to stock amount was necessary.*

**Emphasis of Matter**

We draw attention to the following matters in the Notes to the financial statements:

*(a) Note 7 & 14 to the financial statements which state that "Trade Payables" and "Trade Receivables" are subject to confirmation.*

**Significant notes**

Note 5: Creditors balances are subject to confirmation.

Note 8: The Company has not classified its creditors as Micro, Small and Medium Enterprises as required under Micro, Small and Medium Enterprises Development Act, 2006. Information required to be reported under the Act could not therefore be compiled for verification by Auditor. Trade Payables balances are subject to confirmation.

❖ **Consolidated Financial Statements**

**Basis for Qualified Opinion**

*The records of inventory maintained by the Group are not proper and sufficient to verify the stock declared by the Group. Consequently, we are unable to determine whether any adjustment to stock amount was necessary.*

**Emphasis of Matter**

We draw attention to the following matters in the Notes to the financial statements:

*(a) Note 8 & 16 to the financial statements which state that "Trade Payables" and "Trade Receivables" are subject to confirmation.*

**Significant notes**

Note 8: The Company has not classified its creditors as Micro, Small and Medium Enterprises as required under Micro, Small and Medium Enterprises Development Act, 2006. Information required to be reported under the Act could not therefore be compiled for verification by Auditor. Trade Payables balances are subject to confirmation.

Note 16: Trade Receivables' balances are subject to confirmation.

➤ **F.Y. 2017-18**

❖ **Standalone Financial Statements**



### **Emphasis of Matter**

We draw attention to the following matters in the Notes to the financial statements:

- (a) Note 8 & 15 to the financial statements which state that “Trade Payables” and “Trade Receivables” balances are subject to confirmation.
- (b) Note 8 to the financial statements also state that the Company has not classified its creditors as Micro, Small and Medium Enterprises as required under Micro, Small and Medium Enterprises Development Act, 2006. Information required to be reported under the Act could not therefore be compiled for verification by Auditor.
- (c) Note 14 to the financial statements which state that, during the year, Company has changed accounting policy for valuation of inventory. The amount of duties and taxes is also included in the purchase cost of closing inventory to comply with Income Computation and Disclosure Standards as prescribed under Income Tax Law. Thereby profit of the Company is over stated by the amount of Rs. 1,01,68,150/-

### **❖ Consolidated Financial Statements**

#### **Emphasis of Matter**

We draw attention to the following matters in the Notes to the financial statements:

- (a) Note 8 & 15 to the consolidated financial statements which state that “Trade Payables” and “Trade Receivables” balances are subject to confirmation.
- (b) Note 8 to the consolidated financial statements also state that the Company has not classified its creditors as Micro, Small and Medium Enterprises as required under Micro, Small and Medium Enterprises Development Act, 2006. Information required to be reported under the Act could not therefore be compiled for verification by Auditor.
- (c) Note 14 to the consolidated financial statements which state that, during the year, Company has changed accounting policy for valuation of inventory. The amount of duties and taxes is also included in the purchase cost of closing inventory to comply with Income Computation and Disclosure Standards as prescribed under Income Tax Law.

### **➤ F.Y. 2018-19**

#### **❖ Standalone Financial Statements**

#### **Significant notes**

Note 5.1:- Creditors balances’ are subject to confirmation, reconciliation and consequential adjustments.

Note 9.2:- Trade payables’ balances are subject to confirmation, reconciliation and consequential adjustments.

Note 15:- The Company has policy to include the amount of duties and taxes in the purchase cost of closing inventory to comply with Income Computation and Disclosure Standards as prescribed under Income Tax Law. Thereby, the value of inventories of the Company is overstated by amount Rs. 1,07,33,478/- for the year ended 31<sup>st</sup> March 2019 and by Rs. 1,01,68,150/- for the year ended 31<sup>st</sup> March 2018 and thereby profit of the Company is over stated by an amount of Rs. 5,65,328 for the financial year 31<sup>st</sup> March 2019.

Note 16.1:- Trade Receivables’ balances are subject to confirmation, reconciliation and consequential adjustments.

Note 17:- As insisted by the Bank, the bank deposits of Rs. 3,70,430/- are made in the name of Directors/Promoters of the Company.

❖ **Consolidated Financial Statements**

**Significant notes of the auditors on Financial Statements for the financial year ended 31<sup>st</sup> March 2019**

**Extract from the Independent Auditor's report on the Financial Statements:**

Note 6.1:- Creditors balances are subject to confirmation, reconciliation and consequential adjustments.

Note 10.2:- Trade payables' balances are subject to confirmation, reconciliation and consequential adjustments.

Note 16.1:- The Company has policy to include the amount of duties and taxes in the purchase cost of closing inventory to comply with Income Computation and Disclosure Standards as prescribed under Income Tax Law. Thereby, the value of inventories of the Company is overstated by amount Rs. 1,45,64,394 for the financial year ended 2018-19 and by Rs. 1,41,09,177/- for the financial year 2017-18. Thereby profit of the Company is over stated by an amount of Rs. 4,55,217 for the financial year 2018-19.

Note 17.1:- Trade Receivables' balances are subject to confirmation, reconciliation and consequential adjustments.

Note 18:- As insisted by the bank, the Bank deposits of Rs. 10.72 lakhs as on March 31, 2019 are made in the name of directors/promoters of the Company.

➤ **Apr.'19 – Sept.'19**

❖ **Standalone Financial Statements**

**Emphasis of Matters**

We draw attention to the following matters in the Notes to the financial statements:

Note 9 & 16 to the financial statements which state that Trade Payables' and Trade Receivable balances are subject to confirmation.

Note 9 to the financial statement also state that the company has not classified its creditors as Micro, Small and Medium Enterprises as required under Micro, Small and Medium Enterprises Development Act 2006.

Note 15 to the financial statements which state that, during the year company has changed accounting policy for valuation of inventory.

❖ **Consolidated Financial Statements**

**Emphasis of Matters**

We draw attention to the following matters in the Notes to the financial statements:

Note 9 & 17 to the financial statements which state that Trade Payables' and Trade Receivable balances are subject to confirmation.

Note 9 to the financial statement also state that the company has not classified its creditors as Micro, Small and Medium Enterprises as required under Micro, Small and Medium Enterprises Development Act 2006.

Note 16 to the financial statements which state that, during the year company has changed accounting policy for valuation of inventory.

**9. *The geographical concentration of our manufacturing facilities may restrict our operations and adversely affect our business, results of operations and financial conditions.***

We presently operate our business through our three manufacturing facilities which are located in Nashik, Maharashtra. Due to the geographic concentration of our manufacturing operations primarily in Nashik, our operations are susceptible to local and regional factors, such as accidents, system failures, economic and weather conditions, natural disasters, and demographic and population



changes, and other unforeseen events and circumstances. Such disruptions could result in the damage or destruction of a significant portion of our manufacturing abilities, significant delays in the transport of our products and raw materials and/or otherwise adversely affect our business, financial condition and results of operations.

For further details of our location, Please refer chapter titled “*Our Business*” beginning on page 95 of this Prospectus.

***10. Our continued operations are critical to our business and are subject to operating risks such as breakdown or failure of machinery, disruption to power sources or any temporary shutdown of our manufacturing facilities, in the event of which, our business, results of operations, financial condition and cash flows can be adversely affected.***

Our manufacturing facilities are subject to operating risks, such as the breakdown or failure of machinery, power supply or processes, performance below expected levels of efficiency, obsolescence of equipment or machinery, labour disputes, natural disasters, industrial accidents and the need to comply with the directives of relevant government authorities. Our customers rely significantly on the timely delivery of our products and our ability to provide an uninterrupted and timely supply of our products is critical to our business. We also require substantial electricity for our manufacturing facilities which is sourced from state electricity boards. If supply is not available for any reason, we will need to rely on alternative sources, which may not be able to consistently meet our requirements. Our customer relationships, business and financial results may be materially adversely affected by any disruption of operations of our products, including as a result of any of the factors mentioned above.

***11. We may be subject to financial and reputational risks due to product quality and liability claims and legal proceedings if the quality of our products does not meet our customers' expectations.***

Our products may contain quality issues or undetected errors or defects, especially when first introduced, resulting from the design or manufacture of the product or raw materials used in the product. While we test for quality on a sample basis, we cannot assure you that all products would meet the quality standards. Such quality issues can expose us to product liability claims or require us to replace such products, in the event that our products fail to meet the required quality standards, or are alleged to cause harm to customers. Further, if any of the products sold by us fail to comply with quality standards, it may result in customer dissatisfaction, which may have an adverse affect on our business, sales and results of operations.


Additionally, we face the risk of legal proceedings and product liability claims being brought against us by our Customers for various reasons including for defective products sold. We cannot assure you that we will not experience any material product liability losses in the future or that we will not incur significant costs to defend any such claims, regardless of whether we are responsible for any alleged defects.


***12. We depend on third parties for the supply of raw materials and delivery of products and such third parties could fail to meet their obligations, which may have a material adverse effect on our business, results of operations and financial condition.***

The main raw materials which are required by us to manufacture auto-components includes HRPO Strips, Coil, Steel Strip, Spring Steel Material, Cold rolled steel, Hot rolled steel, Deep Draw, Extra deep draw, Aluminum Alloys, Copper based alloys etc, which are procured by us from various domestic vendors which mainly includes Ispat Steel Syndicate, Sanghvi International, Reliable Autotech Pvt. Ltd, Ajay Iron & Steel Traders, Naresh Steel Industries Pvt.Ltd, Sona Steel Enterprises and Mahesh Steel Udyog. We are dependent on third party suppliers for the supply of our raw materials. Discontinuation of production by these suppliers, a failure of these suppliers to adhere to any delivery schedule or a failure to provide materials of the requisite quality could hamper our production schedule and therefore affect our business and results of operations. This dependence may also adversely affect the availability of key materials at reasonable prices, thus affecting our margins, and may have an adverse effect on our business, results of operations and financial condition. There can be no assurance that high demand, capacity limitations or other problems experienced by our suppliers will not result in occasional shortages or delays in their supply of raw materials. If we were to experience a significant or prolonged shortage of raw materials from any of our suppliers, and we cannot procure the raw materials from other sources, we would be unable to meet our production schedules for some of our key products and deliver such products to our customers in timely fashion, which would adversely affect our sales, margins and customer relations. We cannot assure you that a particular supplier will continue to supply the required components or raw materials to us in the future. Any change in the supplying pattern of our raw materials can adversely affect our business and profits.

Further, we do not have an in-house transportation facility and we rely on third party transportation and other logistic facilities at every stage of our business activity including for procurement of products from our suppliers and for transportation of our finished products to our customers. For this purpose, we hire services of transportation companies. However, we have not entered into any

definitive agreements with any third party transport service providers and engage them on a needs basis. Additionally, availability of transportation solutions in the markets we operate in is typically fragmented. The cost of our goods carried by such third party transporters is typically much higher than the consideration paid for transportation, due to which it may be difficult for us to recover compensation for damaged, delayed or lost goods.

**13. Our Company's logo  is not registered under the Trademarks Act, 1999 as on date of Prospectus. We may be unable to adequately protect our intellectual property. Furthermore, we may be subject to claims alleging breach of third party intellectual property rights.**

As on date of Prospectus, we are yet to make application for registration of our logo  under the Trademarks Act, 1999. Further, the status of our application dated September 25, 2019 for registration of our wordmark "SM Auto Stamping" is objected as on date. Hence, we do not enjoy the statutory protections accorded to a registered logo and wordmark.

Further, we may also be susceptible to claims from third parties asserting infringement and other related claims. If claims or actions are asserted against us, we may be required to obtain a licence, modify our existing technology or cease the use of such technology and design a new non-infringing technology. Such licences or design modifications can be extremely costly. Furthermore, necessary licences may not be available to us on satisfactory terms, if at all. In addition, we may decide to settle a claim or action against us, the settlement of which could be costly. We may also be liable for any past infringement. Any of the foregoing could adversely affect our business, results of operations and financial condition.

**14. 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 Promoters and Key managerial personnel, particularly Mr. Suresh Fegde, Mrs. Alka Mukund Kulkarni and Mr. Mukund Narayan Kulkarni. 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 affect 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 116 of this Prospectus.

**15. We have in the past entered into related party transactions and may continue to do so in the future. There can be no assurance that such transactions, individually or in the aggregate, will not have an adverse affect on our Company's financial condition and results of operations.**

Our Company has entered into various transactions with our Directors, Promoters, Promoter Group and Group Company. These transactions, inter-alia includes sales, purchase, issue of shares, remuneration, loans and advances, reimbursement of expenses etc. For details, please refer to "Annexure XXXIV - Related Party Transactions" under Section titled "Financial Information of the Company" and Chapter titled "Capital Structure" beginning on page 172 and 55 respectively of this Prospectus. Our Company has entered into such transactions due to easy proximity and quick execution. While we believe that all such transactions have been conducted on an arm's length basis and in the ordinary course of business, there can be no assurance that we could not have achieved more favorable terms had such transactions not been entered into with related parties.

Furthermore, it is likely that we may enter into related party transactions in the future. Any future transactions with our related parties could potentially involve conflicts of interest. Accordingly, there can be no assurance that such transactions, individually or in the aggregate, will not have a material adverse affect on our business, financial condition, cash flows, results of operations and prospects.

**16. We engage in a highly competitive business and if we fail to compete effectively, it would have a material adverse affect on our business, financial condition and results of operations.**

We believe that the automotive stamping component business in India is characterized by intense competition, technological advancements, and price fluctuations. We face significant competition from manufacturers & suppliers in both the organized and

unorganized sectors. Many of our competitors may have greater financial, manufacturing, research and development, marketing and other resources, more experience in obtaining regulatory approvals, greater geographic reach, broader product ranges and stronger sales forces. Our competitors may succeed in developing products that are more affective, more popular or cheaper than any we may develop, which may render our products obsolete or uncompetitive and adversely affect our business and financial results. Also, we face pressure on our margins due to pricing competition from several small and unorganized local players. Presence of more players in the unorganized sector compared to organized ones has resulted in increasingly competitive environment characterized by stiff price competition. If we fail to compete effectively, it would have a material adverse affect on our business, financial condition and results of operations.

***17. Customer consolidation and takeovers could adversely impact our financial position, results of operations and cash flows.***

Customers in our markets, including the customers in the automotive sheet components industry, may consolidate and grow in a manner that could affect their relationship with us. For instance, if one of our customers is acquired by any other company, its management may get reshuffled which may affect our relationship with such customer, and we may not be able to retain any favorable terms that we agreed to in the past and may even lose that acquired customer's business. Additionally, if our customers become larger and more concentrated, they could exert pressure in pricing and payment terms on all suppliers, including us. Accordingly, our ability to maintain or raise prices in the future may be limited, including during periods of increase in the price of raw materials and other costs. If we are forced to reduce prices or maintain prices during periods of increased costs, or if we lose customers because of their acquisition, pricing or other methods of competition, our financial position, results of operations and cash flows may be adversely affected.

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

Modernization and technology up gradation is essential to reduce costs and increase the output. Our technology and machineries may become obsolete or may not be upgraded timely, hampering our operations and financial conditions and we may lose our competitive edge. Although we believe that we have installed updated technology, we shall continue to strive to keep our technology, plant and machinery in line with the latest technological standards. In case of a new found technology in the metal stamping business, we may be required to implement new technology or upgrade the machineries and other equipment's employed by us. Further, the costs in upgrading our technology and modernizing the plant and machineries are significant which could substantially affect our finances and operations

***19. Our Promoter Group Entity cum Associate and Group Company is engaged in the line of business similar to our Company. There are no non - compete agreements between our Company and such entity. We cannot assure that our Promoter will not favour the interests of such entity over our interest or that the said entity will not expand, which may increase our competition and may adversely affect business operations and financial condition of our Company.***

Our Promoter Group and Group Company, SM Autovision Private Limited, which is also our Associate Company wherein we holds 48% of the equity shareholding, is presently engaged in the similar line of business as of our Company. We have not entered into any non-compete agreement with the said entity. We cannot assure that our Promoter who has common interest in said entity will not favour the interest of the said entity. As a result, conflict of interests can arise on account of common suppliers/customers and in allocating business opportunities amongst our Company and our Promoter Group Company in circumstances where our respective interests diverge. In cases of conflict, our Promoter may favour other entity/entities in which our Promoter has interests. There can be no assurance that our Promoter or our Promoter Group entities or members of the Promoter Group will not compete with our existing business or any future business that we may undertake or that their interests will not conflict with ours. Any such present and future conflicts could have a material adverse affect on our reputation, business, results of operations and financial condition which may adversely affect our profitability and results of operations. For further details, please refer to Chapter titled "***Our Group Company***" on Page 214 of this Prospectus.

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

Our business involves many risks and hazards which may affect our profitability, including breakdowns, failure or substandard performance of equipment, third party liability claims, labour disturbances and infrastructure failure. Our company has obtained insurance coverage in respect of certain risks which consists of Standard Fire and Special Perils Policy for all our three manufacturing units and vehicle insurances. However, we have not taken machinery breakdown policy, burglary insurance, goods in transit, cash in transit, Directors and Officers Liability insurance, keyman insurance (except for Mr. Mukund Narayan Kulkarni) or



workman compensation policies. If any uncertainty arises including losses arising on account of third party claims or if claim made by us in respect of an insurance, is not accepted or any loss occurred by us is in excess of the insurance coverage, the same may adversely affect our operation, results and financials. If our arrangements for insurance or indemnification are not adequate to cover claims, we may be required to make substantial payments and our results of operations and financial condition may be affected. For further information, see the section titled “Our Business” on page 95 of this Prospectus.

**21. 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 inventories. As on September 30, 2019, we have been sanctioned cash credit facility of Rs. 550 lacs and long term working capital loan of Rs. 500 lakhs from TJSB Sahakari Bank Limited. 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.

**22. Delays or defaults in client payments could affect our operations.**

We may be subject to working capital risks due to delays or defaults in payment by clients, which may restrict our ability to procure raw materials and make payments when due. In addition, any delay or failure on our part to supply the required quantity or quality of products, within the time stipulated by our agreements, to our customers may in turn cause delay in payment or refusal of payment by the customer. We typically extend credit terms to our large institutional and other customers. Such defaults/delays by our customers in meeting their payment obligations to us may have a material effect on our business, financial condition and results of operations.

**23. Failure to effectively manage labour or failure to ensure availability of sufficient labour could affect the business operations of the Company.**

Our business activities are dependent on availability of skilled and unskilled labour. Non-availability of labour at any time or any disputes with them may affect our production schedule and timely delivery of our products to customers which may adversely affect our business and result of operations. Though we have not faced any labour problem in the past we cannot assure that we will not experience disruptions to our operations due to disputes or other problems with our work force, which may lead to strikes, lock-outs or increased wage demands. Such issues could have adverse affect on our business, and results of operations.

**24. We have incurred loss in recent financial years.**

We incurred a net loss of ₹ 173.11lakhs for F.Y. 2016-17, as per our Restated Consolidated Financial Information. We cannot assure you that we will not incur losses in future. For further details, see “Financial Information” beginning on page 133 of this Prospectus.

**25. Our Associate & Group Company, SM Autovision Private Limited have incurred losses in F.Y. 2016-17 and any operating losses in the future could adversely affect the results of operations and financial conditions of our group company.**

The details of profit and loss (based on Audited financials) of our Associate & Group Company, SM Autovision Private Limited in past years are mentioned as follows:

(Rs. in lacs)

Company	Profit/ (Loss) for the year ended on		
	March 31, 2019	March 31, 2018	March 31, 2017
SM Autovision Private Limited	104.52	22.53	(176.94)

Any operating losses by our Group Company could adversely affect the overall operations of the group and financial conditions. For more information, regarding the Companies, please refer chapter titled “Our Group Company” beginning on page 214 of this Prospectus.



**26. We have incurred substantial indebtedness which exposes us to various risks which may have an adverse affect 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 September 30, 2019, our total outstanding indebtedness was ₹ 2386.15 lakhs.

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

1. increasing our vulnerability to general adverse economic, industry and competitive conditions;
2. limiting our flexibility in planning for, or reacting to, changes in our business and the industry;
3. affecting our credit rating;
4. limiting our ability to borrow more money both now and in the future; and
5. 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 affect on our cash flow and financial conditions of the company. For further details regarding our indebtedness, see “*Statement of Financial Indebtedness*” on page 184 of this Prospectus.

**27. 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 September 30, 2019, such loans amounted to Rs. 236.46 lacs. 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 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 184 of this Prospectus.

**28. Loans availed by Our Company has been secured on personal/corporate guarantees of our Director and Group Company. Our business, financial condition, results of operations, cash flows and prospects may be adversely affected in case of invocation of any personal guarantees provided by our Directors or Group Company.**

Our Promoters & Directors, Mr. Suresh Fegde, Mrs. Alka Mukund Kulkarni and Mr. Mukund Narayan Kulkarni has provided personal guarantee to secure a significant portion of our existing borrowings taken from TJSB Sahakari Bank Limited and SIDBI, and may continue to provide such guarantees and other security post listing. In case of a default under our loan agreements, any of the personal/corporate guarantees provided by the aforesaid may be invoked which could negatively impact their reputation and net worth. Also, we may face certain impediments in taking decisions in relation to our Company, which in turn would result in a material adverse affect on our financial condition, business, results of operations and prospects and would negatively impact our reputation. 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 184 of this Prospectus.

**29. The Promoters and Directors hold Equity Shares in Our Company and are therefore interested in the Company's performance in addition to their remuneration and reimbursement of expenses.**

Our Directors (including our Promoters) are interested in our Company, in addition to regular remuneration or benefits and reimbursement of expenses, to the extent of their shareholding in our Company or their relatives, dividend entitlement, or loans advanced and personal guarantee, provided by them for the Company, and benefits deriving from the directorship in our Company. There can be no assurance that our Promoters will exercise their rights as shareholders to the benefit and best interest of our Company. Our Promoters will continue to exercise significant control over us, including being able to control the composition of our Board of Directors and determine decisions requiring simple or special majority voting of shareholders, and our other shareholders may be unable to affect the outcome of such voting. Our Promoters may take actions with respect to our business which may conflict with the best interests of the Company or that of minority shareholders. For further information, please refer to the chapters/section titled “*Our Business*”, “*Our Promoter and Promoter Group*” and “*Annexure XXXIV - Related Party Transactions*”, beginning on pages 95, 127 and 172 respectively of this Prospectus.





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

Obsolescence, destruction, theft or breakdowns of our major plants or machineries may significantly increase our machineries purchase cost and the depreciation of our plants and machineries, as well as change the way our management estimates the useful life of our plants and machineries. In such cases, we may not be able to acquire new plants or machineries or repair the damaged plants or machineries in time or at all, particularly where our plants or machineries are not readily available from the market or require services from original machinery manufacturers. Some of our major machineries or parts may be costly to replace or repair. We may experience significant price increases due to supply shortages, inflation, transportation difficulties or unavailability. Such obsolescence, destruction, theft, breakdowns, repair or maintenance failures or price increases may not be adequately covered by the insurance policies availed by our Company and may have an affect our business, cash flows, financial condition and results of operations For further details of our Plant and Machineries, please refer to chapter titled “*Our Business*” beginning on page 95 of the Prospectus.

**31. *We may not be able to sustain affective implementation of our business and growth strategy.***

The success of our business will largely depend on our ability to effectively implement our business and growth strategy. In the past we have generally been successful in execution of our business but there can be no assurance that we will be able to execute our strategy on time and within the estimated budget in the future. If we are unable to implement our business and growth strategy, this may have an adverse affect on our business, financial condition and results of operations.

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

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

**33. *Excessive dependence on TJSB Sahakari Bank Limited for obtaining financial facilities.***

Most of our fund based and non fund based financial assistance has been sanctioned by TJSB Sahakari Bank Limited. We have been sanctioned the financial assistance on the security of assets and personal guarantee of our Directors. 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. For further details on the Cash Credit Limits and other banking facilities, please see “*Statement of Financial Indebtedness*” on page 184 of this Prospectus.

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

The proposed fund requirement for our working capital needs, as detailed in the section titled “*Objects of the Issue*” is to be funded from the proceeds of this Issue. We have not identified any alternate source of funding and hence any failure or delay on our part to mobilize the required resources or any shortfall in the Issue proceeds may delay the implementation schedule. We therefore, cannot assure that we would be able to execute our future plans/strategy within the given timeframe. For details, please refer to the Chapter titled “*Objects of the Issue*” beginning on page 77 of this Prospectus.

**35. *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, management, changes in fixed assets, creation of any other charge, undertake any guarantee obligation etc. There can be no assurance that such consents will be granted or that we will be able to comply with the financial covenants under our financing arrangements. In the event we breach any financial or other covenants contained in any of our financing arrangements, we may be required under the terms of such financing arrangements to immediately repay our borrowings either in whole or in part, together with any related costs. This may adversely impact our results of operations



and cash flows.

For further details on the Cash Credit Limits and other banking facilities, please see “*Statement of Financial Indebtedness*” on page 184 of the Prospectus.

***36. Any Penalty or demand raised by statutory authorities in future will affect our financial position of the Company.***

Our Company is engaged in business of manufacturing of metal stamping components, which attracts tax liability such as Goods and Service tax, Income tax, and professional tax as per the applicable provisions of Law. We are also subject to the labour laws like depositing of contributions with Provident Fund and Employee State Insurance. 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.

***37. The Objects of the Issue for which funds are being raised, are based on our management estimates and have not been appraised by any bank or financial institution or any independent agency.***

The deployment of funds will be entirely at our discretion, based on the parameters as mentioned in the chapter titles “Objects of the Issue”. The fund requirement and deployment, as mentioned in the “Objects of the Issue” on page 77 of this Prospectus is based on the estimates of our management and has not been appraised by any bank or financial institution or any other independent agency. These fund requirements are based on our current business plan. We cannot assure that the current business plan will be implemented in its entirety or at all. In view of the highly competitive and dynamic nature of our business, we may have to revise our business plan from time to time and consequently these fund requirements. The deployment of the funds as stated under chapter “Objects of the Issue” is at the discretion of our Board of Directors and is not subject to monitoring by any external independent agency. Further, we cannot assure that the actual costs or schedule of implementation as stated under chapter “Objects of the Issue” will not vary from the estimated costs or schedule of implementation. Any such variance may be on account of one or more factors, some of which may be beyond our control. Occurrence of any such event may delay our business plans and/or may have an adverse bearing on our expected revenues and earnings.

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

Information relating to our production capacities and the historical capacity utilization of our production facilities included in this Prospectus is based on various assumptions and estimates of our management, including proposed operations, assumptions relating to availability and quality of raw materials and assumptions relating to operational efficiencies. Actual production levels and utilization rates may differ significantly from the estimated production capacities or historical estimated capacity utilization information of our facilities. Undue reliance should therefore not be placed on our production capacity or historical estimated capacity utilization information for our existing facilities included in this Prospectus. For further information, see the section titled “*Our Business*” on page 95 of this Prospectus.

***39. 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 132 of the Prospectus.

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

As per SEBI (ICDR) Regulations, 2018, as amended, appointment of monitoring agency is required only for Issue size above ₹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.

**41. Our Promoters and the Promoter Group will jointly continue to retain majority shareholding in our Company after the issue, 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 73.12% 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 affect 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 affect on our future financials or results of operations.

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

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

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

**43. The Issue price of our Equity Shares may not be indicative of the market price of our Equity Shares after the Issue and the market price of our Equity Shares may decline below the issue price and you may not be able to sell your Equity Shares at or above the Issue Price.**

The issue price of the equity shares have been based on many factor and may not be indicative of the market price of our Equity Shares after the Issue. For further information please refer the section titled "**Basis for Issue Price**" beginning on page 82 of the Prospectus. The market price of our Equity Shares could be subject to significant fluctuations after the Issue, and may decline below the Issue Price. We cannot assure you that you will be able to sell your Equity Shares at or above the Issue Price.

**44. Investors other than retail (including non-institutional investors and Corporate Bodies) are not permitted to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Amount) at any stage after submitting an Application.**

Pursuant to the SEBI ICDR Regulations, Investors other than retail (including non-institutional investors and Corporate Bodies) are not permitted to withdraw or lower their Application (in terms of quantity of Equity Shares or the Amount) at any stage after submitting an Application. While our Company is required to complete Allotment pursuant to the issue within six Working Days from the issue Closing Date, events affecting the Applicants decision to invest in the Equity Shares, including material adverse changes in international or national monetary policy, financial, political or economic conditions, our business, results of operation or financial condition, may arise between the date of submission of the Application and Allotment. Our Company may complete the

Allotment of the Equity Shares even if such events occur, and such events limit the applicant's ability to sell the Equity Shares Allotted pursuant to the issue or cause the trading price of the Equity Shares to decline on listing.

**45. *Certain data mentioned in this 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**

**46. *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 affect 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 affects on the securities of companies 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.

**47. *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 affect on the market for securities of Indian companies, including our Equity Shares.

**48. *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 Approvals**" on page 209 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 affect 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.

***49. 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 affects 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 affect 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 affect on our business, operations, financial condition, profitability and price of our Equity Shares.

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

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

Foreign ownership of Indian securities is subject to government regulation. Under foreign exchange regulations currently in affect 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.

***52. If certain labour laws become applicable to us, our profitability may be adversely affected.***

India has stringent labour legislations that protect the interests of workers, including legislation that sets forth detailed procedures for dispute resolution and employee removal and legislation that imposes certain financial obligations on employers upon retrenchment. Any change or modification in the existing labour laws may affect our flexibility in formulating labour related policies.

***53. 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 affect 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.



## SECTION IV - INTRODUCTION

### THE ISSUE

<b>PRESENT ISSUE IN TERMS OF THIS PROSPECTUS</b>	
<b>Equity Shares Offered through Public Issue<sup>(1)</sup></b>	38,40,000 Equity Shares aggregating up to Rs. 691.20lakhs
<b>Of which:</b>	
<b>Issue Reserved for the Market Makers</b>	2,00,000 Equity Shares aggregating up to Rs. 36.00lakhs
<b>Net Issue to the Public<sup>(2)</sup></b>	36,40,000 Equity Shares aggregating up to Rs. 655.20lakhs
<b>Of which</b>	
A. Retail Individual Investors	At least 18,24,000 Equity Shares aggregating up to Rs. 328.32 lakhs will be available for allocation to Retail Individual Investors <sup>(a)</sup> .
B. Other than Retail Individual Investors (including Non- Institutional Investors and Qualified Institutional Buyers)	Not more than 18,16,000 Equity Shares aggregating up to Rs. 326.88 lakhs will be available for allocation to investors other than Retail Individual Investors including Non- Institutional Investors and Qualified Institutional Buyers <sup>(b)</sup> .
<b>Pre and Post Issue Equity Shares</b>	
<b>Equity Shares outstanding prior to the Issue</b>	1,04,47,832 Equity Shares
<b>Equity Shares outstanding after the Issue</b>	1,42,87,832 Equity Shares
<b>Use of Net Proceeds by our Company</b>	Please see the chapter titled “ <i>Objects of the Issue</i> ” on page 77 of this Prospectus.

<sup>(1)</sup> Public issue of 38,40,000 Equity Shares face value of Rs.10.00 each for cash at a price of Rs. 18/-per Equity Share of our Company aggregating to Rs. 691.20Lakhs. This issue is being made in terms of Chapter IX of the SEBI (ICDR) Regulations, 2018, as amended from time to time. For further details please refer to section “**Issue Structure**” beginning on page 234 of this Prospectus.

The present Issue has been authorized by our Board pursuant to a resolution passed at its meeting held on December 20, 2019, and by our Equity Shareholders pursuant to a special resolution passed pursuant to Section 62(1)(c) of the Companies Act, 2013 at the extraordinary general meeting held on December 21, 2019.

Since present issue is a fixed price issue, the allocation in the net offer to the public category in terms of Regulation 253 of the SEBI (ICDR) Regulations, 2018 shall be made as follows:

<sup>(a)</sup>Retail Individual Investors will be allocated not less than fifty (50) percent; and

<sup>(b)</sup>Non-Institutional investors and qualified institutional buyers will be allocated not more than fifty (50) percent

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

For further details regarding the Issue Structure and Procedure, please refer to the chapters titled “**Issue Structure**” and “**Issue Procedure**” beginning on pages 234 and 236 respectively of this Prospectus.



**SECTION IV - SUMMARY OF OUR FINANCIALS**

**ANNEXURE - I**

**CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES AS RESTATED**

(Amt. in Lakhs)

Particulars	Annexure No.	As at Sept. 30, 2019	As At March 31st		
			2019	2018	2017
<b>EQUITY AND LIABILITIES</b>					
<b>Shareholders Funds</b>					
a. Share Capital	V	1,044.78	130.60	130.60	130.60
b. Reserves & Surplus	VI	80.53	990.02	724.62	640.62
c. Preference Shares issues by Subsidiary Company		114.00	114.00	114.00	114.00
d. Minority Interest		91.93	92.52	51.16	61.58
Share Application Money Pending Allotment		-	-	-	-
<b>Non Current Liabilities</b>					
a. Long Term Borrowings	VII	926.25	818.33	969.86	1,409.26
b. Deferred Tax Liabilities	VIII	-	-	70.67	56.16
c. Other Long term liabilities	IX	69.25	58.81	69.76	74.99
d. Long Term Provisions	X	82.15	69.21	54.83	37.36
<b>Current Liabilities</b>					
a. Short Term Borrowings	XI	1,036.29	964.95	787.25	823.48
b. Trade Payables	XII	574.49	1,411.79	1,663.78	1,261.52
c. Other Current Liabilities	XIII	602.55	560.15	568.77	569.06
d. Short Term Provisions	XIV	103.53	121.79	83.73	73.77
<b>TOTAL (1+2+3+4)</b>		<b>4,725.75</b>	<b>5,332.17</b>	<b>5,289.03</b>	<b>5,252.40</b>
<b>ASSETS</b>					
<b>Non Current Assets</b>					
a. Fixed Assets					
i. Tangible Assets	XV	4,233.28	4,100.87	3,949.39	3,874.16
Less: Accumulated Depreciation		(1,833.41)	(1,723.02)	(1,495.50)	(1,267.34)
ii. Intangible Assets		3.37	2.29	0.96	3.39
iii. Intangible Assets under development		-	-	-	-
iv. Capital Work in Progress		31.21	31.28	-	2.71
<b>Net Block</b>	XV	2,434.45	2,411.42	2,454.85	2,612.92
b. Deferred Tax Assets (Net)	VIII	17.13	34.24	-	-
c. Non-current Investments	XVI	5.30	5.30	5.25	5.25
d. Long Term Loans & Advances	XVII	34.12	32.42	79.07	40.73
e. Other non-current assets	XVIII	-	-	-	-
<b>Current Assets</b>					
a. Inventories	XIX	883.96	1,040.77	975.06	1,149.63
b. Trade Receivables	XX	1,046.80	1,548.54	1,448.85	1,032.31
c. Cash and Cash Equivalents	XXI	17.20	19.06	28.33	40.18
d. Short Term Loans & Advances	XXII	124.78	102.11	72.24	159.29
e. Other Current Assets	XXIII	162.01	138.31	225.38	212.09
<b>TOTAL (5+6)</b>		<b>4,725.75</b>	<b>5,332.17</b>	<b>5,289.03</b>	<b>5,252.40</b>

## ANNEXURE – II

## CONSOLIDATED STATEMENT OF PROFIT AND LOSS AS RESTATED

(Amt. in Lakhs)

Sr. No.	Particulars	Annexure No.	For the 6 months period ended Sept. 30, 2019	For the Year Ended March 31st		
				2019	2018	2017
<b>A</b>	<b>INCOME</b>					
	Revenue from Operations	XXIV	3,154.28	7,530.53	6,335.07	5,083.48
	Other Income	XXV	67.39	99.56	254.67	252.82
	<b>Total Income (A)</b>		<b>3,221.67</b>	<b>7,630.09</b>	<b>6,589.74</b>	<b>5,336.30</b>
<b>B</b>	<b>EXPENDITURE</b>					
	Cost of materials consumed	XXVI	2,214.22	5,623.46	4,710.42	3,812.40
	Cost of trading goods	XXVII	-	-	-	-
	Changes in inventories of finished goods, traded goods and work-in-progress	XXVIII	113.36	(10.38)	174.18	(27.23)
	Employee benefit expenses	XXIX	348.04	705.21	552.66	475.44
	Finance costs	XXX	122.04	221.45	268.98	340.64
	Depreciation and amortisation expense	XV	110.91	228.58	230.82	253.20
	Other Expenses	XXXI	269.85	607.59	542.03	607.71
	<b>Total Expenses (B)</b>		<b>3,178.42</b>	<b>7,375.91</b>	<b>6,479.09</b>	<b>5,462.16</b>
<b>C</b>	<b>Profit before tax</b>		43.25	254.18	110.65	(125.86)
	Tax expense :					
	(i) Current tax	XXXIII	22.04	52.33	22.56	18.93
	(ii) Deferred tax	VIII	17.11	(104.91)	14.50	31.89
	(iii) MAT credit		-	-	-	-
<b>E</b>	<b>Total Tax Expense</b>		<b>39.15</b>	<b>(52.58)</b>	<b>37.06</b>	<b>50.82</b>
	<b>Net profit/(loss) after tax , as restated, before minority interest</b>		4.10	306.76	73.59	(176.68)
	Less: Minority share in (Profit) and loss		0.60	(41.36)	10.41	3.57
	<b>Net Profit and loss as restated</b>		<b>4.70</b>	<b>265.40</b>	<b>84.00</b>	<b>(173.11)</b>

**ANNEXURE - III**  
**CONSOLIDATED STATEMENT OF CASH FLOW AS RESTATED**

(Amt. in Lakhs.)

Particulars	As at Sept. 30, 2019	As at March 31, 2019	As at March 31, 2018	As at March 31, 2017
<b>Cash flow from operating activities:</b>				
Net Profit before tax as per Profit And Loss A/c	43.25	254.18	110.65	(125.86)
Adjusted for:	-	-	-	-
Extra-ordinary Items	-	-	-	-
Depreciation & Amortisation	110.91	228.58	230.82	253.20
Provision for Gratuity	21.92	20.44	19.39	31.27
Interest & Finance Cost	122.04	221.45	268.98	340.64
Interest income	(0.40)	(1.97)	(1.78)	(2.45)
Dividend Income	(0.77)	(0.83)	(0.79)	(1.23)
Loss / (Profit) on Sale of Assets	-	-	(64.20)	-
Other Non Operating Income	(66.23)	(96.75)	(187.90)	(249.15)
<b>Operating Profit Before Working Capital Changes</b>	<b>230.72</b>	<b>625.10</b>	<b>375.17</b>	<b>246.42</b>
Adjusted for (Increase)/ Decrease:				
Inventories	156.81	(65.71)	174.57	21.53
Trade Receivables	501.74	(99.69)	(416.54)	(111.71)
Other Current assets	(23.70)	87.07	(13.29)	(116.05)
Loans and advances and other assets	1.82	(35.05)	113.15	17.58
Other Non Current Assets	-	-	-	-
Trade payables	(837.29)	(251.99)	402.26	369.47
Other Current Liabilities	42.40	(8.62)	(0.29)	107.70
Short Term Provisions	(17.47)	34.75	4.40	(1.33)
Other Long Term Liabilities	10.44	(10.95)	(5.23)	(7.90)
Long Term Provisions	(7.00)	(5.00)	-	(15.00)
<b>Cash Generated From Operations Before Extra-Ordinary Items</b>	<b>58.47</b>	<b>269.91</b>	<b>634.20</b>	<b>510.71</b>
Add:- Extra-Ordinary Items				
<b>Cash Generated From Operations</b>	<b>58.47</b>	<b>269.91</b>	<b>634.20</b>	<b>510.71</b>
Direct Tax Paid	(49.32)	(44.89)	(45.04)	(18.93)
<b>Net Cash Flow from/(used in) Operating Activities: (A)</b>	<b>9.15</b>	<b>225.02</b>	<b>589.16</b>	<b>491.78</b>
<b>Cash Flow From Investing Activities:</b>				
Purchase of Fixed Assets	(134.01)	(185.16)	(161.25)	(108.64)
Sale of Fixed Assets	0.07	0.00	152.71	1.04
Investments & Deposits	-	(0.05)	-	(66.01)
Long Term Loans and Advances	(1.70)	46.65	(38.34)	(5.84)
Interest Received	0.40	1.97	1.78	2.45
Dividend Received	0.77	0.83	0.79	1.23
Other Non Operating Income	66.23	96.75	187.90	249.15
<b>Net Cash Flow from/(used in) Investing Activities: (B)</b>	<b>(68.24)</b>	<b>(39.01)</b>	<b>143.59</b>	<b>73.38</b>
<b>Cash Flow from Financing Activities:</b>				
Proceeds From Share Capital	-	-	-	67.00
Proceeds From Share Application Money	-	-	-	-



Securities Premium on Shares Issued	-	-	-	2.00
Proceeds from Long Term borrowings (Net)	107.93	(151.53)	(439.40)	(107.19)
Proceeds from Short Term borrowings (Net)	71.34	177.70	(36.23)	(175.03)
Interest & Financial Charges	(122.04)	(221.45)	(268.97)	(340.64)
<b>Net Cash Flow from/(used in) Financing Activities ( C)</b>	<b>57.23</b>	<b>(195.28)</b>	<b>(744.60)</b>	<b>(553.86)</b>
Net Increase/(Decrease) in Cash & Cash Equivalents (A+B+C)	(1.86)	(9.27)	(11.85)	11.30
Cash & Cash Equivalents As At Beginning of the Year	19.06	28.33	40.18	28.88
Cash & Cash Equivalents As At End of the Year	<b>17.20</b>	<b>19.06</b>	<b>28.33</b>	<b>40.18</b>

### GENERAL INFORMATION

Our Company was originally incorporated as “SM Auto Stamping Private Limited” on August 14, 2006 vide Registration no. 163789 (CIN: U27109MH2006PTC163789) under the provisions of the Companies Act, 1956 with the Registrar of Companies, Mumbai. Further, pursuant to Special Resolution passed by the shareholders at the Extra Ordinary General Meeting held on December 05, 2019, our company was converted into a Public Limited Company and consequently the name of our Company was changed from “SM Auto Stamping Private Limited” to “SM Auto Stamping Limited” vide a fresh Certificate of Incorporation dated December 19, 2019 issued by the Registrar of Companies, Mumbai. The Corporate Identification Number of our Company post conversion is U27109MH2006PLC163789.

Mr. Mukund Narayan Kulkarni and Mr. Suresh Gunwant Fegde 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 112 of this Prospectus.

#### Registered Office

J-41, MIDC, Ambad Nashik-422010, Maharashtra, India  
 Tel. No.+91-0253-6621106 / 107  
 E-mail: [acc@smautostamping.com](mailto:acc@smautostamping.com)  
 Website: [www.smautostamping.com](http://www.smautostamping.com)  
 Corporate Identity Number: U27109MH2006PLC163789  
 Registration Number: 163789

#### Address of the RoC

##### Registrar of Companies, Mumbai

100, Everest, Marine Drive  
 Mumbai- 400002  
**Tel No:** 022-22812627/22020295/22846954  
**Fax No:**022-22811977  
**Email id:**[roc.mumbai@mca.gov.in](mailto:roc.mumbai@mca.gov.in)  
**Website:**[www.mca.gov.in](http://www.mca.gov.in)

#### Board of Directors of our Company

The Board of Directors of our Company as on the date of filing of this Prospectus consists of:

Name	Designation	Address	DIN
Mr. Mukund Narayan Kulkarni	Chairman & Managing Director	Alkund Bunglow, Krishna Colony, Shivaji Nagar Jail Road, Chumble Floor Mill, Nashik Road, Nashik – 422101, Maharashtra, India	00248797
Mr. Suresh Gunwant Fegde	Whole Time Director	Plot No. 9, Jay Ambe Colony, Shivaji Nagar, Jail Road, Nashik Road, Nashik -422101, Maharashtra, India	00248850
Mrs. Alka Mukund Kulkarni	Non-Executive Director	Alkund Bunglow, Krishna Colony, Shivaji Nagar Jail Road, Chumble Floor Mill, Nashik Road, Nashik – 422101, Maharashtra, India	06896902
Mr. Aditya Mukund Kulkarni	Non-Executive Director	Alkund Bunglow, Krishna Colony, Shivaji Nagar, Jail Road, Nashik Road, Nashik – 422101, Maharashtra, India.	07092586
Mr. Prakash Gangadhar Pathak	Independent Director	16, Atharv, Vinayak Nagar, Wadibhokar Road, Deopur, Dhule - 424002, Maharashtra, India.	07538918



Mr.Sunilkumar Satyanarayan Dayama	Independent Director	Satyavilla, Near Nirmala School 12, Pramod Nagar, Sawarkar Nagar, Gangapur Road, Nashik - 422013, Maharashtra, India.	08492339
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For further details in relation to our Directors, please refer to chapter titled “**Our Management**” on page 116 of this Prospectus.

**Chief Financial Officer**

**Mr.Suresh Govind Jagdale**  
**SM Auto Stamping Limited**  
J-41, MIDC, Ambad Nashik-422010  
Maharashtra, India  
Tel. No.: +91-0253-6621106 / 107  
E-mail:[acc@smautostamping.com](mailto:acc@smautostamping.com)

**Company Secretary & Compliance Officer**

**Mrs. Priya Anuj Khadilkar**  
**SM Auto Stamping Limited**  
J-41, MIDC, Ambad Nashik-422010,  
Maharashtra, India  
Tel. No.: +91-0253-6621106 / 107  
E-mail:[acc@smautostamping.com](mailto:acc@smautostamping.com)

**Investor Grievances**

**Investors can contact the Company Secretary and Compliance Officer, the LM 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, noncredit 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 ASBA process may be addressed to the Registrar to the Issue with a copy to the relevant Designated Intermediary with whom the ASBA Form was submitted. The Applicant should give full details such as name of the sole or first Applicant, ASBA Form number, Applicant DP ID, Client ID, PAN, date of the ASBA Form, details of UPI IDs(if applicable), address of the Applicant, number of Equity Shares applied for and the name and address of the Designated Intermediary where the ASBA Form was submitted by the ASBA Applicant.

Further, the investors shall also enclose the Acknowledgment Slip from the Designated Intermediaries in addition to the documents/information mentioned hereinabove.

All grievances relating to the Anchor Investors may be addressed to the Registrar to the Issue, giving full details such as name of the sole or first Applicant, Bid cum Application Form number, Applicants DP ID, Client ID, PAN,date of the Anchor Investor Application Form, address of the Applicant, number of Equity Shares applied for, Bid Amount paid on submission of the Anchor Investor Application Form and the name and address of the relevant LM where the Anchor Investor Application Form was submitted by the Anchor Investor. For all Issue related queries and for redressal of complaints, investors may also write to the LM.

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

Lead Manager of 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, Maharashtra, India Tel No.:+91-22-4906 0000 Fax No.:+91-22-22625991 Email: <a href="mailto:ib@hemsecurities.com">ib@hemsecurities.com</a>	<b>MMJC &amp; Associates LLP</b> Address:- Ecstasy, 803/804, 9th Floor, City of Joy, J.S.D Road, Mulund (West), Mumbai- 400 080, Maharashtra, India Tel No.: (022)21678100 Email id: <a href="mailto:kumudiniiparanjape@mmjc.in">kumudiniiparanjape@mmjc.in</a> Contact Person: Ms. Kumudini Bhalerao



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>Registrar to the Issue</b>	<b>Statutory Auditors</b>
<b>Bigshare Services Private Limited</b> 1st Floor, Bharat Tin Works Building Opp. Vasant Oasis, Makwana Road Marol, Andheri (East), Mumbai 400059, India. Telephone: +91 22 6263 8200 Facsimile: +91 22 6263 8299 Email: <a href="mailto:ipo@bigshareonline.com">ipo@bigshareonline.com</a> Contact Person: Mr. Ashish Bhope Website: <a href="http://www.bigshareonline.com">www.bigshareonline.com</a> SEBI Registration Number: INR000001385 CIN: U99999MH1994PTC076534	<b>M/s. Milind M. Kulkarni and Associates</b> <b>Chartered Accountants,</b> <b>Address:</b> 32, Atharva, Shramik Society, AkashwaniChawk, Opp. Swami Samarth Mandir, Gangapur Road, Nashik, Maharashtra 422013, India Phone : 0253-2573558 Email: <a href="mailto:mmkasso@gmail.com">mmkasso@gmail.com</a> Firm Registration No.: 126975W Contact Person: Mr. Atul Deshpande
<b>Bankers to the Company</b>	<b>Bankers to the Issue/ Sponsor Bank</b>
<b>TJSB Sahakari Bank Ltd.</b> <b>Address:</b> 2, SuyojitSankul, Near Rajiv Gandhi Bhavan, Sharanpur Road, Nasik- 422002 <b>Phone :</b> 0253-2575856/ 0253-2575865 <b>Email:</b> <a href="mailto:tjsb.016@tjsb.co.in">tjsb.016@tjsb.co.in</a> <b>Contact Person:</b> Girish Harhare	<b>ICICI Bank Limited</b> <b>Address:</b> Capital Market Division, 1st Floor 122, Mistry Bhawan, Dinshaw Vachha Road, Backbay Reclamation, Churchgate, Mumbai-400020 <b>Tel:</b> 022 66818911/23/24 <b>Fax:</b> 022 22611138 <b>Email:</b> <a href="mailto:kmr.saurabh@icicibank.com">kmr.saurabh@icicibank.com</a> <b>Website:</b> <a href="http://www.icicibank.com">www.icicibank.com</a> <b>Contact Person:</b> Mr. Saurabh Kumar <b>SEBI Registration Number:</b> - INBI00000004

### Designated Intermediaries

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

The list of banks that have been notified by SEBI to act as SCSBs for the ASBA process is provided on the website of the SEBI (<https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>) and updated from time to time. For details on Designated Branches of SCSBs collecting the Bid-cum-Application Forms, refer to the above mentioned SEBI link.

### Syndicate SCSB Branches

In relation to ASBA Bids submitted to a member of the Syndicate, the list of branches of the SCSBs at the Specified Locations named by the respective SCSBs to receive deposits of Bid cum Application Forms from the members of the Syndicate is available on the website of the SEBI (<https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>) and updated from time to time. For more information on such branches collecting Bid-cum-Application Forms from the Syndicate at Specified Locations, refer to the above mentioned SEBI link.

### Registered Brokers

The list of the Registered Brokers eligible to accept ASBA forms, including details such as postal address, telephone number and e-mail address, is provided on the website of the SEBI at (<https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>), respectively, as updated from time to time.





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

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

### **Collecting Depository Participants**

The list of the CDPs eligible to accept ASBA Forms at the Designated CDP Locations, including details such as name and contact details, is provided on the websites of BSE at (<https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>), as updated from time to time.

### **Expert Opinion**

Except the report of the Auditor on statement of special tax benefits and report on restated financials for the period ended September 30, 2019 and financial year ended March 31, 2019, 2018 and 2017 as included in this Prospectus, our Company has not obtained any expert opinion.

### **Inter-se Allocation of Responsibilities**

Since, Hem Securities Limited is the sole Lead Manager to this Issue, a statement of inter se allocation of responsibilities among Lead Manager is not applicable.

### **Monitoring Agency**

Since the proceeds from the Fresh Issue do not exceed ₹ 1,000 million, in terms of Regulation 262(1) of the SEBI ICDR Regulations, our Company is not required to appoint a monitoring agency for the purposes of this Issue.

### **Appraising Entity**

None of the objects for which the Net Proceeds will be utilised have been appraised by any agency.

### **Credit Rating**

As this is an issue of Equity Shares, there is no credit rating for the Issue.

### **IPO Grading**

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

### **Trustees**

As this is an issue of Equity Shares, the appointment of trustees is not required.

### **Filing of Draft Prospectus**

Pursuant to Regulation 246(5) of SEBI (ICDR) Regulations, 2018, the copy of the Draft Prospectus shall also be furnished to the SEBI in a soft copy. However, SEBI will not issue any observation on the Draft Prospectus in terms of Regulation 246(2) of the SEBI (ICDR) Regulations, 2018. Pursuant to SEBI Circular No. SEBI/HO/CFD/DIL1/CIR/P/2018/011 dated January 19, 2018; a copy of the Prospectus will be filed online through SEBI Intermediary portal at <https://siportal.sebi.gov.in>.

A copy of the Prospectus along with copy of material contracts and material documents as mentioned on page 294 of this Prospectus, will be delivered to the Registrar of Companies, Mumbai 100, Everest, Marine Drive, Mumbai- 400002, India.

**WITHDRAWAL OF THE ISSUE**

Our Company in consultation with the LM, reserve the right to 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 within 1 (one) working Day from the day of receipt of such instruction.

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 Prospectus, which our Company will apply for only after Allotment; and (ii) the final RoC approval of the Prospectus.

**UNDERWRITING**

The Company and the Lead Manager to the Issue hereby confirm that the Issue will be 100% Underwritten by the Underwriter Hem Securities Limited. .

Pursuant to the terms of the Underwriting Agreement dated January 16, 2020 and addendum dated February 01, 2020 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
<b>Hem Securities Limited</b> 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:jb@hemsecurities.com">jb@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	38,40,000	691.20	100%

*\*Includes up to 2,00,000 Equity Shares of the Market Maker Reservation Portion which are to be subscribed by the Market Maker Hem Securities Limited in its own account in order to claim compliance with the requirements of Regulation 261 of the SEBI (ICDR) Regulations, 2018, as amended.*

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.

**CHANGES IN AUDITORS DURING LAST THREE FINANCIAL YEARS****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.



## DETAILS OF THE MARKET MAKING ARRANGEMENT FOR THIS ISSUE

Our Company and the Lead Manager has entered into Market Making Agreement dated January 16, 2020 and addendum dated February 01, 2020 with the following Market Maker, to fulfill the obligations of Market Making for this issue:

<b>Name</b>	<b>Hem Securities Limited</b>
<b>Correspondence Address:</b>	203, Jaipur Tower, M. I. Road, Jaipur - 302001, Rajasthan, India.
<b>Tel No.:</b>	+91-0141- 4051000
<b>E-mail:</b>	<a href="mailto:ib@hemsecurities.com">ib@hemsecurities.com</a>
<b>Website:</b>	<a href="http://www.hemsecurities.com">www.hemsecurities.com</a>
<b>Contact Person:</b>	Mr. Anil Bhargava
<b>SEBI Registration No.:</b>	INZ000168034
<b>BSE Market Maker Registration No.</b>	SMEMM0024801022013

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

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

- 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).
- 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 SME Platform of BSE and SEBI from time to time.
- The minimum depth of the quote shall be ₹ 1,00,000/- . However, the investors with holdings of value less than ₹ 1,00,000/- shall be allowed to offer their holding to the Market Maker(s) (individually or jointly) in that scrip provided that he sells his entire holding in that scrip in one lot along with a declaration to the effect to the selling broker.
- The Market Maker shall not sell in lots less than the minimum contract size allowed for trading on the SME Platform of BSE (in this case currently the minimum trading lot size is 8000Equity shares; however the same may be changed by the SME Platform of BSE from time to time).
- 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.
- There shall be no exemption/threshold on downside. However, in the event the Market Maker exhausts his inventory through market making process, BSE may intimate the same to SEBI after due verification.
- Execution of the order at the quoted price and quantity must be guaranteed by the Market Maker(s), for the quotes given by him.
- 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.
- 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.
- The Market maker may also be present in the opening call auction, but there is no obligation on him to do so.

- 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
- 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, 2018, 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 particular point of time. The Market Making Agreement is available for inspection at our office from 10.00 a.m. to 5.00 p.m. on working days.
- **Risk containment measures and monitoring for Market Makers:** SME portal of BSE will have all margins, which are applicable on BSE main board viz., Mark-to-Market, Value-At-Risk (VAR) Margin, Extreme Loss Margin, Special Margins and Base Minimum Capital etc. BSE can impose any other margins as deemed necessary from time-to-time.
- **Punitive Action in case of default by Market Makers:** BSE SME Exchange will monitor the obligations on a real time basis and punitive action will be initiated for any exceptions and/or non-compliances. Penalties / fines may be imposed by the Exchange on the Market Maker, in case he is not able to provide the desired liquidity in a particular security as per the specified guidelines. These penalties / fines will be set by the Exchange from time to time. The Exchange will impose a penalty on the Market Maker in case he is not present in the market (offering two way quotes) for at least 75% of the time. The nature of the penalty will be monetary as well as suspension in market making activities / trading membership. The Department of Surveillance and Supervision of the Exchange would decide and publish the penalties / fines / suspension for any type of misconduct/ manipulation/ other irregularities by the Market Maker from time to time.
- **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.
- 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 as follows:

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

- 1) The SEBI Circular bearing reference no: CIR/MRD/DP/ 02/2012 dated January 20, 2012, has laid down that for issue size up to ₹ 250 crores, the applicable price bands for the first day shall be:
  - i. In case equilibrium price is discovered in the Call Auction, the price band in the normal trading session shall be 5% of the equilibrium price.
  - ii. In case equilibrium price is not discovered in the Call Auction, the price band in the normal trading session shall be 5% of the issue price.

Additionally, the securities of the Company will be placed in SPOS and would remain in Trade for Trade settlement for first 10 days from commencement of trading. The following spread will be applicable on the SME Exchange Platform.

<b>S. No.</b>	<b>Market Price Slab (in Rs.)</b>	<b>Proposed Spread (in % to sale price)</b>
1.	Up to 50	9
2.	50 to 75	8
3.	75 to 100	6
4.	Above 100	5

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 Prospectus.

(₹ in Lacs, except share data)			
Sr. No.	Particulars	Aggregate Value at Face Value	Aggregate Value at Issue Price
A	<b>Authorized Share Capital</b> 1,65,00,000 Equity Shares having Face Value of ₹ 10/- each	1650.00	-
B	<b>Issued, Subscribed &amp; Paid-up Share Capital prior to the Issue</b> 1,04,47,832 Equity Shares having Face Value of ₹10/- each	1044.78	-
C	<b>Present Issue in terms of this Prospectus*</b> 38,40,000 Equity Shares having Face Value of ₹ 10/-each at a Premium of ₹18/- per share	384.00	691.20
	<i>Which comprises of:</i>		
D	<b>Reservation for Market Maker Portion</b> 2,00,000 Equity Shares of ₹10/- each at a price of ₹18/-per Equity Share reserved as Market Maker Portion	20.00	36.00
E	<b>Net Issue to Public</b> Net Issue to Public of 36,40,000 Equity Shares of ₹10/- each at a price of ₹18/- per Equity Share to the Public	364.00	655.20
	<i>Of which:</i>		
(i)	At least 18,24,000 Equity Shares will be available for allocation to Retail Individual Investors	182.40	328.32
(ii)	Not more than 18,16,000 Equity Shares will be available for allocation to investors other than Retail Individual Investors including Non- Institutional Investors and Qualified Institutional Buyers	181.60	326.88
F	<b>Issued, Subscribed and Paid up Equity Share Capital after the Issue</b> 1,42,87,832 Equity Shares of face value of ₹10/- each	1428.78	
G	<b>Securities Premium Account</b>		
	Before the Issue (as on date of this Prospectus)	Nil	
	After the Issue	307.20	

\*The Present Issue of 38,40,000 Equity Shares in terms of this Prospectus has been authorized pursuant to a resolution of our Board of Directors dated December 20, 2019 and by special resolution passed under Section 62(1)(c) of the Companies Act, 2013 at an Extra Ordinary General Meeting of the members held on December 21, 2019.

#### 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 Prospectus.

#### NOTES TO THE CAPITAL STRUCTURE

##### 1. Changes in Authorised Equity Share Capital of our Company:

S. No.	Particulars of increase	Cumulative No. of Equity Shares	Cumulative Authorized Share Capital ( Rs. in lakhs)	Date of Meeting	Whether AGM/EGM
1.	On incorporation	50,000	5.00	On incorporation	N.A.
2.	Increase in Authorised Share Capital from ₹ 5.00 Lakhs to ₹ 80.00 Lakhs	8,00,000	80.00	March 16, 2009	EGM
3.	Increase in Authorised Share Capital from	10,00,000	100.00	March 26,	EGM

	₹80.00 Lakhs to ₹ 100.00 Lakhs			2009	
4.	Increase in Authorised Share Capital from ₹ 100.00 Lakhs to ₹ 135.00 Lakhs	13,50,000	135.00	March 17, 2014	EGM
5.	Increase in Authorised Share Capital from ₹135.00 Lakhs to ₹ 1650.00 Lakhs	1,65,00,000	1650.00	May 30, 2019	EGM

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

a) 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 (including Premium if applicable (₹))	Consideration Cash/ Other than Cash	Nature of Allotment	Cumulative No. of Equity Shares	Cumulative Securities Premium (₹)	Cumulative Paid Up Capital (₹)
Upon Incorporation	10,000	10	10	Cash	Subscription to MOA <sup>(i)</sup>	10,000	Nil	1,00,000
March 29, 2009	9,77,488	10	10	Other than Cash	Business Takeover <sup>(ii)</sup>	9,87,488	Nil	98,74,880
March 25, 2014	3,18,491	10	10	Other than Cash	Preferential Allotment <sup>(iii)</sup>	13,05,979	Nil	1,30,59,790
September 19, 2019	91,41,853	10	Nil	Other than Cash	Bonus Issue in the ratio of 7:1 i.e. Seven (7) fully paid Bonus Shares for every One (1) existing fully paid up Equity share <sup>(iv)</sup>	1,04,47,832	Nil	10,44,78,320

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

(i) Initial Subscribers to the Memorandum of Association subscribed 10,000 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. Mukund Narayan Kulkarni	6,600
2.	Mr. Suresh Gunwant Fegde	3,400
	<b>Total</b>	<b>10,000</b>

(ii) Further allotment of 9,77,488 Equity shares of Face Value of Rs. 10/- each pursuant to takeover of partnership firms, namely, M/s S.M. Industries and M/s Spam Fab Technocrats from the Promoters, Mr. Mukund Narayan Kulkarni and Mr. Suresh Gunwant Fegde vide agreements dated April 30, 2007:-

S. No.	Name of Allottees	Number of Shares Allotted
1.	Mr. Mukund Narayan Kulkarni	5,36,855
2.	Mr. Suresh Gunwant Fegde	4,40,633
	<b>Total</b>	<b>9,77,488</b>



(iii) Further allotment of 3,18,491 Equity shares of Face Value of Rs. 10/- each as per the details given below:

S. No.	Name of Allottees	Number of Shares Allotted
1.	Mukund Narayan Kulkarni	2,68,491
2.	Alka Mukund Kulkarni	50,000
	<b>Total</b>	<b>3,18,491</b>

(iv) Bonus issue of 91,41,853 Equity Shares of Face Value of Rs. 10/-each in the ratio of 7:1 i.e. Seven (7) Bonus Equity Shares for every One (1) Equity Share held by shareholders. (refer point no. 4 below for allottees list)

b) As on the date of this Prospectus, our Company does not have any Preference Share Capital.

### 3. Details of Allotment made in the last two years preceding the date of the Prospectus:

Date of Allotment/ Date of fully Paid up	No of Equity Shares	Cumulative No. of Equity Shares	Face Value (Rs.)	Issue Price (Rs.)	Cumulative Securities Premium Account	Cumulative Paid up Capital (Rs.)	Consideration	Nature of Issue
September 19, 2019	91,41,853	1,04,47,832	10	-	-	10,44,78,320	Nil	Bonus in the ratio of 7:1 i.e. 7 Equity Share for every 1 Equity Shares held

### 4. 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 (₹)	Issue Price (₹)	Reasons for Allotment	Benefits Accrued to our Company	Name of Allottees	No. of Shares Allotted
March 29, 2009	9,77,488	10	10	Takeover of business	Acquisition of partnership firms*	Mr. Mukund Narayan Kulkarni	5,36,855
						Mr. Suresh Gunwant Fegde	4,40,633
March 25, 2014	3,18,491	10	10	Conversion of loan into equity shares	Preferential Allotment	Mr. Mukund Narayan Kulkarni	2,68,491
						Mrs. AlkaMukund Kulkarni	50,000
September 19, 2019	91,41,853	10	-	Bonus in the ratio of 7:1 i.e. 7 Equity Share for every 1 Equity Shares held	Capitalization of Reserves & Surplus**	Mr. Suresh Gunwant Fegde	31,08,217
						M/s B.S.Steels (sole proprietorship firm of Mr. Amarjeet Singh Bali)	7
						Mrs. AlkaMukund Kulkarni	60,33,594
						Mr. Aditya Mukund Kulkarni	7
						Mrs. Lata Girishankar Patil	7
						Mr. Ulhas Ramdas Mahajan	7
						Mrs. Dipali Ulhas Mahajan	7
						Mr. Girishankar Baliram Patil	7
<b>Total</b>	<b>91,41,853</b>						



*\*Further allotment of 9,77,488 Equity shares of Face Value of Rs. 10/- each pursuant to takeover of partnership firms, namely, M/s S.M. Industries and M/s Spam Fab Technocrats from the Promoters, Mr. Mukund Narayan Kulkarni and Mr. Suresh Gunwant Fegde vide agreements dated April 30, 2007*

*\*\*Above allotment of shares has been made out of Reserve & Surplus available for distribution to shareholders and no part of revaluation reserve has been utilized for the purpose.*

5. No Equity Shares have been allotted pursuant to any scheme approved under sections 230-234 of the Companies Act, 2013 or under the erstwhile corresponding provisions of the Companies Act, 1956.
6. Our Company has not issued any shares pursuant to an Employee Stock Option Scheme.
7. Except for the Bonus Issue made on September 19, 2019 for 91,41,853 Equity Shares as mentioned in point no. 4 above, no Equity shares have been issued at price below the Issue price within last one year from the date of the Prospectus.
8. We have not revalued our assets since inception and have not issued any Equity Shares (including bonus shares) by capitalizing any revaluation reserves.
9. **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 Prospectus:

**I - Our Shareholding Pattern:-**

Category	Category of shareholder	Nos. of shareholders	No. of fully paid up equity shares held	No. of Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held	Share holding as a % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities*			No. of Shares Underlying Outstanding convertible	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) As a % of (A+B+C2)	Number of Locked in shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialized form	
								No of Voting Rights					Total as a % of (A+B+C)	No.	As a % of total Shares held (b)	No. (a)		As a % of total Shares held (b)
								Class Equity Shares of Rs.10/- each^	Class eg: y	Total								
I	II	III	IV	V	VI	VII = IV+V+VI	VIII	IX			X	XI=VII+X	XII	XIII	XIV			
(A)	Promoter & Promoter Group	7	1,04,47,832	-	-	1,04,47,832	100.00	1,04,47,832	-	1,04,47,832	100.00	-	100.00	-	-	1,04,47,832		
(B)	Public	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
(C)	Non Promoter-Non Public	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
(C1)	Shares underlying DRs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
(C2)	Shares held by Emp. Trusts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
	<b>Total</b>	<b>7</b>	<b>1,04,47,832</b>	<b>-</b>	<b>-</b>	<b>1,04,47,832</b>	<b>100.00</b>	<b>1,04,47,832</b>	<b>-</b>	<b>1,04,47,832</b>	<b>100.00</b>	<b>-</b>	<b>100.00</b>	<b>-</b>	<b>-</b>	<b>1,04,47,832</b>		

**Notes-**

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

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

We have entered into tripartite agreement with CDSL & NSDL.

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 BSE 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 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)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)  as a % of A+B+C2	Number of Locked in shares		Number of Shares pledged or otherwise		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. (a)	As a % of total shares held (b)	
								Class Equity Shares of Rs.10/- each	Class Y	Total								
	I	II	III	IV	V	VI=IV+V+VI	VII	VIII				IX	X = VI+ IX	XI		XII		XIII
(1)	Indian																	
(a)	Individuals/Hindu undivided Family	7	1,04,47,832	-	-	1,04,47,832	100.00	1,04,47,832	-	1,04,47,832	100.00	-	100.00	-	-	-	-	1,04,47,832
	Mr. Suresh Gunwant Fegde	1	35,52,164	-	-	35,52,164	33.99	35,52,164	-	35,52,164	33.99	-	33.99	-	-	-	-	35,52,164
	Mrs. Reshma Jayant Fegde	1	8	-	-	8	0.00	8	-	8	0.00	-	0.00	-	-	-	-	8



	Mrs. Alka Mukund Kulkarni	1	68,95,352	-	-	68,95,352	65.99	68,95,352	-	68,95,352	65.99	-	65.99	-	-	68,95,352
	Mr. Aditya Mukund Kulkarni	1	8	-	-	8	0.00	8	-	8	0.00	-	0.00	-	-	8
	Mukund Narayan Kulkarni	1	100	-	-	100	0.00	100	-	100	0.00	-	0.00	-	-	100
	Mr. Ajinkya Mukund Kulkarni	1	100	-	-	100	0.00	100	-	100	0.00	-	0.00	-	-	100
	Mr. Jayant Suresh Fegde	1	100	-	-	100	0.00	100	-	100	0.00	-	0.00	-	-	100
(b)	Central Government/ State Government(s)	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(c)	Financial Institutions/ Banks	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(d)	Any Other															
	Body Corporate	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	<b>Sub-Total (A)(1)</b>	<b>7</b>	<b>1,04,47,832</b>	<b>-</b>	<b>-</b>	<b>1,04,47,832</b>	<b>100.00</b>	<b>1,04,47,832</b>	<b>-</b>	<b>1,04,47,832</b>	<b>100.00</b>	<b>-</b>	<b>100.00</b>	<b>-</b>	<b>-</b>	<b>1,04,47,832</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>Total Shareholding of Promoter and Promoter Group (A)=(A)(1)+(A)(2)</b>	7	1,04,47,832	-	-	1,04,47,832	100.00	1,04,47,832	-	1,04,47,832	100.00	-	100.00	-	-	1,04,47,832

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

**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+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 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)	<b>Institutions</b>																	
(a)	Mutual Funds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(b)	Venture Capital Funds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(c)	Alternate	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-



	Investment Funds																
(d)	Foreign Venture Capital Investors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(e)	Foreign Portfolio Investors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(f)	Financial Institutions/ Banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(g)	Insurance Companies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(h)	Provident Funds/ Pension Funds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(i)	Any Other (specify)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	<b>Sub-Total (B)(1)</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(2)	<b>Central Government/ State Government(s)/ President of India</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	<b>Sub-Total (B)(2)</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(3)	<b>Non-institutions</b>																
(a)	Individuals																
	i. Individual shareholders holding nominal share capital up to Rs. 2 lakhs.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-





	ii. Individual shareholders holding nominal share capital in excess of Rs. 2 lakhs.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(b)	NBFCs registered with RBI	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(c)	Employee Trusts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(d)	Overseas Depositories (holding DRs) (balancing figure)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(e)	Any Other Body Corporate	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	<b>Sub-Total (B)(3)</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	<b>Total Public Shareholding (B)= (B)(1)+(B)(2)+(B)(3)</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

**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+C 2)	Number of Voting Rights held in each class of securities			No. of Shares 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	Class Y	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	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	<b>Sub Total (c) (1)</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>-</b>	
(2)	Employee Benefit Trust (under SEBI (Share based Employee Benefit) Regulations, 2014)	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	<b>Sub Total (C) (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>	<b>-</b>	
	<b>Total Non-Promoter Non-Public shareholding (C) = (C)(1)+ (C) (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>	<b>-</b>	

**10. List of Shareholders of the Company holding 1% or more of the paid up Share Capital of the Company:-**

a) As on the date of filing of this Prospectus:-

S.No.	Names of Shareholder	Shares Held (Face Value of Rs. 10 each)	% Pre Issue paid up Share Capital
1.	Mr. Suresh Gunwant Fegde	35,52,164	34.99
2.	Mrs. Alka Mukund Kulkarni	68,95,352	66.99
	<b>Total</b>	<b>1,04,47,516</b>	<b>99.99</b>

b) Ten days prior to the date of filing of this Prospectus:-

S.No.	Names of Shareholder	Shares Held (Face Value of Rs. 10 each)	% Pre Issue paid up Share Capital
1.	Mr. Suresh Gunwant Fegde	35,52,164	34.99
3.	Mrs. Alka Mukund Kulkarni	68,95,352	66.99
	<b>Total</b>	<b>1,04,47,516</b>	<b>99.99</b>

c) One Year prior to the date of filing of this Prospectus:-

S.No.	Names of Shareholder	Shares Held (Face Value of Rs. 10 each)	% of Paid Up Equity Shares as on date 1 year prior to the date of filing of the Prospectus*
1.	Mr. Suresh Gunwant Fegde	4,44,029	33.99
5.	Mrs. Alka Mukund Kulkarni	8,61,938	65.99
	<b>Total</b>	<b>13,05,967</b>	<b>99.99</b>

\*Details of shares held on February 25, 2019 and percentage held has been calculated based on the paid up capital of our Company as on February 25, 2019.

d) Two Years prior to the date of filing of this Prospectus:-

S.No.	Names of Shareholder	Shares Held (Face Value of Rs. 10 each)	% of Paid Up Equity Shares as on date 2 years prior to the date of filing of the Prospectus*
1.	Mr. Suresh Gunwant Fegde	4,44,029	33.99
5.	Mrs. Alka Mukund Kulkarni	8,61,939	65.99
	<b>Total</b>	<b>13,05,968</b>	<b>99.99</b>

\*Details of shares held on February 25, 2018 and percentage held has been calculated based on the paid up capital of our Company as on February 25, 2018

**11.** Our Company has not made any Initial Public Offer of specified securities in the preceding two years.

**12.** There will be no further issue of capital, whether by way of issue of bonus shares, preferential allotment, Right issue or in any other manner during the period commencing from the date of the Prospectus until the Equity Shares of our Company have been listed or application money unblocked on account of failure of Issue. Further, our Company does not intend to alter its capital structure within six months from the date of opening of the offer, by way of split / consolidation of the denomination of Equity Shares. However, our Company may further issue equity shares (including issue of securities convertible into Equity Shares) whether preferential or otherwise after the date of the listing of equity shares to finance an acquisition, merger or joint venture or for regulatory compliance or such other scheme of arrangement or any other purpose as the Board of Directors may deem fit, if an opportunity of such nature is determined by the Board of Directors to be in the interest of our Company.

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

As on the date of this Prospectus, our Promoters, Mr. Mukund Narayan Kulkarni, Mr. Suresh Gunwant Fegde and Mrs. Alka Mukund Kulkarni collectively holds 1,04,47,616 Equity Shares 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 (₹)	Issue/ Acquisition/Transfer Price (₹)	Consideration	Nature of Issue	Pre-Issue Shareholding %	Post-Issue Shareholding %
<b>(A) Mr. Mukund Narayan Kulkarni</b>							
August 14, 2006	6,600	10	10	Cash	Subscriber to MOA	0.06	0.05
March 29, 2009	5,36,855	10	10	Other than Cash	Business Takeover*	5.14	3.76
November 21, 2012	(3)	10	10	Cash	Transfer <sup>(i)</sup>	0.00	0.00
June 03, 2013	(1)	10	10	Cash	Transfer <sup>(ii)</sup>	0.00	0.00
October 10, 2013	(2)	10	10	Cash	Transfer <sup>(iii)</sup>	0.00	0.00
January 01, 2014	(1)	10	10	Cash	Transfer <sup>(iv)</sup>	0.00	0.00
March 25, 2014	2,68,491	10	10	Cash	Preferential Allotment	2.57	1.88
June 08, 2015	(8,11,939)	10	10	Cash	Transfer <sup>(v)</sup>	(7.77)	(5.68)
November 15, 2019	100	10	10	Cash	Acquisition of share by way of Transfer of shares <sup>(vi)</sup>	0.00	0.00
<b>Total (A)</b>	<b>100</b>					<b>0.00</b>	<b>0.00</b>
<b>(B) Mr. Suresh Gunwant Fegde</b>							
August 14, 2006	3,400	10	10	Cash	Subscriber to MOA	0.03	0.02
March 29, 2009	4,40,633	10	10	Other than Cash	Business Takeover*	4.22	3.08
November 21, 2012	(2)	10	10	Cash	Transfer <sup>(vii)</sup>	0.00	0.00
October 10, 2013	(2)	10	10	Cash	Transfer <sup>(viii)</sup>	0.00	0.00
June 08, 2015	3	10	10	Cash	Acquisition of share by way of Transfer of shares <sup>(ix)</sup>	0.00	0.00
June 23, 2015	(1)	10	10	Cash	Transfer <sup>(x)</sup>	0.00	0.00
April 05, 2016	(2)	10	10	Cash	Transfer <sup>(xi)</sup>	0.00	0.00
August 29, 2019	2	10	10	Cash	Acquisition of share by way of Transfer of shares <sup>(xii)</sup>	0.00	0.00
September 19, 2019	31,08,217	10	-	Nil	Bonus in the ratio of 7:1 i.e. 7 Equity Share for every 1 Equity Share held	29.75	21.75
October 10, 2019	16	10	10	Cash	Acquisition of share by way of Transfer of shares <sup>(xiii)</sup>	0.00	0.00
November 15, 2019	(100)	10	10	Cash	Transfer <sup>(xiv)</sup>	0.00	0.00
<b>Total (A)</b>	<b>35,52,164</b>					<b>33.99</b>	<b>24.86</b>
<b>(C) Mrs. Alka Mukund Kulkarni</b>							
March 25, 2014	50,000	10	10	Other than Cash	Preferential Allotment	0.48	0.35
October 27, 2014	(1)	10	10	Cash	Transfer <sup>(xv)</sup>	0.00	0.00
June 08, 2015	8,11,942	10	10	Cash	Acquisition of share by way of Transfer of shares <sup>(xvi)</sup>	7.77	5.68

September 01, 2015	(1)	10	10	Cash	Transfer <sup>(xvii)</sup>	0.00	0.00
June 21, 2016	(1)	10	10	Cash	Transfer <sup>(xviii)</sup>	0.00	0.00
November 12, 2018	(1)	10	10	Cash	Transfer <sup>(xix)</sup>	0.00	0.00
August 29, 2019	4	10	10	Cash	Acquisition of share by way of Transfer of shares <sup>(xx)</sup>	0.00	0.00
September 19, 2019	60,33,594	10	-	Nil	Bonus in the ratio of 7:1 i.e. 7 Equity Share for every 1 Equity Share held	57.75	42.23
October 10, 2019	16	10	10	Cash	Acquisition of share by way of Transfer of shares <sup>(xxi)</sup>	0.00	0.00
November 15, 2019	(200)	10	10	Cash	Acquisition of share by way of Transfer of shares <sup>(xxii)</sup>	0.00	0.00
<b>Total (B)</b>	<b>68,95,352</b>					<b>65.99</b>	<b>48.26</b>
<b>Grand Total(A+B+C)</b>	<b>1,04,47,616</b>					<b>99.99</b>	<b>73.12</b>

\*Allotment was made pursuant to takeover of partnership firms, namely, M/s S.M. Industries and M/s Spam Fab Technocrats from the Promoters, Mr. Mukund Narayan Kulkarni and Mr. Suresh Gunwant Fegde vide agreements dated April 30, 2007.

Note: None of the Shares has been pledged by our Promoters

(i) Details of sale of Shares by Mr. Mukund Narayan Kulkarni of 3 Equity Shares dated November 21, 2012

Sr. No.	Date of Transfer	Name of Transferor	No. of Share Transfer	Name of Transferee
1.	November 21, 2012	Mr. Mukund Narayan Kulkarni	1	Ajay Iron & steel traders
2.	November 21, 2012	Mr. Mukund Narayan Kulkarni	1	M/s B.S.Steels (sole proprietorship firm of Amarjeetsingh Bali)
3.	November 21, 2012	Mr. Mukund Narayan Kulkarni	1	Utkarsh Traders
		<b>Total</b>	<b>3</b>	

(ii) Details of sale of Share by Mr. Mukund Narayan Kulkarni of 1 Equity Share dated June 06, 2013

Sr. No.	Date of Transfer	Name of Transferor	No. of Share Transfer	Name of Transferee
1.	June 06, 2013	Mr. Mukund Narayan Kulkarni	1	Mrs. Pratibha Kamlakar Kulkarni
		<b>Total</b>	<b>1</b>	

(iii) Details of sale of Share by Mr. Mukund Narayan Kulkarni of 2 Equity Shares dated October 10, 2013

Sr. No.	Date of Transfer	Name of Transferor	No. of Share Transfer	Name of Transferee
1.	October 10, 2013	Mr. Mukund Narayan Kulkarni	1	Mr. Narendra Uttamrao Patil
2.	October 10, 2013	Mr. Mukund Narayan Kulkarni	1	Mr. Prabhavati Pandurang Thombare
		<b>Total</b>	<b>2</b>	

(iv) Details of sale of Share by Mr. Mukund Narayan Kulkarni of 1 Equity Share dated January 10, 2014

Sr. No.	Date of Transfer	Name of Transferor	No. of Share Transfer	Name of Transferee
1.	January 10, 2014	Mr. Mukund Narayan Kulkarni	1	Mrs. Yogini Vishal Kulkarni
		<b>Total</b>	<b>1</b>	

## (v) Details of sale of Share by Mr. Mukund Narayan Kulkarni of 8,11,939 Equity Share dated June 08, 2015

Sr. No.	Date of Transfer	Name of Transferor	No. of Share Transfer	Name of Transferee
1.	June 08, 2015	Mr. Mukund Narayan Kulkarni	811,939	Mrs. Alka Mukund Kulkarni
		<b>Total</b>	<b>811,939</b>	

## (vi) Details of Acquisition by Mr. Mukund Narayan Kulkarni by way of transfer of 100 Equity Shares dated November 15, 2019

Sr. No.	Date of Transfer	Name of Transferor	No. of Share Transfer	Name of Transferee
1.	November 15, 2019	Mrs. Alka Mukund Kulkarni	100	Mr. Mukund Narayan Kulkarni
		<b>Total</b>	<b>100</b>	

## (vii) Details of sale of Shares by Mr. Suresh Gunwant Fegde of 2 Equity Shares dated November 21, 2012

Sr. No.	Date of Transfer	Name of Transferor	No. of Share Transfer	Name of Transferee
1.	November 21, 2012	Mr. Suresh Gunwant Fegde	1	The Relief survival
2.	November 21, 2012	Mr. Suresh Gunwant Fegde	1	Mr. Nandkishor Prabhakar Thombare
		<b>Total</b>	<b>2</b>	

## (viii) Details of sale of Shares by Mr. Suresh Gunwant Fegde of 2 Equity Shares dated October 10, 2013

Sr. No.	Date of Transfer	Name of Transferor	No. of Share Transfer	Name of Transferee
1.	October 10, 2013	Mr. Suresh Gunwant Fegde	1	Mr. Kedar Vijay Kulkarni
2.	October 10, 2013	Mr. Suresh Gunwant Fegde	1	Mr. Dilip Sadashiv Joshi
		<b>Total</b>	<b>2</b>	

## (ix) Details of Acquisition by Mr. Suresh Gunwant Fegde by way of transfer of 3 Equity Shares dated June 08, 2015

Sr. No.	Date of Transfer	Name of Transferor	No. of Share Transfer	Name of Transferee
1.	June 08, 2015	The Relief survival	1	Suresh Gunwant Fegde
2.	June 08, 2015	Mr. Nandkishor Prabhakar Thombare	1	Suresh Gunwant Fegde
3.	June 08, 2015	Mr. Kedar Vijay Kulkarni	1	Suresh Gunwant Fegde
		<b>Total</b>	<b>3</b>	

## (x) Details of sale of Share by Mr. Suresh Gunwant Fegde of 1 Equity Share dated June 23, 2015

Sr. No.	Date of Transfer	Name of Transferor	No. of Share Transfer	Name of Transferee
1.	June 23, 2015	Mr. Suresh Gunwant Fegde	1	Mrs. Alka Dhyaneshwar Suryawanshi
		<b>Total</b>	<b>1</b>	

## (xi) Details of sale of Shares by Mr. Suresh Gunwant Fegde of 2 Equity Shares dated April 05, 2016

Sr. No.	Date of Transfer	Name of Transferor	No. of Share Transfer	Name of Transferee
1.	April 05, 2016	Mr. Suresh Gunwant Fegde	1	Mr. Ulhas Ramdas Mahajan
2.	April 05, 2016	Mr. Suresh Gunwant Fegde	1	Mrs. Dipali Ulhas Mahajan
		<b>Total</b>	<b>2</b>	

(xii) Details of Acquisition by Mr. Suresh Gunwant Fegde by way of transfer of 2 Equity Shares dated August 29, 2019

Sr. No.	Date of Transfer	Name of Transferor	No. of Share Transfer	Name of Transferee
1.	August 29, 2019	Mr. Dilip Sadashiv Joshi	1	Mr. Suresh Gunwant Fegde
2.	August 29, 2019	Mrs. Alka Dhyaneshwar Suryawanshi	1	Mr. Suresh Gunwant Fegde
		<b>Total</b>	<b>2</b>	

(xiii) Details of Acquisition by Mr. Suresh Gunwant Fegde by way of transfer of 16 Equity Shares dated October 10, 2019

Sr. No.	Date of Transfer	Name of Transferor	No. of Share Transfer	Name of Transferee
1.	October 10, 2019	Mr. Ulhas Ramdas Mahajan	8	Mr. Suresh Gunwant Fegde
2.	October 10, 2019	Mrs. Dipali Ulhas Mahajan	8	Mr. Suresh Gunwant Fegde
		<b>Total</b>	<b>16</b>	

(xiv) Details of sale of Shares by Mr. Suresh Gunwant Fegde of 100 Equity Shares dated November 15, 2019

Sr. No.	Date of Transfer	Name of Transferor	No. of Share Transfer	Name of Transferee
1.	November 15, 2019	Mr. Suresh Gunwant Fegde	100	Mr. Jayant Suresh Fegde
		<b>Total</b>	<b>100</b>	

(xv) Details of sale of Share by Mrs. Alka Mukund Kulkarni of 1 Equity Share dated October 27, 2014

Sr. No.	Date of Transfer	Name of Transferor	No. of Share Transfer	Name of Transferee
1.	October 27, 2014	Mrs. Alka Mukund Kulkarni	1	Mr. Hrishikesh Yashwant Ayachit
		<b>Total</b>	<b>1</b>	

(xvi) Details of Acquisition by Mrs. Alka Mukund Kulkarni by way of transfer of 8,11,942 Equity Shares dated June 08, 2015

Sr. No.	Date of Transfer	Name of Transferor	No. of Share Transfer	Name of Transferee
1.	June 08, 2015	Mr. Mukund Narayan Kulkarni	811939	Mrs. Alka Mukund Kulkarni
2.	June 08, 2015	M/s Ajay Iron & steel traders	1	Mrs. Alka Mukund Kulkarni
3.	June 08, 2015	M/s Utkarsh Traders	1	Mrs. Alka Mukund Kulkarni
4.	June 08, 2015	Mr. Narendra Uttamrao Patil	1	Mrs. Alka Mukund Kulkarni
		<b>Total</b>	<b>811942</b>	

(xvii) Details of sale of Share by Mrs. Alka Mukund Kulkarni of 1 Equity Share dated September 01, 2015

Sr. No.	Date of Transfer	Name of Transferor	No. of Share Transfer	Name of Transferee
1.	September 01, 2015	Mrs. Alka Mukund Kulkarni	1	Aditya Mukund Kulkarni
		<b>Total</b>	<b>1</b>	

(xviii) Details of sale of Share by Mrs. Alka Mukund Kulkarni of 1 Equity Share dated June 21, 2016

Sr. No.	Date of Transfer	Name of Transferor	No. of Share Transfer	Name of Transferee
1.	June 21, 2016	Mrs. Alka Mukund Kulkarni	1	Mrs. Lata Girishankar patil
		<b>Total</b>	<b>1</b>	



(xix) Details of sale of Share by Mrs. Alka Mukund Kulkarni of 1 Equity Share dated November 12, 2018

Sr. No.	Date of Transfer	Name of Transferor	No. of Share Transfer	Name of Transferee
1.	November 12, 2018	Mrs. Alka Mukund Kulkarni	1	Mr. Girishankar Baliram Patil
		<b>Total</b>	<b>1</b>	

(xx) Details of Acquisition by Mrs. Alka Mukund Kulkarni by way of transfer of 4 Equity Shares dated August 29, 2019

Sr. No.	Date of Transfer	Name of Transferor	No. of Share Transfer	Name of Transferee
1.	August 29, 2019	Mrs. PratibhaKamlakarKulkarni	1	Mrs. Alka Mukund Kulkarni
2.	August 29, 2019	Mrs. Yogini Vishal Kulkarni	1	Mrs. Alka Mukund Kulkarni
3.	August 29, 2019	Mr. HrishikeshYashwantAyachit	1	Mrs. Alka Mukund Kulkarni
4.	August 29, 2019	Mrs. Prabhavati Pandurang Thombare	1	Mrs. Alka Mukund Kulkarni
		<b>Total</b>	<b>4</b>	

(xxi) Details of Acquisition by Mrs. Alka Mukund Kulkarni by way of transfer of 16 Equity Shares dated October 10, 2019

Sr. No.	Date of Transfer	Name of Transferor	No. of Share Transfer	Name of Transferee
1.	October 10, 2019	Mrs. Lata Girishankar patil	8	Mrs. Alka Mukund Kulkarni
2.	October 10, 2019	Mr. Girishankar Baliram Patil	8	Mrs. Alka Mukund Kulkarni
		<b>Total</b>	<b>16</b>	

(xxii) Details of sale of Shares by Mrs. Alka Mukund Kulkarni of 200 Equity Shares dated November 15, 2019

Sr. No.	Date of Transfer	Name of Transferor	No. of Share Transfer	Name of Transferee
1.	November 15, 2019	Mrs. Alka Mukund Kulkarni	100	Mr. Mukund Narayan Kulkarni
2.	November 15, 2019	Mrs. Alka Mukund Kulkarni	100	Mr. Ajinkya Mukund Kulkarni
		<b>Total</b>	<b>200</b>	

14. 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. Mukund Narayan Kulkarni	100	10.00
2	Mr. Suresh Gunwant Fegde	35,52,164	1.25
3	Mrs. Alka Mukund Kulkarni	68,95,352	1.25

15. Shareholding of Promoters & 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. Mukund Narayan Kulkarni	100	0.00	100	0.00
2	Mr. Suresh Gunwant Fegde	35,52,164	33.99	35,52,164	24.86
3	Mrs. Alka Mukund Kulkarni	68,95,352	65.99	68,95,352	48.26
	<b>Sub Total (A)</b>	<b>1,04,47,616</b>	<b>99.99</b>	<b>1,04,47,616</b>	<b>73.11</b>
	<b>Promoter Group</b>				
4	Mr. Aditya Mukund Kulkarni	8	0.00	8	0.00
5	Mrs. Reshma Jayant Fegde	8	0.00	8	0.00
6	Mr. Ajinkya Mukund Kulkarni	100	0.00	100	0.00
7	Mr. Jayant Suresh Fegde	100	0.00	100	0.00

	<b>Sub Total (B)</b>	<b>216</b>	<b>0.01</b>	<b>216</b>	<b>0.01</b>
	<b>Grand Total (A+B)</b>	<b>1,04,47,832</b>	<b>100.00</b>	<b>1,04,47,832</b>	<b>73.12</b>

16. Except as provided below, 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 Prospectus.

<b>Date of Allotment</b>	<b>Name of Shareholder</b>	<b>No. of Equity Share</b>	<b>% of Pre-issue Capital</b>	<b>Subscribed/ Acquire/ Transfer</b>	<b>Category of Allottees (Promoter/ Promoter Group/ Director)</b>
August 29, 2019	Mr. Suresh Gunwant Fegde	2	0.00	Acquired	Promoter and Director
August 29, 2019	Mrs. Pratibha Kamlakar Kulkarni	(1)	0.00	Transferred	-
August 29, 2019	Mrs. Prabhavati Pandurang Thombare	(1)	0.00	Transferred	-
August 29, 2019	Mrs. Alka Mukund Kulkarni	4	0.00	Acquired	Promoter and Director
August 29, 2019	Mr. Dilip Sadashiv Joshi	(1)	0.00	Transferred	-
August 29, 2019	Mrs. Yogini Vishal Kulkarni	(1)	0.00	Transferred	-
August 29, 2019	Mr. Hrishikesh Yashwant Ayachit	(1)	0.00	Transferred	-
August 29, 2019	Mrs. Alka Dhyaneswar Suryawanshi	(1)	0.00	Transferred	-
September 19, 2019	Mr. Suresh Gunwant Fegde	31,08,217	29.75	Bonus Issue	Promoter and Director
September 19, 2019	Mrs. Alka Mukund Kulkarni	60,33,594	57.75	Bonus Issue	Promoter and Director
September 19, 2019	M/s B.S.Steels (sole proprietorship of Mr. Amarjeetsingh Bali)	7	0.00	Bonus Issue	-
September 19, 2019	Mr. Aditya MukundKulkarni	7	0.00	Bonus Issue	Promoter Group
September 19, 2019	Mrs. Lata Girishankar Patil	7	0.00	Bonus Issue	Promoter Group
September 19, 2019	Mr. UlhasRamdasMahajan	7	0.00	Bonus Issue	-
September 19, 2019	Mrs. Dipali Ulhas Mahajan	7	0.00	Bonus Issue	Promoter Group
September 19, 2019	Mr. Girishankar Baliram Patil	7	0.00	Bonus Issue	-
October 10, 2019	Mr. Suresh Gunwant Fegde	16	0.00	Acquired	Promoter and Director
October 10, 2019	Mr. UlhasRamdas Mahajan	(8)	0.00	Transferred	-
October 10, 2019	Mrs. Dipali Ulhas Mahajan	(8)	0.00	Transferred	Promoter Group
October 10, 2019	Mrs. Alka Mukund Kulkarni	16	0.00	Acquired	Promoter and Director
October 10, 2019	Mrs. Lata Girishankar Patil	(8)	0.00	Transferred	Promoter Group
October 10, 2019	Mr. Girishankar Baliram Patil	(8)	0.00	Transferred	-
November 15, 2019	M/s B.S.Steels (sole proprietorship of Mr. Amarjeetsingh Bali)	(8)	0.00	Transferred	-
November 15, 2019	Mrs. Reshma Jayant Fegde	8	0.00	Acquired	Promoter Group
November 15, 2019	Mr. Mukund Narayan Kulkarni	100	0.00	Acquired	Promoter and Director
November	Mr. Suresh Gunwant Fegde	(100)	0.00	Transferred	Promoter and Director



15, 2019					
November 15, 2019	Mrs. Alka Mukund Kulkarni	(200)	0.00	Transferred	Promoter and Director
November 15, 2019	Mr. Ajinkya Mukund Kulkarni	100	0.00	Acquired	Promoter Group
November 15, 2019	Mr. Jayant Suresh Fegde	100	0.00	Acquired	Promoter Group

17. 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 Prospectus.

### 18. Details of Promoters' Contribution Locked-in for Three Years

Pursuant to Regulation 236 and 238 of SEBI (ICDR) Regulations, 2018, an aggregate of 20% of the post issue capital held by our Promoters shall be considered as Promoter's Contribution ("**Promoters Contribution**") and shall be locked-in for a period of three years from the date of allotment of Equity shares issued pursuant to this Issue. The lock in of Promoter's Contribution would be created as per applicable law and procedure and details of the same shall also be provided to the Stock Exchange before listing of the Equity Shares.

As on the date of this Prospectus, our Promoters collectively hold 1,04,47,616 Equity Shares constituting 73.12% of the Post – Issued, subscribed and paid up Equity Share Capital of our Company, which are eligible for the Promoters' contribution.

Our Promoters have given written consent to include 29,40,000 Equity Shares held by them and subscribed by them as part of Promoters Contribution constituting 20.58% of the post issue Equity Shares of our Company. Further, they have agreed not to sell or transfer or pledge or otherwise dispose of in any manner, the Promoters contribution, for a period of three years from the date of allotment in the Issue.

Date of Allotment/ transfer and made fully paid up	No. of Equity Shares locked-in*	Face Value Per Share (₹)	Issue/ Acquisition/ Transfer Price (₹)	Nature of transaction	Post-Issue Shareholding %	Lock in Period
Mr. Suresh Gunwant Fegde						
September 19, 2019	9,80,000	10	Nil	Bonus Issue	6.86%	3 years
Mrs. Alka Mukund Kulkarni						
September 19, 2019	19,60,000	10	Nil	Bonus Issue	13.72%	3 years
<b>Total</b>	<b>29,40,000</b>	<b>10</b>	<b>Nil</b>		<b>20.58%</b>	<b>3 years</b>

\*Assuming full subscription to the Issue

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 237 of the SEBI (ICDR) Regulations and are being locked in for 3 years as per Regulation 238(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.

### Eligibility of Share for "Minimum Promoters Contribution in terms of clauses of Regulation 237(1) of SEBI (ICDR) Regulations, 2018

Reg. No.	Promoters' Minimum Contribution Conditions	Eligibility Status of Equity Shares forming part of Promoter's Contribution
237(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>Hence Eligible</b>

Reg. No.	Promoters' Minimum Contribution Conditions	Eligibility Status of Equity Shares forming part of Promoter's Contribution
237 (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>
237 (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>
237(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>
237 (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 238(b) and 239 of the SEBI (ICDR) Regulations, 2018, 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 75,07,832 Equity Shares shall be locked in for a period of one year from the date of allotment of Equity Shares in this Issue.

In terms of Regulation 241 of the SEBI (ICDR) Regulations, 2018, 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:

- In terms of Regulation 242 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 or a systemically important non-banking finance company or a housing finance company 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.
  - In terms of Regulation 243 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 239 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.
  - Further in terms of Regulation 243 of the SEBI (ICDR) Regulations, the specified securities held by the promoters and locked-in as per regulation 238 may be transferred to another promoter or any person of the promoter group or a new promoter or a person 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.
24. 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.



25. As on the date of this Prospectus, the entire Issued Share, Subscribed and Paid-up Share Capital of our Company is fully paid up. 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.
26. 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 this Prospectus.
27. As on the date of this 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.
28. We have 7(Seven) shareholders as on the date of filing of thisProspectus.
29. As on the date of filing of this 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
30. Our Company has not raised any bridge loan against the proceeds of the Issue.
31. As on the date of this Prospectus, none of the shares held by our Promoters / Promoters Group are subject to any pledge.
32. 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 Prospectus until the Equity Shares offered have been listed or application money unblocked on account of failure of Issue.
33. None of our Equity Shares have been issued out of revaluation reserve created out of revaluation of assets.
34. 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.
35. 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. BSE. Such inter-se spill over, if any, would be affected in accordance with applicable laws, rules, regulations and guidelines.
36. In case of over-subscription in all categories the allocation in the issue shall be as per the requirements of Regulation 253 of SEBI (ICDR) Regulations, 2018 and its amendments from time to time.
37. The unsubscribed portion in any reserved category (if any) may be added to any other reserved category.
38. The unsubscribed portion if any, after such inter se adjustments among the reserved categories shall be added back to the net issue to the public portion.
39. At any given point of time there shall be only one denomination of the Equity Shares, unless otherwise permitted by law.
40. Our Company shall comply with such disclosure and accounting norms as may be specified by BSE, SEBI and other regulatory authorities from time to time.
41. There are no Equity Shares against which depository receipts have been issued.
42. Other than the Equity Shares, there is no other class of securities issued by our Company.
43. There are no safety net arrangements for this public issue.
44. As per RBI regulations, OCBs are not allowed to participate in this issue.

45. Our Promoters and Promoter Group will not participate in this Issue.
46. This Issue is being made through Fixed Price Issue.
47. Our Company has not made any public issue or rights issue of any kind or class of securities since its incorporation.
48. 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 IX of the SEBI (ICDR) Regulations, 2018, as amended from time to time.
49. 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.
50. 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.

### OBJECTS OF THE ISSUE

This Issue includes a fresh Issue of 38,40,000 Equity Shares of our Company at an Issue Price of Rs. 18/-per Equity Share. We intend to utilize the proceeds of the Issue to meet the following objects:-

1. To meet Working Capital requirements
2. General Corporate Purpose
3. To meet 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 BSE. It will also provide liquidity to the existing shareholders and will also create a public trading market for the Equity Shares of our Company.

Incorporated in 2006, we are one of the auto-component manufacturers located in Nashik catering to the components and sub-assemblies requirements of automobile parts/equipment manufacturers. Our range of product primarily covers components for clutches, brakes, engine mountings, chassis, shaft drive, body trims, bearings etc. which are used in passenger cars, commercial vehicles and tractors. Our products such as deep drawn components and control panel components also find application in electrical equipments industry.

#### Net Proceeds

The details of the Net Proceeds are set forth below:

Particulars	Amt (₹ in Lacs)
Gross Proceeds of the Issue	691.20
Less: Issue related expenses in relation to Issue	101.37
Net Proceeds	589.83

#### Requirement of Funds and Utilization of Net Proceeds

The Net Proceeds are proposed to be used in accordance with the details as set forth below:

S. No	Particulars	Amt (Rs. in Lacs)
1.	To meet Working Capital requirements	500.00
2.	General Corporate Purpose	89.83
	<b>Total</b>	<b>589.83</b>

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

#### Means of Finance

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

Particulars	Amt (₹ in Lacs)
Net Issue Proceeds	589.83
<b>Total</b>	<b>589.83</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 230(1)(e) 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.*

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 24 of this Prospectus.

### Details of Utilization of Net Proceeds

The details of utilization of the Net Proceeds are set forth herein below:

#### 1. To Meet Working Capital Requirement

Our business is working capital intensive as the major capital is invested in trade receivables and inventories. The Company will meet the requirement to the extent of ₹500.00 lakhs from the Net Proceeds of the Issue and balance from borrowings at an appropriate time as per the requirement.

Details of Estimation of Working Capital requirement are as follows:

(₹ In Lacs)

S. No.	Particulars	Actual (Restated - Standalone)	Actual (Restated - Standalone)	Actual (Restated - Standalone)	Estimated	Estimated
		31-March-18	31-March-19	30-Sept.-19	31-March-20	31-March-21
I	<b>Current Assets</b>					
	Inventories	715.26	784.71	653.34	776.06	983.66
	Trade receivables	1,050.57	996.21	739.22	810.07	1072.42
	Cash and cash equivalents*	19.76	11.05	7.53	14.73	9.02
	Short Term Loans and Advances	107.27	136.46	133.48	122.81	110.53
	Other Current Assets	85.14	192.12	126.75	182.51	173.39
	<b>Total(A)</b>	<b>1978.00</b>	<b>2120.55</b>	<b>1660.32</b>	<b>1906.19</b>	<b>2349.02</b>
II	<b>Current Liabilities</b>					
	Trade payables	1,236.98	1,086.78	402.16	328.00	656.86
	Other Current Liabilities	312.94	309.43	340.31	332.07	215.47
	Short Term Provisions	90.16	129.95	68.88	90.72	139.54
	<b>Total (B)</b>	<b>1,640.08</b>	<b>1,526.16</b>	<b>811.35</b>	<b>750.79</b>	<b>1011.87</b>
III	<b>Total Working Capital Gap (A-B)</b>	<b>337.92</b>	<b>594.39</b>	<b>848.97</b>	<b>1155.39</b>	<b>1337.15</b>
IV	Funding Pattern					
	Short Term borrowings and Internal Accruals	<b>337.92</b>	<b>594.39</b>	<b>848.97</b>	<b>775.39</b>	<b>1217.15</b>
	<b>IPO Proceeds</b>				<b>380.00</b>	<b>120.00</b>

\*The cash and cash equivalents of Rs. 15 lakhs as appearing on March 31, 2020 does not include IPO proceeds to the extent of Rs. 120.00 lacs which is to be proposed to be used in F.Y. 2020-21.

**Justification:**

S. No.	Particulars
<b>Inventories</b>	We have assumed Inventories turnover days to be around 56 days for F.Y. 2019-20 and around 53 days in F.Y. 2020-21 as compared to 49 days in F.Y. 2018-19 and 53 days in F.Y. 2017-18. Our inventories are significant and are expected to grow in line with the growth in our business
<b>Debtors</b>	We have assumed Debtors holding period to be at around 57 days for F.Y. 2019-20 and F.Y. 2020-21 as compared to 75 days in F.Y. 2018-19 and 62 days in F.Y. 2017-18. We expect to follow better credit Management policies in F.Y. 2020-21 ensuring timely recovery of dues from our Debtors.
<b>Creditors</b>	In F.Y. 2019-20, we expect to prune our creditor days by infusing funds in repayment of creditors from the net issue and get benefits of better pricing by offering faster payment terms. We have assumed Creditors payment period to come down to average 29 days for F.Y. 2019-20 after repayment to creditors and then we expect to maintain 42 days as creditors payment period for F.Y. 2020-21 as compared to 85 days in F.Y. 2018-19 and 114 days in F.Y. 2017-18.

**2. General Corporate Purpose**

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 ₹89.83 lakh 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, 2013.

We confirm that any issue related expenses shall not be considered as a part of General Corporate Purpose. Further in case, our actual issue expenses turn to be lesser than the estimated issue expenses of Rs. 101.37 lakhs, such surplus amount shall be utilized for General Corporate Purpose in such a manner that the amount for general corporate purposes, as mentioned in the Prospectus, shall not exceed 25% of the amount raised by our Company through this Issue.

**3. Public Issue Expenses**

The total estimated Issue Expenses are Rs. 101.37 lakhs which is 14.67% of the total Issue Size. The details of the Issue Expenses are tabulated below:

Activity	(Rs.in Lakhs)	As a % of Estimates Issue Expenses	As a % of Issue Size
Lead Manger Fees (including printing, legal advisor and advertisement expenses)	27.75	27.37	4.01
Underwriting Commission	13.82	13.64	2.00
Fees Payable to Registrar to the Issue	0.50	0.49	0.07
Fees Payable towards Marketing and Selling fees*	55.30	54.55	8.00
Fees Payable to Regulators including Stock Exchanges	3.00	2.96	0.43
Others ( Processing Fees for Application and Miscellaneous Expenses)**	1.00	0.99	0.14
<b>Total</b>	<b>101.37</b>	<b>100.00</b>	<b>14.67</b>

\* Fees payable towards Marketing and Selling fees will be payable to Lead Manager which will be 8% of the funds procured directly through the Lead Manager, if any.

\*\* Includes commission/Processing fees of Rs. 10/-per valid application forms for SCSB"s. In case the total processing fees payable to SCSBs exceeds Rs. 1 lakh, then the amount payable to SCSBs would be proportionately distributed based on the number of valid applications such that the total Processing Fees payable does not exceed Rs.1 lakh.

**Note:** The above public issue expenses are based on estimation. In case, our actual issue expenses turn to be lesser than the above estimated issue expenses of Rs. 101.37 lakhs, such surplus amount shall be utilized for General Corporate Purpose in such a manner that the amount for general corporate purposes, as mentioned in the Prospectus, shall not exceed 25% of the amount raised by our Company through this Issue.

**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:

(₹ In Lakhs)

S. No.	Particulars	Amount to be deployed and utilized in	
		F.Y. 19-20	F.Y. 20-21
1.	To meet Working Capital Requirements	380.00	120.00

(₹ In Lakhs)

S. No.	Particulars	Amount to be deployed and utilized till F.Y. 2020-21
1.	General Corporate Purpose	89.83

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

Milind M Kulkarni & Associates, Chartered Accountants vide their certificate dated February 14, 2020 have confirmed that as on date of certificate the following funds have been deployed for the proposed object of the Issue:

Particulars	Amt (₹ in Lakh)
Issue Expenses	4.99
<b>Total</b>	<b>4.99</b>

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

Milind M Kulkarni & Associates, Chartered Accountants vide their certificate dated February 14, 2020 have confirmed that as on date of certificate the following funds have been deployed for the proposed object of the Issue:

Particulars	Amt (₹ in Lakh)
Internal Accruals	4.99
<b>Total</b>	<b>4.99</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 but not limited to variations in interest rate structures, changes in our financial condition and current commercial conditions of our Business 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 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 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 authorized 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 and our Company's key Managerial personnel, in relation to the utilization of the Net Proceeds.

### 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 24, 95 and 133 respectively of the 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 will be determined by our Company in consultation with the LM on the basis of the quantitative and qualitative factors as described below. The face value of the Equity Shares is ₹ 10.00 each and the Issue Price is 1.8 times of the face value.

#### QUALITATIVE FACTORS

We believe the following business strengths allow us to successfully compete in the industry:

- In-house die making facilities and Machining Centre
- Wide product range and customized product offering
- Vast Experience of Promoters
- Existing customer relationship

For a detailed discussion on the qualitative factors which form the basis for computing the price, please refer to sections titled “**Our Business**” beginning on page 95 of the Prospectus.

#### QUANTITATIVE FACTORS

The information presented below relating to our Company is based on the Restated Consolidated Financial Statements. For details, please refer section titled “**Financial Information of the Company**” on page 133 of this Prospectus.

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 (including effect of bonus issue of shares made on September 19, 2019):

As per the Restated Consolidated Financial Statements;

Sr. No	Period	Basic & Diluted(₹)	Weights
1.	FY 2016-17	(1.66)	1
2.	FY 2017-18	0.80	2
3.	FY 2018-19	2.54	3
	<b>Weighted Average</b>	<b>1.26</b>	<b>6</b>
	<b>For the period ended September 30, 2019*</b>	<b>0.04</b>	

\*Not Annualized

Notes:

- i. The figures disclosed above are based on the Restated Consolidated Financial Statements of the Company.
- ii. The face value of each Equity Share is ₹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. Basic Earnings per Share = Net Profit/(Loss) after tax, as restated attributable to equity shareholders / Weighted average number of equity shares outstanding during the year/ period
- vi. Diluted Earnings per Share = Net Profit/(Loss) after tax, as restated attributable to equity shareholders / Weighted average number of diluted potential equity shares outstanding during the year/ period.

#### Price Earning (P/E) Ratio in relation to the Issue Price of Rs. 18/-

Particulars	(P/E) Ratio
P/E ratio based on the Basic & Diluted EPS, as restated for FY 2018-19.	7.09
P/E ratio based on the Weighted Average EPS, as restated.	14.29

Industry P/E Ratio*		
1	Highest (Omax Autos Limited)	189.25
2	Lowest (Rasandik Engineering Industries India Limited)	10.55
3	Average	66.6

\* Considering the nature of business of our company, the peers are not strictly comparable; however same have been included for broad comparison.

**Note:**

- The P/E ratio has been computed by dividing Issue Price with EPS.
- The Average P/E Ratio has been computed by taking into consideration P/E of Omax Autos Limited, Rasandik Engineering Industries India Limited and Autoline Industries Ltd.

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

Sr. No	Period	RoNW (%)	Weights
1	FY 2016-17	(22.45%)	1
2	FY 2017-18	9.82%	2
3	FY 2018-19	23.68%	3
	<b>Weighted Average</b>	<b>11.37%</b>	<b>6</b>
	<b>For the period ended September 30, 2019**</b>	<b>0.42%</b>	

\*Restated Profit after tax /Net Worth

\*\*Not Annualized

**Note:**

- The RoNW has been computed by dividing net profit after tax (excluding exceptional items) with restated Networkth as at the end of the year/period

**4. Net Asset Value (NAV) per Equity Share:**

Sr. No.	NAV per Equity Share	Amt. in Rs.
1.	As at March 31, 2019	85.81
2.	As at September 30, 2019	10.77
3.	NAV per Equity Share after the Issue	12.71
4.	Issue Price	18

**Note:**

- The NAV per Equity Share has been computed by dividing restated networkth with total number of equity shares outstanding at the end of the year/period.

**6. Comparison of Accounting Ratios with Industry Peers:**

Name of Company	Current Market Price (Rs.)	Face Value (Rs.)	EPS(Rs.)	PE	RoNW (%)	Book Value (Rs.)	Total Income (Rs. in crores)
SM Auto Stamping Limited	18	10	2.54	7.09	23.68%	85.81	76.30
<b>Peer Group*</b>							
Omax Autos Limited	37.85	10	0.20	189.25	0.19%	107.09	1004.43
Rasandik Engineering	52.00	10	4.93	10.55	2.71%	179.45	274.56

Industries (India) Limited							
Autoline Industries Ltd.	22.50	10	(2.32)	-	-4.29%	33.38	454.31

\* Considering the nature of business of our company, the peers are not strictly comparable; however same have been included for broad comparison.

**Notes:**

i) Current Market Price (CMP) is taken as the closing price of respective scrips as on February 19, 2020 at BSE Limited. For our Company, we have taken CMP as the issue price of equity share. Further, P/E Ratio is based on the CMP of the respective scrips.

ii) The EPS, Book Value, RonW and revenue from operations of the Company are taken as per Restated Financial Statement for the Financial Year 2018-19

iii) The Figures of respective Peer group Companies as at March 31, 2019 are taken from their Annual Report uploaded on the website of the Stock Exchange(s).

iv) NAV per share is computed as the closing net worth divided by the closing outstanding number of paid up equity shares.

v) P/E Ratio has been computed based on the closing market price of peer group's equity shares on December 19, 2019 at BSE Limited, as divided by the Basic EPS provided.

vi) RoNW has been computed as net profit after tax divided by closing net worth.

vii) Net worth has been computed in the manner as specifies in Regulation 2(1)(hh) of SEBI (ICDR) Regulations, 2018.

viii) The face value of Equity Shares of our Company is Rs. 10/- per Equity Share and the Issue price is 1.8 times the face value of equity share.

The Issue Price of ₹ 18/- has been determined by our Company in consultation with the LM and has been justified by us in consultation with the LM on the basis of the above information. Investors should read the abovementioned information along with "Our Business", "Risk Factors" and "Restated Consolidated Financial Statements" on pages 95, 24 and 133, respectively of this Prospectus to have a more informed view. The trading price of the Equity Shares of our Company could decline due to the factors mentioned in "Risk Factors" or any other factors that may arise in the future and you may lose all or part of your investments.



## STATEMENT OF TAX BENEFITS

To,  
The Board of Directors,  
**SM Auto Stamping Limited**  
J-41, MIDC, Ambad Nashik-422010,  
Maharashtra, India

**Sub:** Statement of Possible Tax Benefits (“The Statement”) available to SM Auto Stamping Limited (“The Company”) and its shareholders prepared in accordance with the requirement of Securities and Exchange Board of India (Issue of Capital Disclosure Requirements) Regulations 2018, as amended (“The Regulation”)

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

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

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

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

The contents of the enclosed statement are based on information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company. Our views are based on facts and assumptions indicated to us and the existing provisions of tax law and its interpretations, which are subject to change or modification from time to time by subsequent legislative, regulatory, administrative, or judicial decisions. Any such changes, which could also be retrospective, could have an effect on the validity of our views stated herein. We assume no obligation to update this statement on any events subsequent to its issue, which may have a material effect on the discussions herein. This report including enclosed annexure are intended solely for your information and for the inclusion in the Draft Prospectus/ Prospectus or any other issue related material in connection with the proposed initial public offer of the Company and is not to be used, referred to or distributed for any other purpose without our prior written consent.

**For Milind M. Kulkarni & Associates,**  
Chartered Accountants

Sd/-

CA Atul Deshpande  
Partner  
Firm Registration Number: 126975W  
Membership No: 118218  
UDIN:- 19118218AAAALR3355  
**Place:-** Nashik  
**Date:-** December 28, 2019

**ANNEXURE TO THE STATEMENT OF POSSIBLE TAX BENEFITS**

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

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

<b>A. SPECIAL TAX BENEFITS TO THE COMPANY</b>	<b>NIL</b>
<b>B. SPECIAL TAX BENEFITS TO THE SHAREHOLDER</b>	<b>NIL</b>

**Note:**

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

No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes. We do not assume responsibility to update the views consequent to such changes. We shall not be liable to any claims, liabilities or expenses relating to this assignment except to the extent of fees relating to this assignment, as finally judicially determined to have resulted primarily from bad faith or intentional misconduct. We will not be liable to any other person in respect of this statement.

## INDUSTRY OVERVIEW

*The information in this section has been extracted from various websites and publicly available documents from various industry sources. The data may have been re-classified by us for the purpose of presentation. Neither we nor any other person connected with the issue has independently verified the information provided in this section. Industry sources and publications, referred to in this section, generally state that the information contained therein has been obtained from sources generally believed to be reliable but their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured, and, accordingly, investment decisions should not be based on such information.*

## GLOBAL ECONOMIC OVERVIEW

The global growth outlook has weakened amid unresolved trade tensions and elevated international policy uncertainty. Across both developed and developing countries, growth projections for 2019 have been downgraded. Alongside a slowdown in international trade, business sentiments have deteriorated, casting a cloud on investment prospects. In response to softening economic activity and subdued inflationary pressures, major central banks have eased their monetary policy stances.

While part of the growth slowdown reflects temporary factors, downside risks remain high. Prolonged trade disputes could have significant spillovers, including through weaker investment and the disruption of production networks. Recent monetary policy shifts have reduced short-term financial pressures, but may further fuel debt accumulation, increasing medium-term risks to financial stability. These persistent macroeconomic risks are compounded by greater frequency and intensity of natural disasters, reflecting the rising effects of climate change.

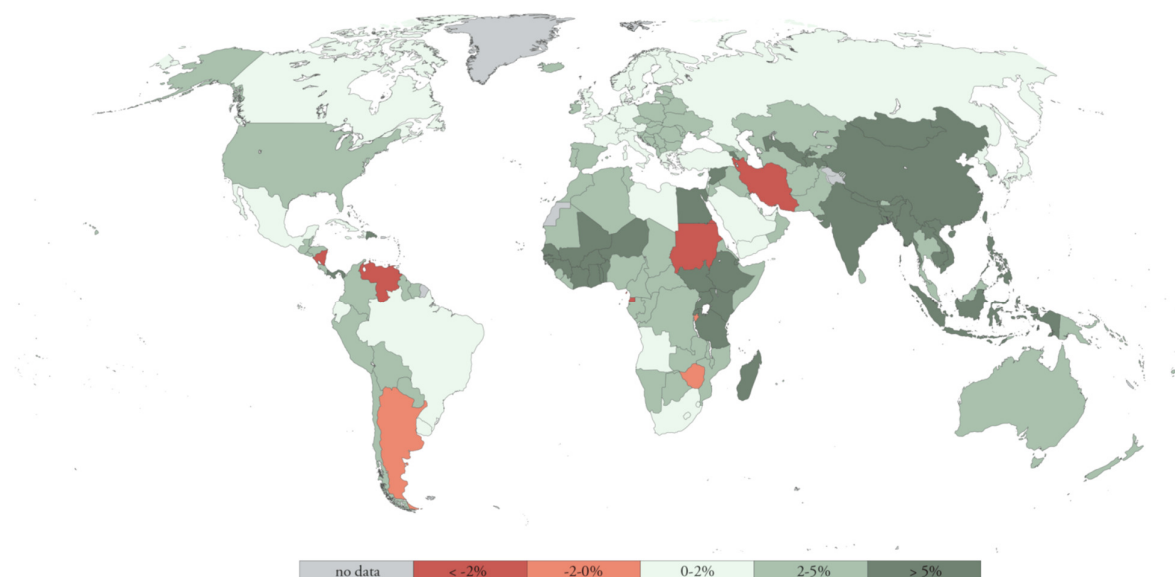
In the face of these multifaceted challenges, tackling the current growth slowdown and placing the world economy on a robust path towards the 2030 Agenda for Sustainable Development require more comprehensive and well-targeted policy responses. This should include a combination of monetary, fiscal and development-oriented measures. A coordinated, multilateral approach to global climate policy, including a price on carbon, is an important element of this policy mix. Increasing use of internal CO2 prices by the private sector indicates some willingness by firms to adapt to expected policy changes. The deterioration in growth prospects of many countries that are already lagging behind poses additional challenges for sustainable development, especially the goal to universally eradicate poverty by 2030. Future progress on poverty reduction will, to a significant extent, depend on the effective management of ongoing urbanization, particularly in Africa and South Asia.

Growth projections for 2019 have been revised downward in all major developed economies. In the United States, the growth momentum is projected to moderate as headwinds from trade policy are compounded by the waning effects of fiscal stimulus. In Europe, while the effects of auto production disruptions are expected to dissipate, economic activity will be dampened by weaker confidence, softer external demand and prolonged uncertainty surrounding Brexit developments. In Japan, weak external demand has weighed on investment in the manufacturing sector, while household consumption remains sluggish.

The growth outlook for many developing economies has also weakened. Southern Africa, Western Asia and Latin America and the Caribbean have seen particularly large downward revisions for growth in 2019. The weaker prospects for Southern Africa are attributable to the devastation caused by cyclone Idai, coupled with a subdued outlook for South Africa's economy, which is severely hampered by power shortages. In Western Asia, growth in Saudi Arabia is projected to slow amid oil production cuts, while Turkey will only gradually emerge from recession, following a sharp contraction in domestic demand in the second half of 2018. The downward revision of the outlook for Latin America and the Caribbean reflects weaker-than-expected activity in the region's largest economies—Argentina, Brazil and Mexico—and a further severe contraction in the Bolivarian Republic of Venezuela. In contrast, growth prospects remain favourable in other developing regions, most notably East Africa and East Asia. In China, recent policy stimulus measures will largely offset the adverse effects from trade tensions. Despite downward revisions, growth in India remains strong amid robust domestic demand.

*(Source: United Nations Report on World Economic Situation and Prospects as of mid-2019)*

## **GDP growth forecasts for 2019**



### Growth of world output, 2017–2020

	Annual Percentage Change				Change from WESP 2019 January forecast	
	2017	2018 (a)	2019 (b)	2020 (b)	2019	2020
<b>World</b>	3.1	3	2.7	2.9	-0.3	-0.1
<b>Developed economies</b>	2.3	2.2	1.8	1.8	-0.3	-0.1
USA	2.2	2.9	2.3	2.1	-0.2	0.1
Japan	1.9	0.8	0.8	1	-0.6	-0.2
European Union	2.4	1.9	1.5	1.8	-0.5	-0.3
EU-15	2.2	1.7	1.3	1.6	-0.5	-0.2
EU-13	4.7	4.3	3.6	3.4	0	-0.1
Euro area	2.4	1.8	1.4	1.6	-0.5	-0.3
Other developed countries	2.5	2.3	2.1	2.2	-0.2	0
<b>Economies in transition</b>	2	2.7	2	2.3	0	-0.3
South-Eastern Europe	2.4	3.9	3.4	3.2	-0.3	-0.5
Commonwealth of Independent States and Georgia	2	2.7	1.9	2.3	-0.1	-0.2
Russian Federation	1.6	2.3	1.4	2	0	-0.1
<b>Developing economies</b>	4.4	4.3	4.1	4.5	-0.2	-0.1
Africa	2.6	2.7	3.2	3.7	-0.2	0
North Africa	3.2	2.6	3.1	4.2	-0.3	0.7
East Africa	5.9	6.1	6.4	6.5	0	0
Central Africa	0.1	1.3	2.7	2.7	0.2	-1.1
West Africa	2.5	3.2	3.5	3.6	0.1	-0.2
Southern Africa	0.9	0.9	1.4	2.1	-0.7	-0.5
East and South Asia	6.1	5.8	5.4	5.6	-0.1	-0.1
East Asia	6	5.8	5.5	5.5	-0.1	0
China	6.8	6.6	6.3	6.2	0	0

South Asia	6.3	5.7	5	5.8	-0.4	-0.1
India (c)	7.1	7.2	7	7.1	-0.6	-0.4
Western Asia	2.5	2.5	1.7	2.6	-0.7	-0.8
Latin America and the Caribbean	1.1	0.9	1.1	2	-0.6	-0.3
South America	0.6	0.3	0.7	2	-0.7	-0.3
Brazil	1.1	1.1	1.7	2.3	-0.4	-0.2
Mexico and Central America	2.4	2.3	2	2.1	-0.5	-0.2
Caribbean	0	1.9	1.9	2.5	-0.1	0.5
<b>Least developed countries</b>	4.2	4.8	4.6	5.8	-0.5	0.1
<b>Memorandum items:</b>						
World trade (d)	5.3	3.6	2.7	3.4	-1	-0.5
World output growth with purchasing power parity-based weights	3.7	3.6	3.3	3.6	-0.3	-0.1

Source: UN/DESA.

a Partly estimated.

b UN/DESA forecasts.

c Fiscal year basis.

d Includes goods and services.

(Source: United Nations Report on World Economic Situation and Prospects as of mid-2019)

## ECONOMIC OUTLOOK OF INDIA

As the world's third largest economy in purchasing parity terms, India aspires to better the lives of all its citizens and become a high-middle income country by 2030. Between 2011-15, more than 90 million people escaped extreme poverty and improved their living standards thanks to robust economic growth. However, India's growth rate has decelerated in the past two years.

In recent years, the country has made a significant dent in poverty levels, with extreme poverty dropping from 46 percent to an estimated 13.4 percent over the two decades before 2015. While India is still home to 176 million poor people, it is seeking to achieve better growth, as well as to promote inclusion and sustainability by reshaping policy approaches to human development, social protection, financial inclusion, rural transformation, and infrastructure development.

While the country's development trajectory is strong, challenges remain. Economic performance has been strong, but development has been uneven, with the gains of economic progress and access to opportunities differing between population groups and geographic areas. Implementation challenges of indirect tax reforms, stress in the rural economy and a high youth unemployment rate in urban areas may have moderated the pace of poverty reduction since 2015. Despite regulatory improvements to spur competitiveness, levels of private investment and exports continue to be relatively low, undermining prospects for longer term growth. The country's human development indicators – ranging from education outcomes to a low and declining rate of female labor force participation – underscore its substantial development needs.

India's ability to achieve rapid, sustainable development will have profound implications for the world. India's success will be central to the world's collective ambition of ending extreme poverty and promoting shared prosperity, as well as for achieving the 2030 Sustainable Development Goals (SDGs). Indeed, the world will be only able to eliminate poverty if India succeeds in lifting its citizens above the poverty line.

For international trade and the health of the global economy too, India's growth will be ever more important. Growth is projected to be 6.0 percent this fiscal year and expected to rise to 6.9 percent in 2020/21 and to 7.2 percent in the following year. In addition, the carbon footprint India leaves as it propels its high growth will have a significant influence on the planet's ability to keep global warming within the 2-degree threshold.

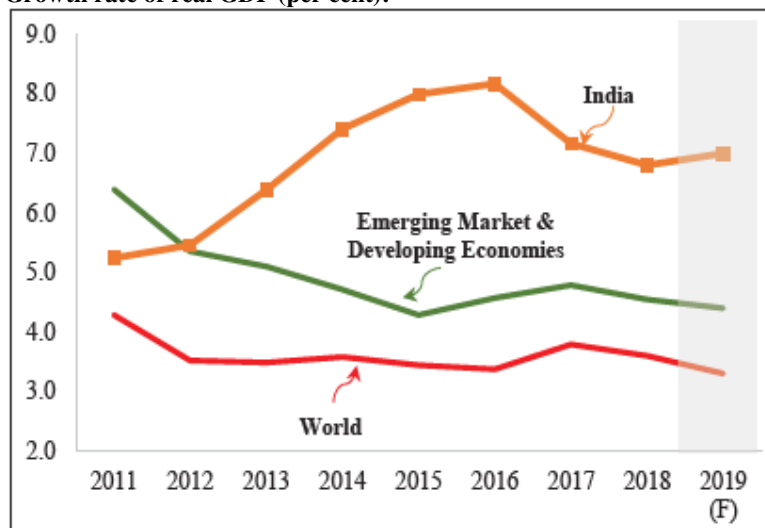
On crucial issues ranging from managing scarce water resources, to modernizing food systems, to improving rural livelihoods, to ensuring that megacities become engines of sustainable economic growth and inclusion, India's development trajectory will have a major influence on the rest of the world.

At the same time, India's growing economic and political stature and the relevance of its experience, know-how and investments for the development efforts of other nations well-position the country to play a greater leadership role in the global arena.

(Source: <https://www.worldbank.org/en/country/india/overview#1>)

India continues to remain the fastest growing major economy in the world in 2018- 19, despite a slight moderation in its GDP growth from 7.2 per cent in 2017-18 to 6.8 per cent in 2018-19. On the other hand, the world output growth declined from 3.8 per cent in 2017 to 3.6 per cent in 2018. The slowdown in the world economy and Emerging Market and Developing Economies (EMDEs) in 2018 followed the escalation of US China trade tensions, tighter credit policies in China, and financial tightening alongside the normalization of monetary policy in the larger advanced economies. In 2019, when the world economy and EMDEs are projected to slow down by 0.3 and 0.1 percentage points respectively, growth of Indian economy is forecast to increase.

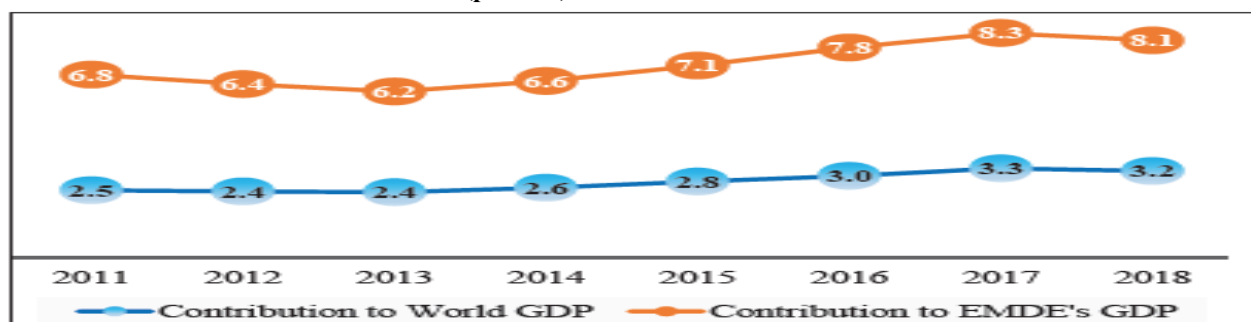
**Growth rate of real GDP (per cent):**



India is the seventh largest economy in terms of Gross Domestic Product (GDP) in current US\$ and has emerged as the fastest growing major economy. The average growth rate of India was not only higher than China’s during 2014-15 to 2017-18 but much higher than that of other top major economies (measured in terms of GDP at current US\$ terms) as well. With Purchasing Power Parity (PPP) adjustments, India’s GDP at current international dollar, ranks third in the world.

The contribution of the Indian economy to the GDP of EMDEs and world economy has increased consistently over the years. In a span of less than a decade, India’s contribution to EMDEs GDP has increased by around 1.3 percentage points and to the world economy by around 0.7 percentage points. India’s share in GDP of EMDEs stood at 8 per cent in 2018. As per the WEO, April 2019 of IMF, going forward, the growth of world economy will be bolstered mainly by growth in China and India and their increasing weights in world income. In EMDEs group, India and China are the major drivers of growth. The global economy—in particular the global growth powerhouse, China—is rebalancing, leading to an increasing role for India. Hence, India’s contribution has become much more valuable to the global economy.

**India’s share in GDP of EMDEs and World (per cent):**



### Outlook of the Economy

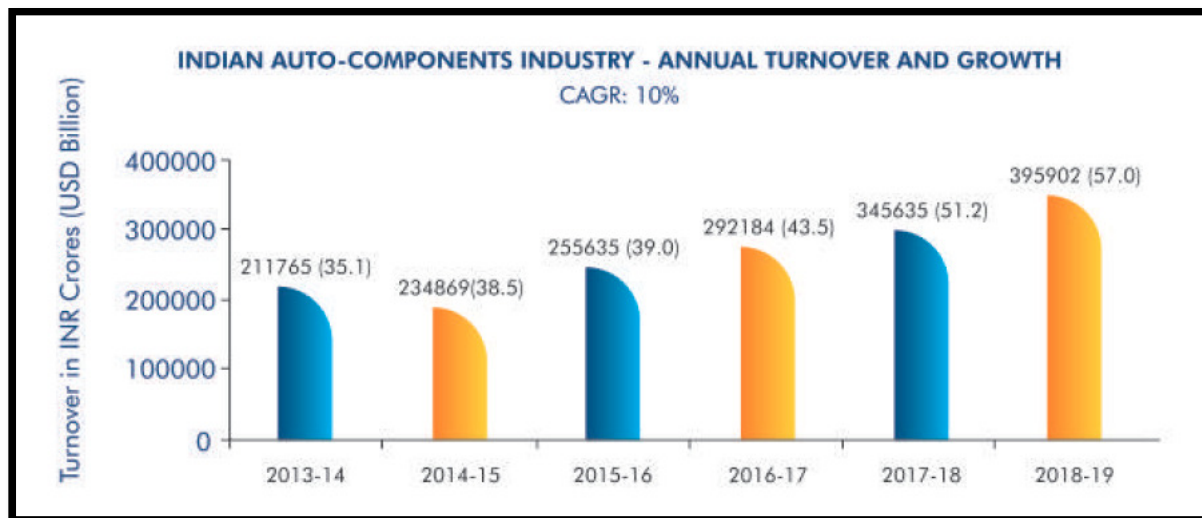
- The year 2019-20 has delivered a huge political mandate for the government, which augurs well for the prospects of high economic growth. Real GDP growth for the year 2019-20 is projected at 7 per cent, reflecting a recovery in the economy after a deceleration in the growth momentum throughout 2018-19. The growth in the economy is expected to pick up in 2019-20 as macroeconomic conditions continue to be stable while structural reforms initiated in the previous few years are continuing on course. However, both downside risks and upside prospects persist in 2019-20.
- Investment rate, which was declining from 2011-12 seems to have bottomed out. It is expected to pick up further in the year 2019-20 on the back of higher credit growth and improved demand. The political stability in the country should push the animal spirits of the economy, while the higher capacity utilization and uptick in business expectations should increase investment activity in 2019-20.
- The oil prices increased in 2018-19 by around 14 \$/bbl. However, oil prices are expected to decline in 2019-20 from the current level (based on the oil futures price for 2019-20). This should provide a positive push to consumption.
- Prospects of export growth remain weak for 2019-20 if status quo is maintained. However, reorientation of export policies to target countries/markets based on our own relative comparative advantage and the importing country's exposure to Indian goods can foster export performance. Under status quo, the outlook for the global economy is bleak in 2019, with most of the countries projected to slow down.

(Source:-[https://www.indiabudget.gov.in/economicsurvey/doc/vol2chapter/echap01\\_vol2.pdf](https://www.indiabudget.gov.in/economicsurvey/doc/vol2chapter/echap01_vol2.pdf))

### AUTO-COMPONENTS INDUSTRY IN INDIA : OVERVIEW

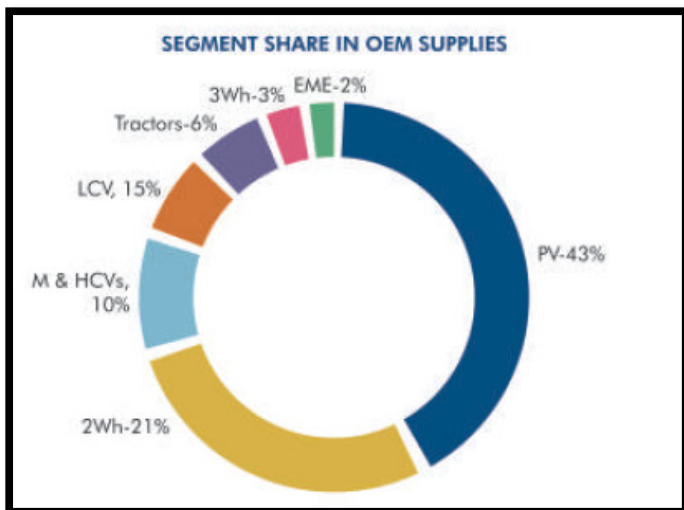
The Indian auto-component industry grew by 14.5% to Rs. 395,902 crore (US \$57 billion) in 2018-19. This includes supplies to domestic OEMs, aftermarket and exports.

In terms of supplies to OEMs, passenger vehicles in the largest segment with 43% share, followed by 2 wheelers with 21%, LCVs 15%, M&HCVs 10%, tractors 6%, 3 Wheeler 3% and construction equipment 2%.



(Source: ACMA – Automotive Component Manufacturers Association of India – Annual Report 2018-19)

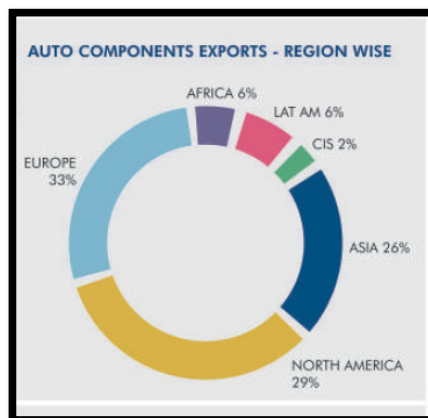
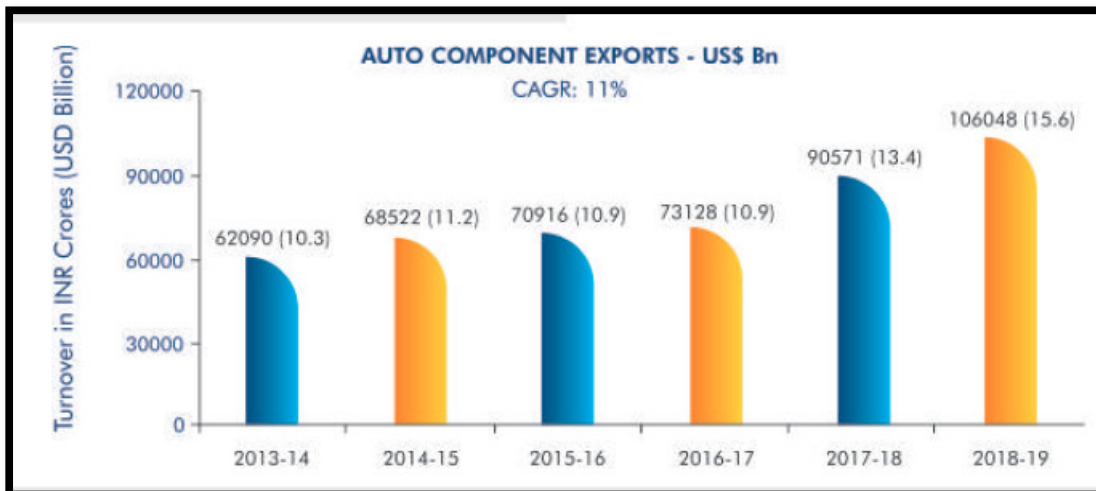




**EXPORTS:**

Auto-components export continued to do well registering a strong 17.1% growth to reach Rs. 106,048 crore (US \$15.16 billion) in 2018-19 with strong growth across regions – 18% to North America, 13% to Asia and 5% to Europe.

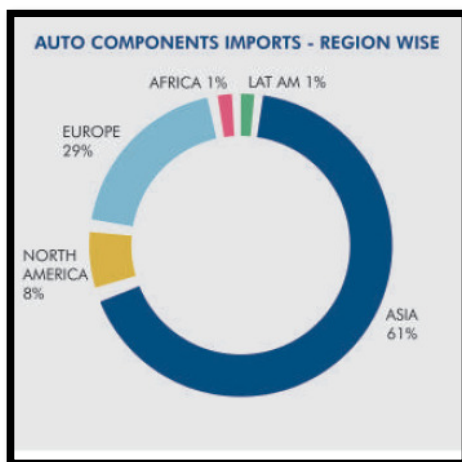
Europe continues to be the largest market for Indian auto-components exports with a share of 33% followed by North America at 29%; Asia at 26%; Latin America 6%; Africa 6% and CIS 2%. In terms of major countries as export destinations – USA with 25% remains the largest partner followed by Germany at 7% and UK at 5%.



**IMPORTS:**

Auto-components imports grew by 14.4% to reach Rs. 123,688 crore (US\$ 17.6 billion) in 2018-19 with varied growth across regions – 8% from Europe; 9% from North America; and 14% from Asia, which is the largest source in size.

Asia continues to be the largest source of imports for Indian auto-component with a share of 61% followed by Europe at 29%; North America at 8%; Latin America 1%; and Africa at 1%. In terms of major countries as source of imports – China with 27% remains the largest partner followed by Germany at 14%; Japan 11%, Korea 10%; USA 7%; Thailand 6%, Italy 3% and UK, France and Czech 2% each.



**INDIAN AUTOMOTIVE SECTOR**

The Auto & Auto Component industry’s impact on the Indian economy currently is significant as it contributes ~7% to the country’s GDP and is expected to increase to 12% as per the Automotive Mission Plan.

According to the Automotive Mission Plan 2016-26 (AMP 2026); a collective vision of the Government of India and the Indian Automotive Industry, the Indian Auto Industry will be in the global top three for engineering, manufacturing and export of vehicles, auto components; it will encompass safe, efficient and environment friendly conditions for affordable mobility by 2026.

The industry is likely to grow from 80 Billion USD to 270 Billion USD by 2026 and generate an additional 65 Million jobs. The Automotive industry is key to the domestic Manufacturing Sector contributing over 40% and impacting the fortunes of several related manufacturing industries such as Iron and Steel, Aluminum, Rubber, Chemicals, Molds etc.

The Auto industry, over the years, has adapted well to the changes in the policy & regulatory environment and the needs of its customers. In FY 14-15 the Indian auto-components industry bounced back growing at 11% and registered a turnover of USD 38.5 billion. Today, the industry contributes ~46% to the Manufacturing GDP and ~7% to National GDP, providing direct employment to 1.5 million people and is an important driver of growth for the Indian economy. Automobile exports too have grown despite the global slowdown, growing at 14.89% from April-March 2015 over the same period last year.

(Source: *cii.in*)

India is currently one of the largest markets in the world as far as automobile sales are concerned. Car manufacturers raised a toast for the financial year 2017-18 as it turned out to be one of their best in terms of sales. The industry registered double-digit growth between 1st April 2017 and 31st March 2018. The year also marked India surpassing Germany as the fourth largest automobile market on a global scale to stand right behind China, the US, and Japan.

According to data released by the Society of Indian Automobile Manufacturers (SIAM),

**Passenger Vehicles:** the domestic sales of Passenger Vehicles (PVs) grew at 7.89 % to 32,87,965 (3.28 million) units in 2017-18, against 9.23 % in 2016-17.

- Passenger Cars grew at 3.33 % to 2.17 million units,

- Utility vehicles expanded at a strong 21% to 0.92 million units.

**Commercial vehicle:** (CV) segment sales registered a strong growth of 20% in 2017-18, significantly higher than 4% in 2016-17.

- medium and heavy vehicles grew 12.48% to 340,313 (0.34 mn) units,
- light vehicles expanded at over 25% to 516,140 (0.52 mn) units.

**Three-wheeler** sales also hit a new record of 635,698 (0.63 mn) units, growing at a whopping 24% growth rate from the previous year.

- passenger carriers grew nearly by 29%,
- goods carriers grew just under 8%.

**Two-wheelers** also touched a new milestone of 20.19 million units last year, grew at 14.80%, compared with 7% in 2016-17.

- Motorcycle sales grew 13.69% to 12.61 million units,
- scooters expanded 20% to 6.71 million units.
- Mopeds, declined over 3% to 0.85 million units.

## Growth Drivers

**There are several key drivers that have affected the automobile industry in India. These include:**

**I. Government regulations:** The automobile industry in India has received extensive government support and this has encouraged a lot of foreign direct investment in the industry. The government permits 100% foreign direct investment in this industry and it is fully delicensed making it easy for investors to penetrate it and set up shop in India. Additionally, there are also tax incentives and investors can actually export the automobiles for free.

**II. Low car penetration & Rising family income:** India has about 120 vehicles (all segments including 19 cars per 1000) on every 1000 people right now, which is expected to rise to almost 300 in next 10 years. Around 60% of the mobility demand in India is served by public transportation modes like buses and metros and non-motorized transport modes (walking and cycling). India's per capita income grew at pace of 8.6 per to Rs. 1,12,835 (1375 Euro) during FY18 from Rs. 1,03,870 (1265 Euro) in FY17. The growing domestic income is to make motor vehicles more affordable for local consumers.

**III. Young population:** Indian is one of the youngest country in the world with more than 50% of population is below the age of 25 years and more than 65% is below the age of 35%. A young population may lead to higher personal vehicle ownership.

**IV. Greater Availability of cheaper and easier finance:** All nationalized and scheduled banks offers loans for purchase of new vehicles at very low interest rates. In India nearly 70-75% of the new vehicle purchases are done by using bank loans. This indicates that Indian auto industry is unique in the way vehicles are purchased by consumers.

**V. Research and Development:** There have been many research and development initiatives, both private and governmental. These are aimed at improving the automobile industry in India. The government started the Automotive Component Manufacturers Association of India (ACMA) which is an apex body that deals with the automobile industry in India. This body looks into matters such as upgrading of technology in the industry, collecting information on industrial events and trends as well as disseminating this information to relevant stakeholders. The body does this through research and also promotes trade in both domestic and foreign circles. On their part, private investors have also set up research and development initiatives within their companies. For instance the Mahindra and Mahindra research centre for electric vehicles in order to enhance their services in India.

**VI. Stable economy:** Many experts predict that the future of the automobile industry in India is bright. However this is subject to the economic stability of the country and currency inflation rates. Economic stability and low inflation will increase incomes for majority of Indians and raise the domestic consumption of automobiles in the country.

(Source: [http://www.sesei.eu/wp-content/uploads/2018/12/Automotive-Sector-Report\\_-Final.pdf](http://www.sesei.eu/wp-content/uploads/2018/12/Automotive-Sector-Report_-Final.pdf))

## OUR BUSINESS

*Some of the information contained in the following discussion, including information with respect to our plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should read the section “Forward-Looking Statements” for a discussion of the risks and uncertainties related to those statements and also the section “Risk Factors” for a discussion of certain factors 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. Our fiscal year ends on March 31 of each year, so all references to a particular fiscal are to the Twelve-month period ended March 31 of that year. In this section, a reference to the “SMASL”, “Company” or “we”, “us” or “our” means SM Auto Stamping Limited.*

*All financial information included herein is based on our “Financial information of the Company” included on page 133 of this Prospectus.*

### OVERVIEW

Incorporated in 2006, we are one of the auto-component manufacturers located in Nashik catering to the sheet metal components and sub-assemblies requirements of automobile parts/equipment manufacturers. Our range of product primarily covers sheet metal pressed components for clutches, brakes, engine mountings, chassis, shaft drive, body trims, bearings etc. which are used in passenger cars, commercial vehicles and tractors. Our products such as deep drawn components and control panel components also find application in electrical equipments industry.

Two of our Promoters, Mr. Milind Kulkarni and Mr. Suresh Fegde promoted a partnership firm, M/s Spam Fab Technocrats in 1995 for engaging in job work of sheet metal components. Later, another partnership firm in the name of M/s SM Industries was also formed by the same promoters in 1998 to carry on the manufacturing and job work of press parts. Subsequently, our Company in the name of SM Auto Stamping Private Limited was incorporated in 2006 which took over both the partnership firms in 2007. SM Auto Stamping Private Limited was converted into a public limited company and renamed as SM Auto Stamping Limited w.e.f. December 19, 2019.

We have three manufacturing units, all ideally located at Nashik, Maharashtra on leasehold industrial plots of total size admeasuring to over 5000 sq. mtrs. Our all three units comply with the IATF 16949:2016 standards. Apart from manufacturing, we also provide job work services in respect of blanking and forming process on metal components.

Some of our reputed customers include JBM Auto Ltd., SKF India Ltd., Mahindra CIE Automotive Ltd., Haldex India Pvt Ltd, Reliable Autotech Private Limited and ABB India Ltd. to whom we have supplied our products in F.Y. 2018-19 and stub period Apr.'19 – Sept'19.

As per the restated consolidated financial statements for stub period/ fiscal year ended on Sept. 30, 2019, March 31, 2019, March 2018 and March 31, 2017, the total revenue of our Company stood at Rs. 3221.67 lakhs, Rs. 7630.09 lakhs, Rs. 6589.74 lakhs and Rs. 5336.30 lakhs respectively. Further, our Profit/Loss after tax for the stub period/ fiscal year ended on Sept,30, 2019, March 31, 2019, March 31, 2018 and March 31, 2017 stood at Rs. 4.70 lakhs, Rs. 265.40 lakhs, Rs. 84.00 lakhs and loss of Rs. 173.11 lakhs respectively.

### OUR PRODUCT PORTFOLIO

**Our portfolio of products can be classified into following categories:-**

#### **A. Components used in Automotive Power Train**

- a. Components for automotive clutches
- b. Components for automotive propeller shaft drive
- c. Components for automotive brake system
- d. Components for automotive engine mountings

#### **B. Components used in Automotive Body**

- a. Components for automotive body trims
- b. High tonnage components

#### **C. Components used in Automotive Chassis**




#### **D. Components for Bearings**





#### **E. Automotive welded assemblies**

**F. Deep Drawn Components**




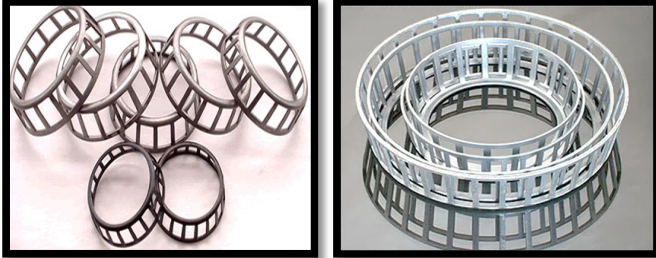
**G. Components for electrical switchgear & heavy panels**

**OUR PRODUCTS**


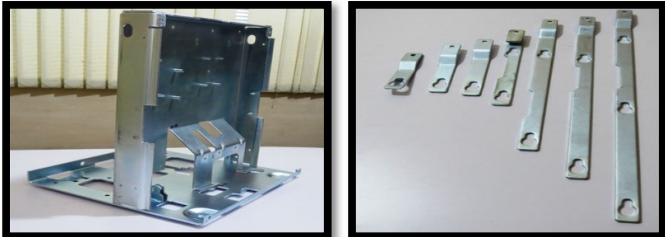
Sr. No.	Products
<p>1.</p>	<p><b>A. Automotive Power Train</b></p> <p>Components for automotive clutches</p> <p>A) <b>Cold Rolled &amp; Hot Rolled component-</b> Includes Clutch housing, Disc &amp; Carrier plate , Covers, Fulcrum ring, Forged Hub (piercing &amp; shaving), Lever</p>  <p>B) <b>Spring steel components-</b> Belleville washer, Return clip, Wave washer, Straps, Cushion element, Segment 12", Fulcrum ring, Cushioning plate</p> 
<p>2.</p>	<p>Components for automotive propeller shaft drive</p> <p>A) <b>Central Bearing kit bracket assemblies parts</b> – Enginio Ring, Bearing retainer, Brackets, Outer &amp; Inner, Flinger, Rubber retainer and Bottom Plates.</p>  <p>B) Forged flange yoke ( piercing) &amp; Sheet metal end yoke, clamp</p>

	
<p>3.</p>	<p>Components for automotive brake system</p> <p>A) <b>Automotive air brake slack adjuster parts</b> - Guide socket, Control arm, Thrust Washer, Lock cover, Cover, plate</p> 
<p>4.</p>	<p>Components for automotive engine mountings</p> <p>Top plate, Bottom plate, Main plate, Rear box, Washer, Z-Bumper plate, shifter bracket and Cap stab mounting bracket</p> 
<p><b>B. Automotive Body</b></p>	
<p>1.</p>	<p>Components for automotive body trims</p> <p>A) Fender, Sill Panel</p>  <p>B) <b>Hood parts</b>- Back plate assembly, Cargo, Reinforcement Panel, Hinge</p>



	
<p>2.</p>	<p><b>High tonnage components for automotive</b></p> <p>Automotive body panels - Reinforcement front pillar hinge, Reinforcement dash, Pedal bracket mounting reinforcement</p> 
<p><b>C. Automotive Chassis</b></p>	
<p>1.</p>	<p>Components for automotive chassis</p> <p>Strut bar assembly, Bracket assembly pivot end spring, Bracket assembly lower control arm, Bump stop bracket, Front shock absorber bracket, Bracket Front bumper assembly, Cross Member, Reinforcement Side Member, Vertical steering column</p> 
<p><b>D. Bearing Parts</b></p>	
<p>1.</p>	<p>Components for bearings (Trapped roller Bearing child part)</p> <p>Taper roller steel cages, inner &amp; outer</p> 
<p><b>E. Automotive welded assemblies</b></p>	
<p>1.</p>	<p>Chassis, body &amp; engine mounting parts (CO2 welding, spot welding &amp; projection welding for automotive components)</p> <p>Links, Engine Mounting assembly parts, Top/Bottom Plate, Central Bearing Kit Bracket assembly parts</p>
<p><b>F. Deep drawn components</b></p>	
<p>1.</p>	<p>Deep drawn components for automotive &amp; electrical equipment</p>



	<p>Outer shells (Drawn in Cold Roller (CR), Hot Roller (HR), Aluminum Alloys (AL), Copper based alloys (CU) and Extra Deep draw alloys)</p> 
<p><b>G. Electrical switchgear &amp; heavy panels</b></p>	
<p>1.</p>	<p><u>Components for breakers/control panels</u> (produced in CR, HR, AL, CU and stainless steel)</p> <p>V-max &amp; Base frame, Interlinking assembly Shield, Top cap, Aluminum Busbar, Tie rods, Contact tube, protective tube D-shape buss bar (Al) , Vent cover, Accessories for panel door -Tie rods, Bus bar clamp, Lifting hook, Arm right</p> 

**Our Location:**

<p><b>Registered Office and Factory Unit I</b></p>	<p>J-41, MIDC, Ambad, Nashik-422010, Maharashtra, India</p>
<p><b>Factory Unit – II</b></p>	<p>B-198, MIDC, Malegaon, Sinnar - 422103, Maharashtra, India</p>
<p><b>Factory Unit – III</b></p>	<p>C-13, MIDC, Ambad, Nashik- 422010, Maharashtra, India</p>

**OUR COMPETITIVE STRENGTHS**

We believe that the following are our primary competitive strength:

**1. In-house die making facilities and Machining Centre:**

Our Company has its own in-house die making facilities and Machining Centre which enables us to maintain high quality production standards and also helps us in minimizing production time and bringing cost effectiveness. Our die making facility shop is capable of manufacturing press tools for small to medium range of automotive pressed parts. Our In-house Machining Centre consists of Hydraulic power press machines, Pneumatic Power Press Machines, Mechanical Power Press Machines, SEW Machines and bearing cage machines.

**2. Wide product range and customized product offering**

We have developed the infrastructure to customize our product offerings. This allows us to understand the customer requirement and offer the right product to exactly suit their need. In addition to this, we offer a wide product range i.e. wide range of Sheet Metal components including Precision Sheet Metal Fabrication, Finishing and Assemblies offered in a wide size range to enable us to cater to maximum requirement.

**3. Vast Experience of Promoters:**

Our Company’s core strength lies in the extensive experience gained by our Promoters in this industry. Our Promoters, Mr. Suresh Gunwant Fedge and Mr. Mukund Narayan Kulkarni possess more than 20 years of experience in this field, which enables us to deliver quality products to our Customers and help us to gain expertise in the production.

**4. Existing customer relationship:**

We believe that we constantly try to address customer needs around a variety of products. Our existing customer relationships help us to get repeat business from our customers. This has helped us maintain a long term working relationship with our customers and improve our customer retention strategy. We have existing customer relationships with companies which get us repeat orders. We believe that our existing relationship with our customers represents a competitive advantage in gaining new customers and increasing our business.

**OUR BUSINESS STRATEGY:-** We intend to pursue the following principal strategies to leverage our competitive strengths and grow our business:

**1. Utilization of Existing Installed Capacity:**

Presently, Our Company has installed capacity of 10,800 MT p.a. for manufacturing of automotive components. For the year ended 31st March 2019, our total production was 7762 MT, which constitutes 74.42% of the installed capacity. Considering the future demand potential, we intend to utilize our existing installed capacity to maximum level.

**2. Improving operational efficiencies:**

Our Company intends to improve operating efficiencies to achieve cost reductions so to have a competitive edge over the peers. We believe that this can be done through continuous process improvement, customer service and technology development.

**3. Leveraging our Market skills and Relationships:**

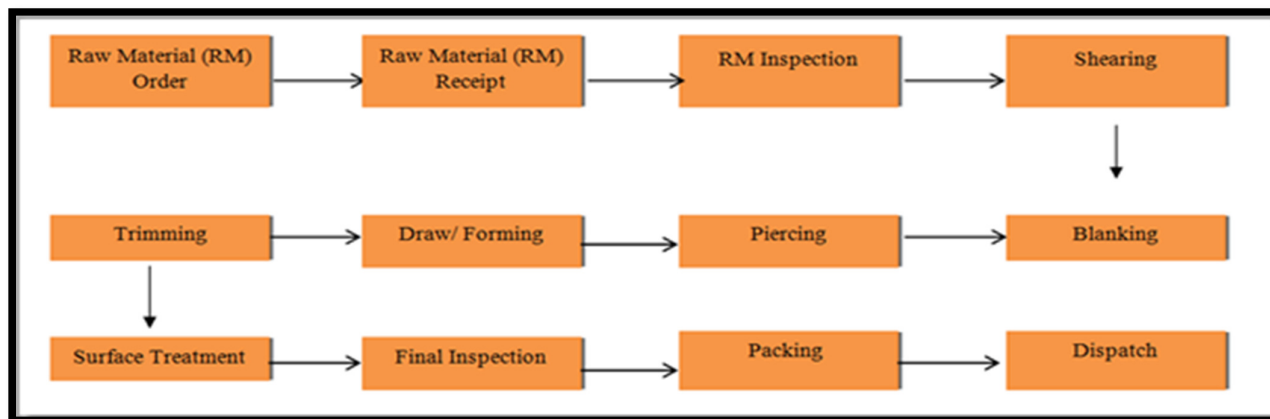
This is a continuous process in our organization and the skills that we impart in our people give importance to customers. We aim to do this by leveraging our marketing skills and relationships and further enhancing customer satisfaction. We plan to increase our customers by meeting orders in hand on time, maintaining our customer relationship and renewing our relationship with existing buyers.

**4. Focus on consistently meeting quality standards:**

Presently, Our Company is certified from IATF 16949:2016, further, we intend to focus on adhering to the quality standards of the products. This is necessary so as to make sure that we get repeat orders from our customers. This will also aid us in enhancing our brand value.

**MANUFACTURING PROCESS FLOW CHART**

Stamping (also known as pressing) is the process of placing flat sheet metal in either blank or coil form into a stamping press where a tool and die surface forms the metal into a desired shape. Stamping includes a variety of sheet-metal forming manufacturing processes, such as punching, blanking, parting, embossing, bending, flanging, forming, draw, trimming, coining etc. The process is usually carried out on sheet metal, but can also be used on other materials also.



A description of the manufacturing process followed by the Company is discussed hereunder:

- 1) Raw material ordering: Raw materials such as HRPO Strips, Coil, Steel Strip are ordered in defined sheet size from steel traders or steel mills, which are staked in inward area.
- 2) Raw material inspection: Raw material is inspected for material hardness, sheets size, surface defect such as scratches, bends, damages etc.
- 3) Shearing: At shearing station, material is cut to size & stacked in racks for ease of availability to operators for next operation of stamping.
- 4) Blanking: Blanking operation is used to cut sheet at desired size on stamping tool operated either by mechanical or pneumatic power press.
- 5) Piercing: This operation is used to create holes or pocket in the blanks of defined sizes with the help of piercing tool operated on a pneumatic power press.
- 6) Draw /forming: This operation is used to give desired shape to the sheets which may be a cup shape or a bend or a form to suit product geometry. This operation is performed on draw press tool operated either by hydraulic, mechanical or pneumatic power press.
- 7) Trimming: This operation is used to cut the extra material of sheets at boundary left out after forming operation.
- 8) Surface treatment: To avoid rusting & increase life of components, materials are provided with surface treatment which may be zinc passivation, trivalent, phosphating, powder coating etc.
- 9) Final inspection: Components are checked for visual defects, dimensional accuracy and profile geometries.
- 10) Packing: Inspected components are spread with oil if no surface treatment & packed in bags which are in turn pack in carton boxes. These boxes are stored in outward area racks ready for dispatch.
- 11) Dispatch: The components dully packed are dispatched via vehicle to customer as per there requirement & schedule.

## PLANT & MACHINERY

Our Major plant & machinery includes Hydraulic power press machines, Pneumatic Power Press Machines, Merchanical Power Press Machines, SEW Machines and bearing cage machines

## CAPACITY UTILIZATION

**Manufacturing Unit – I :J-41, MIDC, Ambad, Nashik-422010, Maharashtra, India**

Particulars	2016-17	2017-18	2018-19	Existing Installed Capacity (p.a.)
Installed capacity (in mt)	4,200	4,200	4,500	4800
Actual Production (in mt)	3,008	3,330	3,325	
Capacity Utilization (in %)	71.61%	79.28%	73.88%	

**Manufacturing Unit – II :B-198, MIDC, Malegaon, Sinnar - 422103, Maharashtra, India**

Particulars	2016-17	2017-18	2018-19	Existing Installed Capacity (p.a.)
Installed capacity (in mt)	430	430	430	500
Actual Production (in mt)	270	320	316	
Capacity Utilization (in %)	62.79%	74.42%	73.49%	



Manufacturing Unit – III : C-13, MIDC, Ambad, Nashik- 422010, Maharashtra, India

Particulars	2016-17	2017-18	2018-19	Existing Capacity (p.a.)	Installed Capacity (p.a.)
Installed capacity (in mt)	5,500	5,500	5,500	5,500	
Actual Production (in mt)	3,583.00	4,293.00	4,121.00		
Capacity Utilization (in %)	65.14%	78.05%	74.92%		

Information relating to our production capacities and the historical capacity utilization of our production facilities included in this Prospectus is based on certain assumptions and has been subjected to rounding off, and future production and capacity utilization may vary. For details, please refer to Chapter titled “*Risk factors*” page 24 of this Prospectus.

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

Except as disclosed in this Prospectus and normal course of business, we do not have any Collaboration/Tie Ups/ Joint Ventures as on date.

#### **EXPORT OBLIGATION:**

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

#### **SALES AND MARKETING:-**

Our Marketing team consists of two employees, who keep a track of new leads and stay in touch with our existing customers when new developments are foreseen at their end. There is continuous interaction with the product development team at customer end so as to understand the potential business possibilities in near future and the opportunities where we can be sharing responsibilities for new product component support. Our marketing team along with our promoters through their experience and good rapport with customers owing to timely and quality delivery of service plays an instrumental role in creating and expanding the sales network of our Company. In order to maintain good relation with our customers, our promoters and our marketing team regularly interacts with them and focuses on gaining an insight into the additional needs of our customers. Our prime consideration for customer selection is timely payments and consistency in purchases.

Our major customers for F.Y. 2018-19 were as follows:-

Sr. No.	Name of Customer	Rs. (in lakhs) (excluding GST)	% of revenue (excluding revenue from scrap)
1	MSL Driveline Systems Limited	2,595.32	50.19%
2	Reliable Autotech Private Limited	1,209.19	23.38%
3	Innova Rubbers Private Limited	450.3	8.71%
4	JBM Auto Limited	255.63	4.94%
5	Alf Engineering Pvt Ltd	217.15	4.20%
6	Haldex India Pvt Ltd	108.51	2.10%
7	Skf India Ltd.	94.66	1.83%
8	Mahindra Cie Automotive Limited	50.06	0.97%
9	Shreeson Technologies Pvt Ltd	36.73	0.71%
10	SM Autovision Pvt. Ltd.	30.02	0.58%

#### **COMPETITION**

Our Industry is fragmented consisting of large established players and small niche players. Our Company is well placed, well informed and well trained to assist clients in overall delivery. We have a number of competitors offering products and services similar to us. We believe the principal elements of competition in our industry are price, durability and overall product quality, timely delivery and reliability and most importantly our pace in keeping up with the required regulations and changing technology in the industry. We believe that our cost effective and integrated facilities, our focus on customer satisfaction and our reliability combined with our quality consciousness provides us with competitive advantage in many of our products. While these factors are key parameters the in client’s decisions matrix in purchasing goods; product range, product quality and product price is often the deciding factor in most deals. Some of our listed and unlisted Competitors includes:-

**Listed Competitors:-**

1. Omax Autos Limited,
2. Rasandik Engineering Industries India Limited
3. Autoline Industries Ltd.

**Unlisted Competitors:-**

4. Vaishnavi Auto Private Limited
5. Krishna Autocomp, Nashik

**INFRASTRUCTURE & UTILITIES:**

**Raw Materials:** The main raw materials which are required by us to manufacture auto-components includes HRPO Strips, Coil, Steel Strip, Spring Steel Material, Cold rolled steel, Hot rolled steel, Deep Draw, Extra deep draw, Aluminum Alloys, Copper based alloys etc. which are procured by us from domestic vendors which mainly includes Reliable Autotech Pvt. Ltd, Ajay Iron & Steel Traders, Naresh Steel Industries Pvt. Ltd, Sona Steel Enterprises and Mahesh Steel Udyog.

**Power:** The requirement of power for our operations, like power for lighting and operating the machinery/equipment is met through the Maharashtra State Electricity Distribution Co. Ltd.

**Water:** Our Water requirement is fulfilled through MIDC which at present caters to our entire need.

**Manpower:** We believe that our employees are key contributors to our business success and thus we focus on attracting and retaining the best possible talent. Our Company looks for specific skill-sets, interests and background that would be an asset for its kind of business. As on January 31, 2020, Our Company has employed 132 employees (of which 7 are trainees) at various levels of the Organization.

**Number of Permanent Employees as on date of prospectus:-**

Category	No. of Employees
Administrative staff	35
Skilled Workers	88
Semi-Skilled Workers	9
<b>Total</b>	<b>132</b>

**INSURANCE**

The details of Insurance policies presently taken by our Company are tabulated below:-

Sr. No.	Policy No.	Insurance Co.	Policy Details	Assets/ Location of Assets and Sum Assured	Premium paid (in Rs.)	Date of Expiry of the Policy
1	1001/177919384/00/000	ICICI Lombard General Insurance Co. Ltd.	Standard Fire & Special Perils Insurance	Manufacturing facility located at J 41, MIDC, Ambad, Nashik  Building (with plinth & foundation) – Rs. 20 lakhs  Plant & Machinery – Rs. 50 lakhs  Stocks – Rs. 181 lakhs	11,385/-	August 08, 2020
2	1001/177902971/00/000	ICICI Lombard General Insurance Co. Ltd.	Standard Fire & Special Perils Insurance	Manufacturing facility located at B-198, MIDC, Malegaon, Sinner, Nashik  Building (with plinth &	1,173/-	August 08, 2020



				foundation) – Rs. 4 lakhs Plant & Machinery – Rs. 14 lakhs Stocks – Rs. 10 lakhs		
3	1001/177817624/00/000	ICICI Lombard General Insurance Co. Ltd.	Standard Fire & Special Perils Insurance	Manufacturing facility located at C-13, MIDC, Ambad, Nashik - 422010  Building (with plinth & foundation) – Rs. 18 lakhs  Plant & Machinery – Rs. 22 lakhs  Stocks – Rs. 210 lakhs	10,443	August 08, 2020
4	03277828	Kotak Mahindra Life Insurance Company Limited	Preferred Term Plan	Life insurance of Mr. Mukund Narayan Kulkarni of Rs. 5 crores	3,41,227	Policy term- 20 years

Apart from above, our company maintains vehicle insurance policies for the vehicles owned by our Company.

#### PROPERTY:-

#### INTELLECTUAL PROPERTY

We've applied for registration of wordmark "SM Auto stamping" under the Trademarks Act, but the same has been opposed for registration. Further, as on date of this Prospectus, Our Company has not made application for registration of our corporate logo



under the Trademarks Act.

#### IMMOVABLE PROPERTY

Our Company occupies certain properties on leasehold basis, the details of which are as follows:-

Sr.No.	Address of Property	Area	Property Usage	Lessor & Lease Period
1	J-41, MIDC, Ambad, Nashik-422010, Maharashtra, India	1000 Sq. Mtrs.	Registered Office & Manufacturing Unit I	This property was taken on lease via lease deed dated July 30, 2003 entered between Maharashtra Industrial Development Corporation (MIDC) and M/s S.M. Industries* for a period of 95 years w.e.f. May 01, 1989. Further, an assignment deed dated August 23, 2007 was entered between M/s S.M. Industries and our Company for transfer of the said property in the name of our Company.
2	B-198, MIDC, Malegaon, Sinnar - 422103, Maharashtra, India	800 Sq. Mtrs.	Manufacturing Unit - II	This property was taken on lease via lease deed dated November 28, 1997 entered between Maharashtra Industrial Development Corporation (MIDC) and M/s Spam Fab Technocrats** for a period of 95 years w.e.f. June 01, 1995. Further, an assignment deed dated August 23, 2007 was entered between M/s Spam Fab Technocrats and our Company for transfer of the said property in the name of our Company.



3	C-13, MIDC, Ambad, Nashik-422010, Maharashtra, India	3240 Sq. Mtrs.	Manufacturing Unit – III	This property has been taken by us on lease via lease deed dated December 20, 2007 between MIDC and our Company for a period of 95 years w.e.f. October 01, 1987.
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\*M/s S.M. Industries was a partnership firm formed by our Promoters, Mr. Milind Kulkarni and Mr. Suresh Fegde in 1998. This firm was taken over by our Company in 2007.

\*\*M/s Spam Fab Technocrats was a partnership firm formed by our Promoters, Mr. Milind Kulkarni and Mr. Suresh Fegde in 1996. This firm was taken over by our Company in 2007.

*Note: In respect of Manufacturing Unit I and II, we are yet to execute final lease deed with MIDC as stipulated under the Assignment deeds of respective properties.*



## KEY INDUSTRIAL REGULATIONS AND POLICIES

The following description is a summary of the key industrial regulations and policies applicable to our Company. The information set below has been obtained from various legislations including rules and regulations promulgated by the regulatory bodies that are available in the public domain. The regulations set below may not be exhaustive and are only intended to provide general information to the investors and are neither designed nor intended to be a substitute for professional legal advice.

Further, the statements below are based on the current provisions of Indian law and the judicial and administrative interpretations thereof, which are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions.

Set forth below are certain significant legislations and regulations which generally govern the business and operations of our Company:

### **INDUSTRY – SPECIFIC REGULATIONS AND POLICIES:**

#### ***Industrial Disputes Act, 1947:***

Industrial Dispute Act, 1947 and the Rules made thereunder provide for the investigation and settlement of industrial disputes. The Industrial Disputes Act, 1947 (IDA) was enacted to make provision for investigation and settlement of industrial disputes and for other purposes specified therein. Workmen under the ID Act have been provided with several benefits and are protected under various Labour legislations, whilst those persons who have been classified as managerial employees and earning salary beyond a prescribed amount may not generally be afforded statutory benefits or protection, except in certain cases. The Industrial Dispute (Central) Rules, 1957 specify procedural guidelines for lock-outs, closures, lay-offs and retrenchment.

#### ***Industries (Development and Regulation) Act, 1951:***

The Industries (Development and Regulation) Act, 1951 was introduced with a view to regulate a number of important industries, the activities of which affect the country as a whole and the development of which must be governed by economic factors of all India importance. The important objectives of this Act are to implement the Industrial policy, Regulation and development of important industries, planning and development of new undertakings. No person or authority other than the Central Government, shall, after the commencement of this Act, establish any new industrial undertaking, except in accordance with a license issued in that behalf by the Central Government

#### ***The National Auto Policy:***

The National Auto Policy, 2002, as amended ("National Auto Policy") was introduced by the Department of Heavy Industries, Ministry of Heavy Industries and Public Enterprises, GoI in March 2002, with the aim, among others, to promote a globally competitive automotive industry and emerge as a global source for auto components, ensure a balanced transition to open trade at a minimal risk to the Indian economy and local industry, to encourage modernization of the industry and facilitate indigenous design, research and development and to develop domestic safety and environmental standards at par with international standards.

#### ***National Steel Policy (NSP) 2017:***

The vision of NSP is to create a technologically advanced and globally competitive steel industry that promotes economic growth. The Objective of NSP is to have a wider presence globally in value added/ high grade steel and also to encourage industry to be a world leader in energy efficient steel production in an environmentally sustainable manner. Further, it also aims at to substantially reduce the carbon foot-print of the steel industry along with attaining global standards in Industrial Safety and Health.

### **TAXATION RELATED LAWS:**

#### ***The Income-tax Act, 1961:***

The Income Tax Act, 1961 ("IT Act") deals with the taxation of individuals, corporates, partnership firms and others. As per the provisions of this 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 Act. The IT Act is applicable to every Company, whether domestic or foreign whose income is taxable under the provisions of this Act or Rules made there under depending upon its "Residential Status" and "Type of Income" involved. The IT Act provides for the taxation of persons resident in India on global income and persons not resident in India on income received, accruing or arising in India or deemed to have been received, accrued or arising in India.

***The Goods and Services Tax (“GST”):***

The GST is applicable on the supply of goods or services as against the present concept of tax on the Manufacture and sale of goods or provision of services. It is a destination-based consumption tax. It is dual GST with the Central and State Governments simultaneously levying it on a common tax base. The GST to be levied by the Centre on intra-State supply of goods and / or services is called the Central GST (CGST) and that to be levied by the States is called the State GST (SGST). An Integrated GST (IGST) is to be levied and collected by the Centre on inter-State supply of goods and services.

There were indirect taxes that were levied and collected by the Central and State Government which are now subsumed under GST. Some of the taxes which were applicable to the Company are as follows:

- Service Tax
- Value Added tax
- The Central Sales Tax
- Excise duty

**CORPORATE LAWS:*****The Companies Act, 2013:***

The Companies Act, 2013, has been introduced to replace the existing Companies Act, 1956 in a phased manner. The Ministry of Corporate Affairs has also issued rules complementary to the Companies Act, 2013 establishing the procedure to be followed by companies in order to comply with the substantive provisions of the Companies Act, 2013. The Act prescribes regulatory mechanism regarding all relevant aspects including organizational, financial and managerial aspects of companies. Regulation of the financial and management aspects constitutes the main focus of the Act. The Ministry of Corporate Affairs, has also issued rules complementary to the Companies Act, 2013 establishing the procedure to be followed by companies in order to comply with the substantive provisions of the Companies Act, 2013. In the functioning of the corporate sector, although freedom of companies is important, protection of the investors and shareholders, on whose funds they flourish, is equally important. The Companies Act plays the balancing role between these two competing factors, namely, management autonomy and investor protection.

***The Micro, Small and Medium Enterprises Development Act, 2006:***

The Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) inter – alia provides for facilitating the promotion and development and enhancing the competitiveness of micro, small and medium enterprises and for matters connected therewith or incidental thereto. With the help of Udyog Adhaar, registration can be done under MSME (Ministry of Micro, Small and Medium Enterprises). Udyog Adhaar is the 12 numerical registration number issued by the MSME Ministry of the Government of India.

**LABOUR AND EMPLOYEE RELATED LAWS:*****Factories Act, 1948:***

Factories Act, 1948 (“Factories Act”) came into force on April 01, 1949 as amended by the Factories (Amendment) Act, 1987 and extends to the whole of India. Factories Act serves to assist in formulating national policies in India with respect to occupational safety and health in factories and docks in India. It deals with various problems concerning safety, health, efficiency and well-being of the persons at work places. The term ‘factory’, as defined under the Factories Act, means any premises which employs or has employed on any day in the preceding 12 (twelve) months, 10 (ten) or more workers and in which any manufacturing process is carried on with the aid of power, or any premises wherein 20 (twenty) or more workmen are employed at any day during the preceding 12 (twelve) months and in which any manufacturing process is carried on without the aid of power, but this does not include a mine, or a mobile unit belonging to the armed forces of the union, a railway running shed or a hotel, restaurant or eating place.

***The Employees State Insurance Act, 1948:***

The 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 also required to register itself under the ESI Act and maintain prescribed records and registers. Companies which are controlled by the Government are exempt from this requirement if employees receive benefits similar or superior to the benefits prescribed under the ESI Act.

***Employees Provident Fund and Miscellaneous Provisions Act, 1952:***

The Employees' Provident Funds and Miscellaneous Provisions Act, 1952 (EPF Act) applies to factories employing 20 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 Child Labour (Prohibition and Regulation) Act, 1986:***

The Child Labour (Prohibition & Regulation) Act, 1986, as amended from time to time ("Child Labour Act") was enacted to prohibit the engagement of children below the age of 14 years in certain specified occupations and processes and to regulate their conditions of work in certain other employments.

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

Payment of Wages Act, 1936, as amended, Payment of Wages (Amendment) Act, 2017 is aimed at regulating the payment of wages to certain classes of persons employed in certain specified industries and to ensure a speedy and effective remedy for them against illegal deductions or unjustified delay caused in paying wages to them. The Act confers on the person(s) responsible for payment of wages certain obligations with respect to the maintenance of registers and the display in such factory/establishment, of the abstracts of this Act and Rules made there under.

***The Minimum Wages Act, 1948:***

The Minimum Wages Act, 1948 came into force with an objective to provide for the fixation of a minimum wage payable by the employer to the employee. Every employer is mandated to pay the minimum wages to all employees engaged to do any work skilled, unskilled, and manual or clerical (including out-workers) in any employment listed in the schedule to this Act, in respect of which minimum rates of wages have been fixed or revised under the Act.

***Payment of Bonus Act, 1965:***

A bonus payment is usually made to employees in addition to their base salary as part of their wages or salary. Pursuant to the Payment of Bonus Act, 1965, as amended (the "Bonus Act"), an employee in a factory or in any establishment where twenty or more persons are employed on any day during an accounting year, who has worked for at least 30 working days in a year is eligible to be paid a bonus.

***Payment of Gratuity Act, 1972:***

The Payment of Gratuity Act is applicable to every factory, mine, oilfield, plantation, port, railway companies and to every shop and establishment in which 10 or more persons are employed or were employed at any time during the preceding twelve months. This Act applies to all employees irrespective of their salary.

The Payment of Gratuity Act, as amended, provides for a scheme for payment of gratuity to an employee on the termination of his employment after he has rendered continuous service for not less than 5 years:

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

***The Equal Remuneration Act, 1976:***

Equal Remuneration Act, 1976 was enacted with the aim of state to provide Equal Pay and Equal Work as envisaged under Article 39 of the Constitution. The Equal Remuneration Act, 1976 aims to provide for the payment of equal remuneration to men and women workers and for the prevention of discrimination, on the ground of sex, against women in the matter of employment and for matters connected therewith or incidental thereto. According to the Act, the term 'remuneration' means "the basic wage or salary and any additional emoluments whatsoever payable, either in cash or in kind, to a person employed in respect of employment or work done in such employment, if the terms of the contract of employment, express or implied, were fulfilled."

***The Maharashtra Labour Welfare Fund Act, 1953:***

Any establishment which is covered under the Bombay Shops and Establishments Act, 1948 or employs at least 5 employees is required to make bi-annual contributions in the months of June and December every year to the Maharashtra Labour Welfare Fund with respect to each of its employees including contract labourers except those employed in managerial capacity or supervisory role drawing monthly salary of more than INR 3,500.

***Industrial Health and Safety Act, 1972:***

The purpose of this Act is to secure, in conjunction with the Labour Standards Act, the safety and health of workers in workplaces, as well as to facilitate the establishment of comfortable working environment, by promoting comprehensive and systematic countermeasures concerning the prevention of industrial accidents, such as taking measures for the establishment of standards for hazard prevention, clarifying the safety and health management responsibility and the promotion of voluntary activities with a view to preventing industrial accidents.

***The Maternity Benefit Act, 1961:***

The purpose of Maternity Act 1961 is to regulate the employment of pregnant women and to ensure that they get paid leave for a specified period during and after their pregnancy. It provides inter-alia for payment of maternity benefits, medical bonus and enacts prohibition on dismissal, reduction of wages paid to pregnant women etc. Our Government further amended the Act which is known as 'The Maternity Benefit (Amendment) Act, 2017', effective from March 27, 2017 introducing more benefits for pregnant women in certain establishments.

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

The SHWWA is a legislative act in India that seeks to protect women from sexual harassment at their place of work. The SHWWA has been introduced in 2013 to provide a safe, secure and enabling environment, free from sexual harassment to every woman. Every employer is legally required to comply with the statutory requirements as mentioned in the Act.

**ENVIRONMENTAL LAWS:*****The Environment (Protection) Act, 1986:***

The Environment (Protection) Act, 1986 was enacted as a general legislation to safeguard the environment from all sources of pollution by enabling coordination of the activities of the various regulatory agencies concerned. The Act prohibits persons carrying on business, operation or process from discharging or emitting any environmental pollutant in excess of such standards as may be prescribed.

***The Water (Prevention and Control of pollution) Act, 1981:***

The Water Act aims to prevent and control water pollution as well as restore water quality by establishing and empowering the Central Pollution Control Board and the State Pollution Control Boards. Under the Water Act, any person establishing any industry, operation or process, any treatment or disposal system, use of any new or altered outlet for the discharge of sewage or new discharge of sewage, must obtain the consent of the relevant State Pollution Control Board, who is empowered to establish standards and conditions that are required to be complied with.

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

The Air (Prevention and Control of Pollution) Act, 1981 ("Air Act") has been enacted to provide for the prevention, control and abatement of air pollution. Pursuant to the provisions of the Air Act, any person, establishing or operating any industrial plant within an air pollution control area, must obtain the consent of the relevant State Pollution Control Board prior to establishing or operating such industrial plant. No person operating any industrial plant in any air pollution control area is permitted to discharge the emission of any air pollutant in excess of the standards laid down by the State Pollution Control Board.

***The Hazardous and Other Wastes (Management, Handling and Trans boundary Movement) Rules, 2016:***

Hazardous and Other Wastes (Management, Handling and Trans boundary Movement) Rules, 2016 came into force from April 04, 2016 superseding the Hazardous Wastes (Management, Handling and Trans boundary Movement) Rules, 2008.

Hazardous waste means any waste, which by reason of characteristics, such as physical, chemical, biological, reactive, toxic, flammable, explosive or corrosive, causes danger to health, or environment. It comprises the waste generated during the

manufacturing processes of the commercial products such as industries involved in petroleum refining, production of pharmaceuticals, petroleum, paint, aluminum, electronic products etc. Hazardous Waste Management Rules are notified to ensure safe handling, generation, processing, treatment, package, storage, transportation, use reprocessing, collection, conversion, and offering for sale, destruction and disposal of Hazardous Waste.

### **INTELLECTUAL PROPERTY RELATED LAWS:**

#### ***The Trademarks Act, 1999:***

The Indian Law on trademarks is enshrined in the Trade Marks Act, 1999 (the “TM Act”). Under the existing Legislation, a trademark is a mark used in relation to goods so as to indicate a connection in the course of trade between the goods and some person having the right as proprietor to use the mark. The TM Act provides for the application and registration of trademarks in India for granting exclusive rights to marks such as a brand, label and heading and obtaining relief in case of infringement for commercial purposes as a trade description. The TM Act prohibits any registration of deceptively similar trademarks or chemical compounds among others. The right to use the mark can be exercised either by the registered proprietor or a registered user. The present term of registration of a trademark is ten years, which may be renewed for similar periods on payment of prescribed renewal fee.

### **FOREIGN REGULATIONS:**

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

In India, the main legislation concerning foreign trade is FTA. The FTA read along with relevant rules provides for the development and regulation of foreign trade by facilitating imports into, and augmenting exports from, India and for matters connected therewith or incidental thereto. FTA read with the Indian Foreign Trade Policy provides that no export or import can be made by a company without an Importer-Exporter Code number unless such company is specifically exempt. An application for an Importer-Exporter Code number has to be made to the office of the Joint Director General of Foreign Trade, Ministry of Commerce.

### **STATUTORY AND COMMERCIAL LAWS:**

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

The Indian Contract Act occupies the most important place in the Commercial Law. Without contract Act, it would have been difficult to carry on trade or any other business activity and in employment law. It is not only the business community which is concerned with the Contract Act, but it affects everybody. The objective of the Contract Act is to ensure that the rights and obligations arising out of a contract are honoured and that legal remedies are made available to those who are affected.

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

The Competition Act, 2002 aims to anti-competitive practices that cause or are likely to cause an appreciable adverse effect on competition in the relevant market in India. The act deals with prohibition of agreements and Anti-competitive agreements. No enterprise or group shall abuse its dominant position in various circumstances as mentioned under the Act. The prima facie duty of the Competition Commission established under the Act is to eliminate practices having adverse effect on competition, promote and sustain competition, protect interest of consumer and ensure freedom of trade.

#### ***The Information Technology Act, 2000:***

The Information Technology Act, 2000 was notified on October 17, 2000. It is the law that deals with cybercrime and electronic commerce in India. The Information Technology Act, 2000 provides legal recognition to the transaction done via an electronic exchange of data and other electronic means of communication or electronic commerce transactions.

#### ***Negotiable Instrument Act, 1881:***

Negotiable Instruments Act was enacted to legalize the system by which instruments contemplated by it could pass from hand to hand by negotiation like any other goods. The purpose of the act was to present an orderly and authoritative statement of leading rules of law relating to the negotiable instruments. To achieve the objective of the Act, the legislature thought it proper to make provision in the Act for conferring certain privileges to the mercantile instruments contemplated under it and provide special procedure in case the obligation under the instrument was not discharged

***The Specific Relief Act, 1963:***

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

***Limitation Act, 1963:***

The law relating to Law of Limitation to India is the Limitation Act, 1859 and subsequently Limitation Act, 1963 which was enacted on 5th of October, 1963 and which came into force from 1st of January, 1964 for the purpose of consolidating and amending the legal principles relating to limitation of suits and other legal proceedings. The basic concept of limitation is relating to fixing or prescribing of the time period for barring legal actions. According to Section 2 (j) of the Limitation Act, 1963, 'period of limitation' means the period of limitation prescribed for any suit, appeal or application by the Schedule, and 'prescribed period' means the period of limitation computed in accordance with the provisions of this Act.

***The Registration Act, 1908:***

Registration Act was introduced to provide a method of public registration of documents so as to give information to people regarding legal rights and obligations arising or affecting a particular property, and to perpetuate documents which may afterwards be of legal importance, and also to prevent fraud. Registration lends inviolability and importance to certain classes of documents. In addition to regulations mention above, our Company may also require to comply with the provisions other applicable statutes imposed by the Central or the State for its day-to-day operations.

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

The Transfer of Property Act, 1882 (hereinafter referred to as the 'T P Act, 1882') was intended to define and amend the existing laws and not to introduce any new principle. It applies only to voluntary transfers. The Act provides a clear, systematic and uniform law for the transfer of immovable property. Transfer of property means an act by which a person conveys the property to one or more persons, or himself and one or more other persons. The act of transfer may be done in the present or for the future. The person may include an individual, company or association or body of individuals, and any kind of property may be transferred, including the transfer of immovable property.

***Consumer Protection Act, 1986:***

The Consumer Protection Act, 1986 seeks to provide better protection of interests of the consumers and for that purpose to make provision for establishment of consumer councils and other authorities for the settlement of consumer's disputes and for matters connected therewith. It seeks to promote and protect the rights of consumers. To provide steady and simple redressal to consumers 'disputes, quasi-judicial machinery is sought to be set up at the district, state and central levels. The quasi-judicial bodies will observe the principles of natural justices and have been empowered to give relieves of a specific nature and to award wherever appropriate compensation to consumers. Penalties for non-compliance of the orders given by the quasi-judicial bodies have also been provided.

***Legal Metrology Act, 2009:***

"Legal Metrology" means that part of metrology which treats units of weighment and measurement, methods of weighment and measurement and weighing and measuring instruments, in relation to the mandatory technical and legal requirements which have the object of ensuring public guarantee from the point of view of security and accuracy of the weighments and measurements. It is an Act to establish and enforce standards of weights and measures, regulate trade and commerce in weights, measures and other goods which are sold or distributed by weight, measure or number and for matters connected therewith or incidental thereto.

***Indian Evidence Act, 1872:***

The Indian Evidence Act, 1872 applies to all judicial proceedings in or before any Court including Courts Martial, but not to Affidavits presented to any Court or Officer, nor to proceedings before an Arbitrator. Evidence excluded by the Act will be inadmissible even if essential to ascertain the truth. The Act stipulates that evidence in a court must be given of facts in issue and relevant facts alone.



## HISTORY AND CORPORATE STRUCTURE

### BRIEF HISTORY AND BACKGROUND

Our Company was originally incorporated as “SM Auto Stamping Private Limited” on August 14, 2006 vide Registration no. 163789 (CIN: U27109MH2006PTC163789) under the provisions of the Companies Act, 1956 with the Registrar of Companies, Mumbai. Further, pursuant to Special Resolution passed by the shareholders at the Extra Ordinary General Meeting held on December 05, 2019, our company was converted into a Public Limited Company and consequently the name of our Company was changed from “SM Auto Stamping Private Limited” to “SM Auto Stamping Limited” vide a fresh Certificate of Incorporation dated December 19, 2019 issued by the Registrar of Companies, Mumbai. The Corporate Identification Number of our Company post conversion is U27109MH2006PLC163789.

Mr. Mukund Narayan Kulkarni and Mr. Suresh Gunwant Fegde were the initial subscribers to the Memorandum of Association of our Company.

### ADDRESS OF REGISTERED OFFICE & FACTORY UNITS

<b>Registered Office &amp; Factory Unit – I</b>	J-41, MIDC, Ambad Nashik-422010, Maharashtra, India
<b>Factory Unit – II</b>	C-13, MIDC, Ambad Nashik-422010, Maharashtra, India
<b>Factory Unit – III</b>	B-198, MIDC, Malegaon, Sinnar, Nashik-422010, Maharashtra, India

### CHANGES IN REGISTERED OFFICE OF THE COMPANY SINCE INCORPORATION

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

### OUR MAIN OBJECTS

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

1. To carry on the business as manufactures, processors, distributors, buyers, sellers, importers, exporters, suppliers, purchasers, converters, fabricators, erectors, dealers of and in metal as mild steel (M.S.) and stainless steel (S.S.) Aluminum, Copper, Nickel, Titanium and monel metal stamping and deep draw components i.e. metal sheet press parts, components, accessories, weld assemblies, fabrication & press tools, components, spares, parts, used in automobile, engineering, electrical, industrial, mechanical sectors and bus bars for electrical panels.

### 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:

Date of Meeting	Type of Meeting	Amendment
March 16, 2009	EGM	Increase in Authorized Share Capital from 5,00,000 divided into 50,000 Equity shares of Rs. 10 each to Rs. 80,00,000 (Rupees Eighty Lakhs) divided into 8,00,000 (Eight Lakhs) Equity Shares of Rs. 10/- each.
March 26, 2009	EGM	Increase in Authorized Share Capital of our Company increased from Rs. 80,00,000 (Rupees Eighty Lakhs) divided into 8,00,000 (Eight Lakhs) Equity Shares of face value of Rs. 10/- each to Rs. 1,00,00,000 (Rupees One Crores) divided into 10,00,000 (Ten Lakhs) Equity shares of Rs. 10/- each.
March 17, 2014	EGM	Authorized Share Capital of our Company increased from Rs. 1,00,00,000 (Rupees One Crores) divided into 10,00,000 (Ten Lakhs) Equity Shares of face value of Rs. 10/- each to Rs. 1,35,00,000 (Rupees One Crore thirty five Lakhs) divided into 13,50,000 (Thirteen Lakhs fifty thousand) Equity shares of face value of Rs. 10/- each.
May 30, 2019	EGM	Authorized Share Capital of our Company increased from Rs. 1,35,00,000 (Rupees One Crore thirty five Lakhs) divided into 13,50,000 (Thirteen Lakhs fifty thousand) Equity Shares of face value of Rs. 10/- each to Rs. 16,50,00,000 (Rupees Sixteen Crore Fifty Lakhs) divided into 1,65,00,000 (One Crore Sixty Five Lakhs) Equity shares of face value of Rs. 10/- each.
December	EGM	Conversion of our Company from Private Limited to Public Limited Company. Consequently





05, 2019		name of the Company has been changed from SM Auto Stamping Private Limited to SM Auto Stamping Limited and a fresh Certificate of Incorporation dated December 19, 2019 bearing CIN U27109MH2006PLC163789 was issued by Registrar of Companies, Mumbai.
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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 accordance with applicable provisions of the Companies Act 2013 in the Extra Ordinary General Meeting of the Company dated December 05, 2019.

### KEY EVENTS AND MILESTONES

The Table below sets forth some of the major events in the history of our company:

Year/F.Y.	Key Events / Milestone / Achievements
2006	Incorporation of the Company in the name of "SM Auto Stamping Private Limited"
2007	Took over the running business of M/s. S.M Industries (a Partnership Firm) vide agreement dated April 30, 2007 from Mr. Mukund Narayan Kulkarni and Mr.Suresh Gunwant Fegde.
2007	Took over the running business of M/s. Spam Fab Technocrats (a Partnership Firm) vide agreement dated April 30, 2007 from Mr. Mukund Narayan Kulkarni and Mr.Suresh Gunwant Fegde
2007	Acquisition of factory unit at C-13, MIDC, Ambad Nashik-422010, Maharashtra, India
2016-17	Crossed Consolidated Turnover of Rs. 50 crores
2017	Acquired 55.01% stake in SM Autovision Private Limited through allotment of equity shares and formed it as our Subsidiary Company.
2018	Acquired 20.45% more shareholding in SM Autovision Private Limited, thereby making total shareholding of 75.46% in SM Autovision Private Limited
2018	Appreciation Certificate from INDE 2018 at Nashik Industries & Manufacturers' Association(NIMA) Index 2018
2018-19	Crossed Consolidated Turnover of Rs. 75 crores and Standalone Turnover of Rs. 50 crores.
2019	Sold 27.46% stake in SM Autovision Private Limited on November 27, 2019, post which, we hold 48.00% stake in SM Autovision Private Limited and it ceased to be our Subsidiary Company
2019	Conversion of the Company from Private Limited to Public Limited Company.

### OTHER DETAILS ABOUT OUR COMPANY

For details of our Company's activities, products, growth, capacity, location of plants, 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 95, 191 and 82 respectively of this 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 116 and 55 of the 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 Prospectus.

For a description of our Company's debt facilities, see "*Statement of Financial Indebtedness*" on page 184 of the Prospectus.

### CHANGES IN ACTIVITIES OF OUR COMPANY DURING THE LAST FIVE (5) YEARS

There has not been any change in the activity of our Company during the last five (5) years preceding the date of this Prospectus.

### HOLDING COMPANY

As on the date of the Prospectus, our Company is not a subsidiary of any company.

### SUBSIDIARY OF OUR COMPANY

As on the date of this Prospectus, our Company does not have any 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 IN LAST 10 YEARS ETC**

Except as set out below, there has not been any acquisition, merger, amalgamation, revaluation of assets made by our Company in the last 10 years:-

On February 05, 2017 and March 15, 2017, our Company was allotted total of 6,60,000 equity shares of face value of Rs. 10/- each of SM Autovision Private Limited, consequent to which, SM Autovision Private Limited became our Subsidiary Company.

Subsequently on November 27, 2019, our Company transferred 604,100 equity shares of SM Autovision Private Limited, pursuant to which it ceased to be our Subsidiary Company and became our Associate Company.

## **NUMBER OF SHAREHOLDERS OF OUR COMPANY:**

Our Company has Seven (7) shareholders as on the date of this Prospectus. For further details on the shareholding pattern of our Company, please refer to the chapter titled “*Capital Structure*” beginning on page 55 of this Prospectus.

## **CHANGES IN THE MANAGEMENT**

For details of change in Management, please see chapter titled “*Our Management*” on page 116 of the Prospectus.

## **SHAREHOLDERS AGREEMENTS**

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 this Prospectus.

## **COLLABORATION AGREEMENTS**

As on date of this Prospectus, Our Company is not a party to any collaboration agreements.

## **MATERIAL AGREEMENT**

Our Company has not entered into any material agreement, other than the agreements entered into by it in normal course of its business.

## **STRATEGIC OR FINANCIAL PARTNERS**

Our Company does not have any strategic or financial partners as on the date of this Prospectus.

## **TIME AND COST OVERRUNS IN SETTING UP PROJECTS**

There has been no time / cost overrun in setting up projects by our Company.

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

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

## **OTHER AGREEMENTS**

### **NON COMPETE AGREEMENT**

Our Company has not entered into any No- compete Agreement as on the date of filing of this Prospectus.



**JOINT VENTURE AGREEMENT**

Our Company has not entered into any Joint Venture Agreement as on the date of filing of this Prospectus.

## OUR MANAGEMENT

### Board of Directors

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

Name, Father's Name, Age, Designation, Address, Experience, Occupation, Qualification, Nationality & DIN	Date & term of Appointment	No. of Equity Shares held & % of Shareholding (Pre Issue)]	Other Directorships
<b>Mr. Mukund Narayan Kulkarni</b> <b>Father's Name:</b> Mr. Narayan Yeshwant Kulkarni <b>Age:</b> 60 years <b>Date of Birth:</b> August 08, 1959 <b>Designation:</b> Chairman and Managing Director <b>Address:</b> Alkund Bunglow, Krishna Colony, Shivaji Nagar, Jail Road, Nashik Road, Nashik – 422101, Maharashtra, India <b>Experience:</b> 38 Years <b>Occupation:</b> Business <b>Qualification:</b> Diploma in Mechanical Engineering <b>Nationality:</b> Indian <b>DIN:</b> 00248797	Originally Appointed as Additional Director w.e.f. November 15, 2019  Re-designated as Chairman and Managing Director w.e.f. December 10, 2019 for a period of 5 years  <i>(Not liable to retire by rotation)</i>	100 Equity Shares [0.00%]	1.SM Autovision Private Limited  2.BBN Global Association
<b>Mr. Suresh Gunwant Fegde</b> <b>Father's Name:</b> Mr. Gunwant Narayan Fegde <b>Age:</b> 62 years <b>Date of Birth:</b> May 01, 1957 <b>Designation:</b> Whole Time Director <b>Address:</b> Plot No. 9, Jay Ambe Colony, Shivaji Nagar, Jail Road, Nashik Road, Nashik - 422101, Maharashtra, India <b>Experience:</b> 38 Years <b>Occupation:</b> Business <b>Qualification:</b> Industrial Training Course from ITI, Nashik <b>Nationality:</b> Indian <b>DIN:</b> 00248850	Originally Appointed as Director w.e.f. August 14, 2006  Re-designated as Whole Time Director w.e.f. December 10, 2019 for a period of 5 years  <i>(Not liable to retire by rotation)</i>	35,52,164 Equity Shares [33.99%]	Nil
<b>Mrs. Alka Mukund Kulkarni</b> <b>Father's Name:</b> Mr. Purushottam Joshi <b>Age:</b> 58 years <b>Date of Birth:</b> October 31, 1961 <b>Designation:</b> Non Executive Director <b>Address:</b> Alkund Bunglow, Krishna Colony, Shivaji Nagar, Jail Road, Nashik Road, Nashik – 422101, Maharashtra, India <b>Experience:</b> 35 years <b>Occupation:</b> Business <b>Qualification:</b> Master of Commerce <b>Nationality:</b> Indian <b>DIN:</b> 06896902	Originally Appointed as Additional Director w.e.f. June 13, 2014  Further, regularized as Director w.e.f. August 08, 2014  Further, Change in designation as Non-Executive Director w.e.f. December 21, 2019  <i>(liable to retire by rotation)</i>	68,95,352Equity Shares [65.99%]	Nil

Name, Father's Name, Age, Designation, Address, Experience, Occupation, Qualification, Nationality & DIN	Date & term of Appointment	No. of Equity Shares held & % of Shareholding (Pre Issue)]	Other Directorships
<p><b>Mr. Aditya Mukund Kulkarni</b>  <b>Father's Name:</b> Mukund Narayan Kulkarni  <b>Age:</b> 31years  <b>Date of Birth:</b> June 27, 1988  <b>Designation:</b> Non-Executive Director  <b>Address:</b> Alkund Bunglow, Krishna Colony, Shivaji Nagar, Jail Road, Nashik Road, Nashik – 422101, Maharashtra, India.  <b>Experience:</b> 8 years  <b>Occupation:</b> Business  <b>Qualification:</b> Post Graduate Diploma in Management  <b>Nationality:</b> Indian  <b>DIN:</b> 07092586</p>	<p>Originally Appointed as Additional Director w.e.f. December 10, 2019</p> <p>Regularized as Non-Executive Director w.e.f. December 21, 2019.</p> <p><i>(Liable to retire by rotation)</i></p>	<p>8 Equity Shares [0.00%]</p>	<p>1. Whispering Woods Technologies Private Limited</p> <p>2. Questo Wellbeing Private Limited</p>
<p><b>Mr. Sunilkumar Satyanarain Dayama</b>  <b>Father's Name:</b> Mr. Satyanarain Gangabishan Dayama  <b>Age:</b> 64 years  <b>Date of Birth:</b> December 03, 1955  <b>Designation:</b> Independent Director  <b>Address:</b> Satyavilla, Near Nirmala School 12, Pramod Nagar, Sawarkar Nagar, Gangapur Road, Nashik - 422013, Maharashtra, India.  <b>Experience:</b> 40 years  <b>Occupation:</b> Business  <b>Qualification:</b> Bachelor of Engineering &amp; Master of Management  <b>Nationality:</b> Indian  <b>DIN:</b> 08492339</p>	<p>Originally Appointed as Additional Independent Director w.e.f. December 10, 2019</p> <p>Regularization as Independent Director w.e.f. December 21, 2019 for a period of 5 years.</p> <p><i>(Not liable to retire by rotation)</i></p>	<p>Nil</p>	<p>Nil</p>
<p><b>Mr. Prakash Gangadhar Pathak</b>  <b>Father's Name:</b> Mr. Gangadhar Raghunath Pathak  <b>Age:</b> 66 years  <b>Date of Birth:</b> January 08, 1954  <b>Designation:</b> Independent Director  <b>Address:</b> 16, Atharv, Vinayak Nagar, Wadibhokar Road, Deopur, Dhule - 424002, Maharashtra, India.  <b>Experience:</b> 38 years  <b>Occupation:</b> Business  <b>Qualification:</b> Chartered Accountant  <b>Nationality:</b> Indian  <b>DIN:</b> 07538918</p>	<p>Originally Appointed as Additional Independent Director w.e.f. December 10, 2019</p> <p>Regularization as Independent Director w.e.f. December 21, 2019 for a period of 5 years.</p> <p><i>(Not liable to retire by rotation)</i></p>	<p>Nil</p>	<p>1. Atharva Accfin Services Private Limited</p>

#### Brief Profile of Directors

**Mr. Mukund Narayan Kulkarni** is the Chairman, Managing Director & Promoter of our Company. He has completed his Diploma in Mechanical Engineering from Maharashtra State Board of Technical Education in 1980. He has a work experience of around 38 years of which 22 years of experience is particularly in the Auto components stamping industry. He is a visionary entrepreneur and has played a pivotal role in setting up business of our Company as a Co-Founder. He currently oversees and controls the overall administration and finance function of our Company. Under his guidance our Company has witnessed continuous growth.

**Mr. Suresh Gunwant Fegde** is the Whole Time Director and Promoter of our Company. He has been on the Board since incorporation of the Company. He has completed his Industrial Training Course from Industrial Training Institute, Nashik in the

trade of fitter in 1978. He has a work experience of around 38 years of which 22 years of experience is particularly in the Auto components stamping industry. He is instrumental in guiding the team for tool design and development of sheet metal components, technical development, project monitoring and review. He currently oversees and controls the overall production and marketing function of our Company.

**Mrs. Alka Mukund Kulkarni** is the Non-Executive Director and Promoter of our Company. She has completed her Masters in Commerce from Marathwada University, Aurangabad in 1984. She joined our Company as Director in 2014 and has been supervising the finance function of our Company till December'19. She is currently involved in advising Company on finance function. She has an overall work experience of over 35 years in the field of accounts and finance.

**Mr. Aditya Mukund Kulkarni** is the Non-Executive Director of our Company. He has completed his Post Graduate Diploma in Management from IIM, Bangalore in 2013. He has an experience of around 8 years in the field of IT industry. He is currently involved in advising our Company on IT and Business Development.

**Mr. Sunilkumar Satyanarain Dayama** is an Independent Director of our Company. He has completed his Bachelor of Engineering in Production Branch from Bombay University in 1979 and Master of Management from Indian Institute of Technology (IIT), Bombay in 2002. He has 40 years of experience in Operations and General Management.

**Mr. Prakash Gangadhar Pathak** is an Independent Director of our Company. He is a qualified Chartered Accountant from ICAI and is engaged in practice since 1982. He has around 37 years of experience in the field of audit & taxation.

#### Confirmations

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

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

#### Nature of any family relationship between our Directors and Key Managerial Personnel(KMP)

The Directors and KMPs of the Company are related to each other within the meaning of section 2(77) of the Companies Act, 2013. Details of which are as follows:

Sr. No.	Name of the Director/KMP	Relationship with other Directors/KMPs
1.	Mr. Mukund Narayan Kulkarni	Husband of Mrs. Alka Mukund Kulkarni and Father of Mr. Aditya Mukund Kulkarni
2.	Mrs. AlkaMukund Kulkarni	Wife of Mr. Mukund Narayan Kulkarni and Mother of Mr. Aditya MukundKulkarni
3.	Mr. Aditya Mukund Kulkarni	Son of Mr. Mukund Narayan Kulkarni and Mrs. Alka Mukund Kulkarni

#### Arrangements with major Shareholders, Customers, Suppliers or Others:

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 Extra Ordinary General Meeting of the members held on December 21<sup>st</sup>, 2019 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 ₹ 200.00 Crores (Rupees Two Hundred Crores Only).

### Compensation of our Managing Director & Whole-time Director

The compensation payable to our Managing Director and Whole-time Director 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 & Whole time Director

Particulars	Mr. Mukund Narayan Kulkarni	Mr. Suresh Gunwant Fegde
Appointment/Change in Designation	Appointed as Additional Director w.e.f. November 15, 2019; Further, re-designated as Chairman and Managing Director w.e.f December 10, 2019 for a period of 5 years.	Appointed as Director since incorporation ; Further, re - designated as Whole Time Director w.e.f. December 10, 2019 for a period of 5 years.
Current Designation	Chairman and Managing Director	Whole time Director
Term of Appointment	5 years Not liable to Retire by rotation	5 years Not Liable to Retire by rotation
Remuneration & Perquisites	₹84,00,000 /- per annum	₹84,00,000 /- per annum
Compensation paid in the year 2018-19	Nil	₹40,70,000 /- per annum

### 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 Directors from time to time, for attending a meeting of the Board or a Committee thereof. Our Board of Directors have resolved in their meeting dated December 21, 2019 for payment of an amount of Rs. 10,000 per meeting to all Non-executive Directors including Independent Directors for attending each such meeting of the Board or Committee thereof.

### Shareholding of our Directors as on the date of this Prospectus:-

Sr. No.	Name of the Directors	No. of Shares Held	Holding in %
1.	Mr. Mukund Narayan Kulkarni	100	0.00
2.	Mr. Suresh Gunwant Fegde	35,52,164	33.99
3.	Mrs. Alka Mukund Kulkarni	68,95,352	65.99
4.	Mr. Aditya Mukund Kulkarni	8	0.00
	<b>Total</b>	<b>1,04,47,624</b>	<b>99.99</b>

None of the Independent Directors of the Company holds any Equity Shares of Company as on the date of this Prospectus.

We do not have Subsidiary Company as defined under Section 2(6) of the Companies Act, 2013.

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, please refer to Chapter titled “*Our Management*” beginning on page 116 of this 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 “*Financial Information of the Company*” on page 184 and 133 respectively of this Prospectus.

Except as stated otherwise in this Prospectus, our Company has not entered into any Contract, Agreements or Arrangements during the preceding two years from the date of the 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 –Annexure XXIV - Related Party Transactions*” beginning on page 116 and 172 respectively of this 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

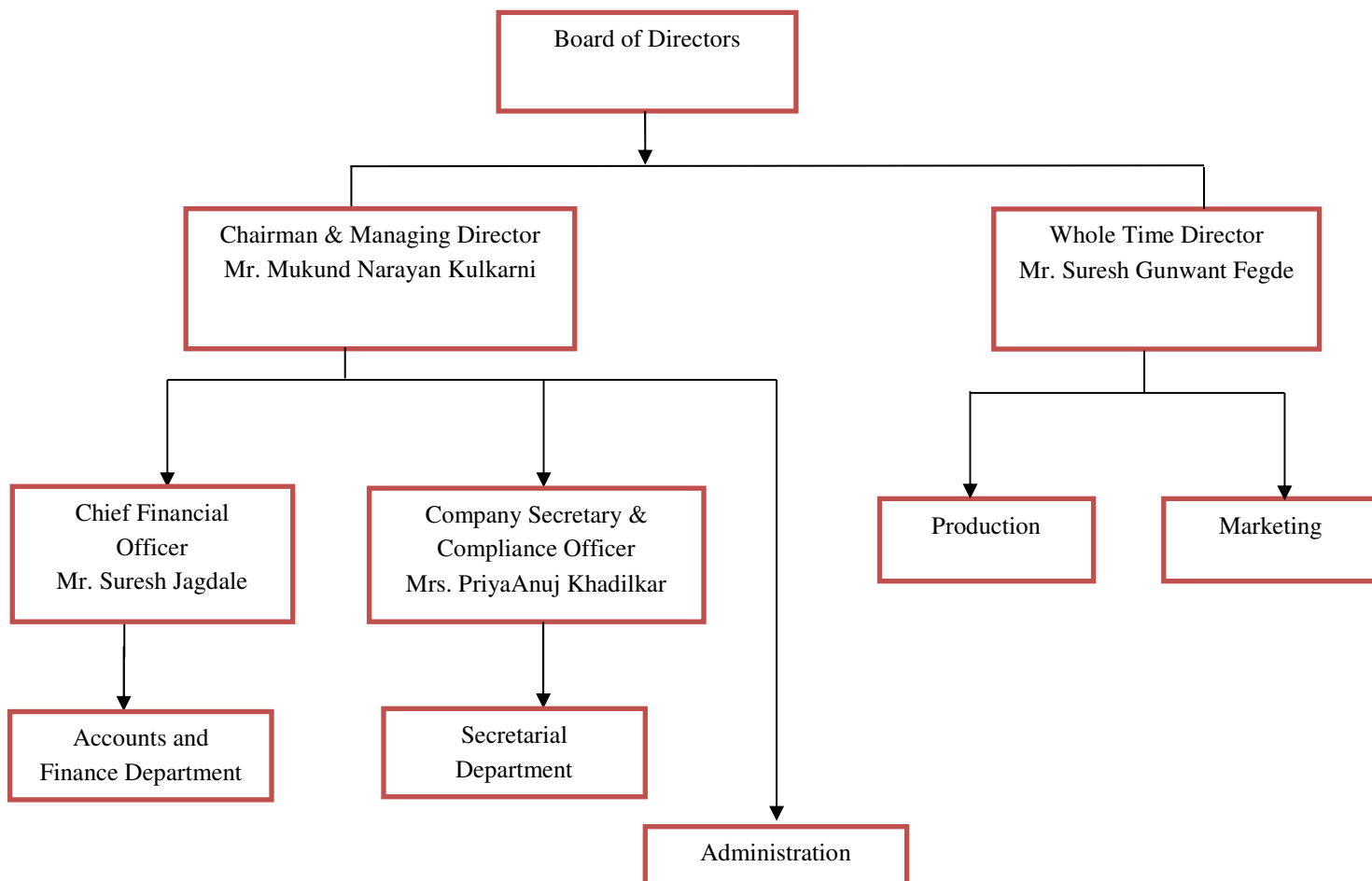
Our Directors do not have any other interest in any property acquired/rented by our Company in a period of two years before filing of this Prospectus or proposed to be acquired by us as on date of this Prospectus.

### Changes in Board of Directors in Last 3 Years

Sr. No.	Name	Date of Appointment / re - Appointment	Reasons for Change
1.	Mr. Mukund Narayan Kulkarni	Appointed as Additional Director w.e.f. November 15, 2019	To ensure better Corporate Governance and compliance with Companies Act, 2013
2.	Mr. Mukund Narayan Kulkarni	Change in Designation as Chairman & Managing Director w.e.f. December 10, 2019	To ensure better Corporate Governance and compliance with Companies Act, 2013
3.	Mr. Suresh GunwantFegde	Re-designated as Whole time Director w.e.f. December 10, 2019	To ensure better Corporate Governance and compliance with Companies Act, 2013
4.	Mrs. AlkaMukundKulkarni	Change in designation from Director to Non-Executive Director w.e.f. December 10, 2019	To ensure better Corporate Governance and compliance with Companies Act, 2013
5.	Mr. Aditya MukundKulkarni	Appointed as Additional Director w.e.f. December 10, 2019 and Regularized as Non-Executive Director in the EGM dated December 21, 2019	To ensure better Corporate Governance and compliance with Companies Act, 2013
6.	Mr. Prakash Gangadhar Pathak	Appointed as Additional Independent Director w.e.f. December 10, 2019 and regularized as Independent Director in the EGM dated December 21, 2019	To ensure better Corporate Governance and compliance with Companies Act, 2013
7.	Mr. Sunilkumar Satyanarayan Dayama	Appointed as Additional Independent Director w.e.f. December 10, 2019 and regularized as Independent Director in the EGM dated December 21, 2019	To ensure better Corporate Governance and compliance with Companies Act, 2013

**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, 2018 will be applicable to our Company immediately upon the listing of our Company’s Equity Shares on the SME Platform of BSE. 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 December 20, 2019 as per the applicable provisions of the Section 177 of the Companies Act, 2013. The constituted Audit Committee comprises following members:

Name of the Director	Status in Committee	Nature of Directorship
Mr. Prakash Gangadhar Pathak	Chairman	Independent Director
Mr. Sunilkumar Satyanarain Dayama	Member	Independent Director
Mr. Mukund Narayan Kulkarni	Member	Chairman & 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 as and when the need arise. The quorum for the meeting shall be one third of the total strength of the committee or two members, whichever is higher.

**C. Role and Powers:** Set forth below are the scope, functions and the terms of reference of our Audit Committee, in accordance with Section 177 of the Companies Act.

### Powers of Audit Committee:

The Audit Committee shall have powers, including the following:

- ✓ To investigate any activity within its terms of reference;
- ✓ To seek information from any employee;
- ✓ To obtain outside legal or other professional advice; and
- ✓ To secure attendance of outsiders with relevant expertise, if it considers necessary.

### Role of Audit Committee:

The role of the Audit Committee shall include the following:

- Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
- Review and monitor the auditor’s independence and performance, and effectiveness of audit process;
- Examination of the financial statement and the auditors’ report thereon;
- Approval or any subsequent modification of transactions of the company with related parties;
- Scrutiny of inter-corporate loans and investments;
- Valuation of undertakings or assets of the company, wherever it is necessary;
- Evaluation of internal financial controls and risk management systems;
- Monitoring the end use of funds raised through public offers and related matters
- To do all acts, deeds and things as may be required or considered necessary or incidental in the above matters along with another terms as may be decided by the Board.

## 2. Stakeholders Relationship Committee

Our Company has formed the Stakeholders Relationship Committee as per the applicable provisions of the Section 178 of the Companies Act, 2013 and Regulation 20 of SEBI Listing Regulation, 2015 vide Resolution dated December 20, 2019 The constituted Stakeholders Relationship Committee comprises the following:

Name of the Director	Status in Committee	Nature of Directorship
Mr. Aditya Mukund Kulkarni	Chairman	Non-Executive Director
Mrs. Alka Mukund Kulkarni	Member	Non-Executive Director
Mr. Sunilkumar Satyanarain Dayama	Member	Independent 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 committee shall meet as and when the need arise. The quorum for the meeting shall be one third of the total strength of the committee or two members, whichever is higher.
- C. Terms of Reference:** Set forth below are the terms of reference of our Stakeholders' Relationship Committee:-
- Considering and resolving grievances of shareholders', debenture holders and other security holders;
  - Redressal of grievances of the security holders of our Company, including complaints in respect of transfer of shares, non-receipt of declared dividends, balance sheets of our Company, etc.;
  - Allotment of Equity Shares, approval of transfer or transmission of equity shares, debentures or any other securities;
  - Issue of duplicate certificates and new certificates on split/consolidation/renewal, etc.
  - Overseeing requests for dematerialization and rematerialization of shares; and
  - Carrying out any other function contained in the equity listing Obligations and Disclosure Requirements as and when amended from time to time.

### 3. Nomination and Remuneration Committee

Our Company has formed the Nomination and Remuneration Committee as per the applicable provisions of the Section 177 of the Companies Act, 2013 and Regulation 19 of SEBI Listing Regulation, 2015 vide Resolution dated December 20, 2019. The Nomination and Remuneration Committee comprise the following:

Name of the Director	Status in Committee	Nature of Directorship
Mr. Sunilkumar Satyanarain Dayama	Chairman	Independent Director
Mr. Prakash Gangadhar Pathak	Member	Independent Director
Mrs. Alka Mukund Kulkarni	Member	Non-Executive Director

The Company Secretary of our Company shall act as a Secretary to the Nomination and Remuneration Committee. 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 is entitled to attend the General Meeting of the Company to furnish clarifications to the shareholders on any matter relating to remuneration.

**C. Role of Terms of Reference:**

- Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to our Board a policy relating to the remuneration of the directors, key managerial personnel and other employees;
- Formulation of criteria for evaluation of independent directors and our Board;

- Devising a policy on Board diversity;
- Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to our Board their appointment and removal;
- To recommend to the Board policy relating to remuneration for Directors, Key Managerial Personnel and Senior Management.
- Ensure that level and composition of remuneration is reasonable and sufficient, relationship of remuneration to performance is clear and meets appropriate performance benchmarks
- Recommend to the Board, remuneration including salary, perquisite and commission to be paid to the Company's Executive Directors on an annual basis or as may be permissible by laws applicable.
- Considering and recommending grant of employees stock option, if any, and administration and superintendence of the same; and
- The Nomination and Remuneration Committee shall meet as and when required. The quorum shall be two members present, or one-third of the members, whichever is greater.

### 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 2019 (in ₹Lacs)	Overall experience (in years)	Previous employment
Mr. Mukund Narayan Kulkarni <b>Designation:</b> Chairman and Managing Director <b>Educational Qualification</b> -Diploma in Mechanical Engineering <b>Term of Office:</b> 5 years	60	2019	-	38	-
Mr. Suresh Gunwant Fegde <b>Designation:</b> Whole time Director <b>Educational Qualification</b> - Industrial Training Course from ITI, Nashik <b>Term of Office:</b> 5 years	62	2006	40.70	38	-
Mrs. Priya Anuj Khadilkar <b>Designation:</b> Company Secretary and Compliance Officer <b>Educational Qualification</b> - Company Secretary	36	2019	-	2	Practicing CS Firm
Mr. Suresh Jagdale <b>Designation:</b> Chief Financial Officer <b>Educational Qualification</b> –Masters in Business Administration	46	2006 (Promoted as CFO in 2019)	4.55 (as employee)	19	-

### BRIEF PROFILE OF KEY MANAGERIAL PERSONNEL

**Mr. Mukund Narayan Kulkarni-** Please refer to section “Brief Profile of our Directors” beginning on page 117 of this Prospectus for details.

**Mr. Suresh Gunwant Fegde-** Please refer to section “Brief Profile of our Directors” beginning on page 117 of this Prospectus for details.

**Mrs. Priya Anuj Khadilkar** is the Company Secretary and Compliance officer of our Company. She is a qualified Company Secretary from Institute of Company Secretaries of India and has an experience of 2 years in secretarial field. She looks after the overall corporate governance and secretarial matters of our Company. She has joined our Company on December 10, 2019.

**Mr. Suresh Jagdale** is the Chief Financial Officer of our Company. He has completed his Master's in Business Administration from Yashwantrao Chavan Maharashtra Open University, Nashik in 2014. He was promoted as CFO on December 10, 2019. He is responsible for the overall Accounts & Finance function of our Company.

**We confirm that:**

- a. All the persons named as our Key Managerial Personnel above are the permanent employees of our Company.
- b. 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.
- c. None of our KMPs except Mr. Mukund Narayan Kulkarni and Mr. Suresh Gunwant Fegde are also part of the Board of Directors.
- d. In respect of all above mentioned Key Managerial Personnel there has been no contingent or deferred compensation accrued for the year ended March 2019.
- e. 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.
- f. Our Company does not have any bonus/profit sharing plan for any of the Key Managerial Personnel.
- g. None of the Key Managerial Personnel in our Company hold any shares of our Company as on the date of filing of this Prospectus except as under:-

Sr. No.	Name of the KMP	No. of Shares held
1	Mr. Mukund Narayan Kulkarni	100
2	Mr. Suresh Gunwant Fegde	35,52,164
	<b>Total</b>	<b>35,52,264</b>

- h. Presently, we do not have ESOP/ESPS scheme for our employees.
- i. 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 as disclosed in this Prospectus and any statutory payments made by our Company to its officers, our Company has not paid any sum, any non-salary related amount or benefit to any of its officers or to its employees including amounts towards superannuation, ex-gratia/rewards.

Except statutory benefits upon termination of employment in our Company or superannuation, no officer of our Company is entitled to any benefit upon termination of such officer's employment in our Company or superannuation. Contributions are made by our Company towards provident fund, gratuity fund and employee state insurance.

**Changes in the Key Managerial Personnel in last three years:**

There have been no changes in the Key Managerial Personnel of our Company during the last 3 (three) year except as stated below:

Sr. No.	Name	Designation and period	Appointment/Cessation/Re-designation	Reasons
1.	Mr. Mukund Narayan Kulkarni	Chairman & Managing Director (w.e.f. December 10, 2019)	Re-designation	To comply with the provisions of Companies Act 2013 and to ensure better Corporate Governance
2.	Mr. Suresh Gunwant Fegde	Whole time Director (w.e.f. December 10, 2019)	Re-designation	To comply with the provisions of Companies Act 2013 and to ensure better Corporate Governance
3.	Mr. Suresh Jagdale	Chief Financial Officer	Appointment	To comply with the provisions of



		(w.e.f. December 10, 2019)		Companies Act 2013 and to ensure better Corporate Governance
4.	Mrs. Priya Anuj Khadilkar	Company Secretary & Compliance Officer (w.e.f. December 10, 2019)	Appointment	To comply with the provisions of Companies Act 2013 and to ensure better Corporate Governance

### **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 –Annexure XXXIV - Related Party Transactions**" beginning on page 172 of this Prospectus.

### **Interest in the property of our Company**

Our KMPs do not have any interest in any property acquired by our Company in a period of two years before filing of this Prospectus or proposed to be acquired by us as on date of filing this Prospectus with RoC.

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

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

### **Loans given/availed by Directors / Key Managerial Personnel of Our Company**

For details of 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 XXXIV –Statement of Related Party Transactions**" page 172 of this Prospectus.

### **ESOP/ESPS SCHEME TO EMPLOYEES**

Presently, we do not have any ESOP/ESPS Scheme for our employees.






## OUR PROMOTERS & PROMOTER GROUP

### Our Promoters:

Mr. Mukund Narayan Kulkarni, Mr. Suresh Gunwant Fegde and Mrs. Alka Mukund Kulkarni are the Promoters of our Company. As on the date of this Prospectus, our Promoters collectively holds 1,04,47,616 equity shares of our Company. Our Promoters and Promoter Group will continue to hold the majority of the post-issue paid-up Equity Share Capital of our Company.

### Brief Profile of our Promoters is as under:

	<b>Mr. Mukund Narayan Kulkarni- Chairman&amp; Managing Director</b>	
	<b>Qualification</b>	Diploma in Mechanical Engineering
	<b>Age</b>	60 years
	<b>Date of Birth</b>	August 08, 1959
	<b>Address</b>	Alkund Bunglow, Krishna Colony, Shivaji Nagar, Jail Road, Nashik Road, Nashik – 422101, Maharashtra, India
	<b>Total Experience in business &amp; employment</b>	38 Years
	<b>Occupation</b>	Business
	<b>PAN No.</b>	AHDPK9277F
	<b>Driving License Number</b>	Expired
	<b>Aadhar Card Number</b>	7740 6462 7844
	<b>No. of Equity Shares held in SMASL &amp;[% of Shareholding (Pre Issue)]</b>	100 Equity Shares aggregating to 0.00% of Pre Issue Paid up Share Capital
	<b>Other Interests</b>	<b>Directorships in other Companies:</b> <ol style="list-style-type: none"> <li>1. SM Autovision Private Limited</li> <li>2. BBN Global Association</li> </ol> <b>HUFs:</b> Nil  <b>AOP:</b> S.M. Education and Welfare Fund
		<b>Mr. Suresh Gunwant Fegde – Whole Time Director</b>
<b>Qualification</b>		Industrial Training Course from ITI, Nashik
<b>Age</b>		62 years
<b>Date of Birth</b>		May 01, 1957
<b>Address</b>		Plot No. 9, Jay Ambe Colony, Shivaji Nagar, Jail Road, Nashik Road, Nashik -422101, Maharashtra, India
<b>Total Experience in business &amp; employment</b>		38 Years
<b>Occupation</b>		Business
<b>PAN No.</b>		AAAPF6402F
<b>Driving License Number</b>		MH1520070009091
<b>Aadhar Card Number</b>		846947471302
<b>No. of Equity Shares held in SMASL &amp;[% of Shareholding (Pre Issue)]</b>		35,52,164 Equity Shares aggregating to 34.00% of Pre Issue Paid up Share Capital
<b>Other Interests</b>		<b>Directorships in other Companies:</b> Nil  <b>HUFs:-</b> Nil  <b>AOP:</b> S.M. Education and Welfare Fund

	<b>Alka Mukund Kulkarni – Non Executive Director</b>	
	<b>Qualification</b>	Master of Commerce
	<b>Age</b>	58 Years
	<b>Date of Birth</b>	October 31, 1961
	<b>Address</b>	Alkund Bunglow, Krishna Colony, Shivaji Nagar, Jail Road, Nashik Road, Nashik – 422101, Maharashtra, India
	<b>Total Experience in business &amp; employment</b>	36 Years
	<b>Occupation</b>	Business
	<b>PAN No.</b>	AFBPK7519L
	<b>Driving License Number</b>	MH1520020120372
	<b>Aadhar Card Number</b>	491778752635
	<b>No. of Equity Shares held in SMASL &amp; [% of Shareholding (Pre Issue)]</b>	68,95,352 Equity Shares aggregating to 66.00% of Pre Issue Paid up Share Capital
	<b>Other Interests</b>	<b>Directorships in other Companies:</b> Nil  <b>HUFs:</b> Nil  <b>AOP:</b> S.M. Education and Welfare Fund

For brief biography of our Individual Promoters, please refer to Chapter titled “Our Management” beginning on page 116 of this Prospectus.

### **Confirmations/Declarations**

In relation to our Promoters, Mr. Mukund Narayan Kulkarni, Mr. Suresh Gunwant Fegde and Mrs. Alka Mukund Kulkarni, our Company confirms that the PAN, bank account numbers and passport numbers have been submitted to BSE at the time of filing of this Prospectus.

### **Interest of our Promoters**

#### ***Interest in promotion of Our Company:***

Our Promoters are interested in the promotion of our Company and also to the extent of their shareholding and shareholding of their relatives, from time to time, for which they are entitled to receive dividend payable, if any, and other distribution in respect of the Equity Shares held by them and their relatives. As on the date of this Prospectus, Our Promoters, Mr. Mukund Narayan Kulkarni, Mr. Suresh Gunwant Fegde and Mrs. Alka Mukund Kulkarni collectively hold 1,04,47,616 Equity Shares in our Company i.e. 99.99% of the pre issue paid up Equity Share Capital of our Company. Our Promoters may also be deemed to be interested to the extent of their remuneration, as per the terms of their appointment and reimbursement of expenses payable to them and unsecured loan given by them to our Company, if any.

For details regarding the shareholding of our Promoters in our Company, please see “**Capital Structure**” on page 55 of this Prospectus

#### ***Interest in the property of Our Company:***

None of our promoters or directors has any interest in any property acquired by our Company in a period of two years before filing of this Prospectus or proposed to be acquired by us as on date of this Prospectus.

#### ***In transactions for acquisition of land, construction of building and supply of machinery***

None of our promoters or directors is interested in any transaction for the acquisition of land, construction of building or supply of machinery.



**Other Interests in our Company**

For transactions in respect of loans and other monetary transactions entered in past please refer **Annexure XXXIV** on “**Related Party Transactions**” on page 172 forming part of “**Financial Information of the Company**” of this Prospectus.

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 “**Financial Information of Our Company**” on page 184 and 133 respectively of this 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 116 also refer Annexure XXXIV on “**Related Party Transactions**” on page 172 forming part of “**Financial Information of the Company**” and Paragraph on “**Interest of Promoter**” in chapter titled “**Our Promoter and Promoter Group**” on page 127 of this Prospectus.

**Companies/Firms with which our Promoters have disassociated in the last (3) three years**

Our promoters have not disassociated themselves from any of the Company, Firms or other entities during the last three years preceding the date of this Prospectus.

**Other ventures of our Promoter**

Save and except as disclosed in this section titled “**Our Promoter & Promoter Group**” beginning on page 127 of this Prospectus, there are no other ventures, in which our Promoters have any business interests/ other interests.

**Litigation details pertaining to our Promoter**

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 205 of this Prospectus.

**Experience of Promoters in the line of business**

Our Promoter, Mr. Mukund Narayan Kulkarni and Mr. Suresh Gunwant Fegdehas an experience of around 22 years each in auto components business and Mrs. Alka Mukund Kulkarni has an experience of around 5 years in the auto component business. The Company shall also endeavor to ensure that relevant professional help is sought as and when required in the future.

**Related Party Transactions**

For the transactions with our Promoter Group, please refer to section titled “**Annexure – XXXIV- Related Party Transactions**” on page 172 of this Prospectus.

***Nature of relationship between our Promoters:***

The Promoters of our Company are related to each other within the meaning of section 2(77) of the Companies Act, 2013.

Sr. No.	Name of the Director/KMP	Relationship with other Directors/KMPs
1.	Mr. Mukund Narayan Kulkarni	Husband of Mrs. Alka Mukund Kulkarni
2.	Mrs. Alka Mukund Kulkarni	Wife of Mr. Mukund Narayan Kulkarni

**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)(pp) of the SEBI (ICDR) Regulations, 2018, the Natural persons who are part of the Promoter Group (due to their relationship with the Promoters) are as follows:

Relationship with Promoter	Mukund Narayan Kulkarni
Father	Narayan Yeshwant Kulkarni
Mother	Mangala Narayan Kulkarni
Spouse	Alka Mukund Kulkarni
Brother	Hari Narayan Kulkarni Sham Narayan Kulkarni Milind Narayan Kulkarni
Sister	-
Son	Aditya Mukund Kulkarni Ajinkya Mukund Kulkarni
Daughter	-
Spouse's Father	Purushottam Ranganath Joshi
Spouse's Mother	Sindhubai Purushottam Joshi
Spouse's Brother	Sanjay Purushottam Joshi
Spouse's Sister	-

Relationship with Promoter	Suresh Gunwant Fegde
Father	Gunwant Narayan Fegde
Mother	Sau Rahibai Gunwant Fegde
Spouse	Sau Nayana Suresh Fegde
Brother	Dilip Gunwant Fegde
Sister	Sau Deepali Ulhas Mahajan Sau Lata Girishankar Patil
Son	Jayant Suresh Fegde
Daughter	Dhanshri Mohan Attarde Bhagyashri Pankaj Chaudhari
Spouse's Father	Rajaram Omkar Patil
Spouse's Mother	Sau Rajani Rajaram Patil
Spouse's Brother	Umakant Rajaram Patil
Spouse's Sister	-

Relationship with Promoter	Alka Mukund Kulkarni
Father	Purushottam Ranganath Joshi
Mother	Sindhubai Purushottam Joshi
Spouse	Mukund Narayan Kulkarni
Brother	Sanjay Purushottam Joshi
Sister	-
Son	Aditya Mukund Kulkarni Ajinkya Mukund Kulkarni
Daughter	-
Spouse's Father	Narayan Yeshwant Kulkarni
Spouse's Mother	Mangala Narayan Kulkarni
Spouse's Brother	Hari Narayan Kulkarni Sham Narayan Kulkarni Milind Narayan Kulkarni
Spouse's Sister	-

## 2. Corporate Entities or Firms forming part of the Promoter Group

As per Regulation 2(1)(pp) of the SEBI (ICDR) Regulations, 2018, the following entities would form part of our Promoter Group:

S.No.	Nature of Relationship	Entity
1	Any Body corporate in which 20% 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	<ul style="list-style-type: none"> <li>• SM Autovision Private Limited</li> <li>• Questo Wellbeing Private Limited</li> <li>• Whisperingwoods Technologies Private Limited</li> <li>• SM Celebrations LLP</li> <li>• Epiflux Technologies Private Limited*</li> </ul>
2	Any company in which a company mentioned in (1) above, holds 20% or more, of the equity share capital	-
3	Any HUF or firm in which the aggregate shareholding of the Promoter and his immediate relatives is equal to or more than 20% of the total	AOP: S.M. Education and Welfare Fund

\*under process of striking off

### Other persons included in Promoter Group:

Mrs. Reshma Jayant Fegde also forms part of promoter group for the purpose of shareholding of the Promoter Group under Regulation 2(1) (pp)(v) of SEBI (ICDR) Regulations.

## **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 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 five financial 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.

## SECTION VI – FINANCIAL INFORMATION OF THE COMPANY

### Independent Auditor's Report for the Restated Consolidated Financial Statements of SM Auto Stamping Limited

**The Board of Directors,  
SM Auto Stamping Limited  
J – 41, Ambad MIDC,  
Nashik 422010.**

**Dear Sirs,**

1. We have examined the attached Restated Consolidated Financial Information of **S M Auto Stamping Limited** (formerly known as **SM Auto Stamping Private Limited**) (the "Company" ) and its subsidiary **S M Auto Vision Private Limited** (the Company and its subsidiaries together referred to as the "Group"), comprising the Restated Consolidated Statement of Assets and Liabilities (**Annexure I**) as at September 30, 2019, March 31, 2019, 2018, and 2017, the Restated Consolidated Statements of Profit and Loss (**Annexure II**), the Restated Consolidated Cash Flow Statement (**Annexure III**) for the six month period ended September 30, 2019 and for the years ended March 31, 2019, 2018, and 2017, the Summary Statement of Significant Accounting Policies (**Annexure IV**), and other explanatory information (collectively, the "**Restated Consolidated Financial Information**"), as approved by the Board of Directors of the Company for the purpose of inclusion in the Prospectus prepared by the Company in connection with its proposed Initial Public Offer (IPO) of equity on SME Platform of BSE Limited ("BSE").

2. These Restated Summary Statements have been prepared in terms of the requirements of:

(i) Section 26 of Part I of Chapter III to the Companies Act, 2013 ("the Act") read with Companies (Prospectus and Allotment of Securities) Rules 2014;

(ii) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2018 ("ICDR Regulations") issued by the Securities and Exchange Board of India ("SEBI") in pursuance to Section 11 of the Securities and Exchange Board of India Act, 1992 and related amendments / clarifications from time to time;

(iii) The Guidance Note on Reports in Company Prospectus (Revised 2019) issued by the Institute of Chartered Accountants of India ("**ICAI**"), as amended from time to time ("**Guidance Note**").

3. The Company's Board of Directors are responsible for the preparation of the Restated Consolidated Financial Information for the purpose of inclusion in the Draft Prospectus/Prospectus to be filed with Securities and Exchange Board of India, SME Platform of BSE Limited ("BSE") in connection with the proposed IPO. The Restated Consolidated Financial Information have been prepared by the management of the Company on the basis of preparation stated in notes to the Restated Consolidated Financial Information. Responsibility of the respective Board of Directors of the companies included in the Group includes designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the Restated Consolidated Financial Information. The respective Board of Directors are also responsible for identifying and ensuring that the Group complies with the Act, ICDR Regulations and the Guidance Note.

4. We have examined such Restated Consolidated Financial Information taking into consideration:

(i) The terms of reference to our engagements with the Company letter dated June 03, 2019 requesting us to carry out the assignment, in connection with the Draft Prospectus/Prospectus being issued by the Company for its proposed Initial Public Offering of equity shares in SME Platform of BSE Limited ("BSE") "SME IPO";and

(ii) The Guidance Note on Reports in Company Prospectus (Revised 2019) issued by the Institute of Chartered Accountants of India ("**ICAI**"), as amended from time to time ("**Guidance Note**")

(iii) Concepts of test checks and materiality to obtain reasonable assurance based on verification of evidence supporting the Restated Consolidated Financial Information; and



(iv) The requirements of Section 26 of the Act and the ICDR Regulations. Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Act, the ICDR Regulations and the Guidance Note in connection with the IPO.

5. These Restated Consolidated Financial Information of the Company have been extracted by the management from:

a. Audited interim consolidated financial statements of the Group as at and for the six month period ended September 30, 2019 prepared in accordance with Accounting Standard 25 (AS 25) for "Interim Financial Reporting", under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder; or by the Institute of Chartered Accountants of India, as applicable and other accounting principles generally accepted in India, which have been audited by us and approved by the Board of Directors.

b. The Audited Consolidated Financial Statements of the Company for the six month period ended on September 30, 2019 and for the financial years ended on March 31, 2019, 2018 and 2017 which have been audited by us and approved by the Board of Directors.

6. In accordance with the requirements of Part I of Chapter III of Act, ICDR Regulations, Guidance Note and Engagement Letter, we report that:

(i) The **"Restated Consolidated Statement of Assets and Liabilities"** as set out in **Annexure I** to this report, of the Company as at September 30, 2019, March 31, 2019, 2018, and 2017 are prepared by the Company and approved by the Board of Directors. These Consolidated Statement of Assets and Liabilities, as restated have been arrived at after making such adjustments and regroupings to the individual consolidated financial statements of the Company, as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes to the Restated Consolidated Financial Information as set out in **Annexure IV** to this Report.

(ii) The **"Restated Consolidated Statement of Profit and Loss"** as set out in **Annexure II** to this report, of the Company for the six month period ended September 30, 2019 and for the years ended March 31, 2019, 2018, and 2017 are prepared by the Company and approved by the Board of Directors. These Consolidated Statement of Profit and Loss, as restated have been arrived at after making such adjustments and regroupings to the individual consolidated financial statements of the Company, as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes to the Restated Consolidated Financial Information as set out in **Annexure IV** to this Report.

(iii) The **"Restated Consolidated Statement of Cash Flow"** as set out in **Annexure III** to this report, of the Company for the six month period ended September 30, 2019 and for the years ended March 31, 2019, 2018, and 2017 are prepared by the Company and approved by the Board of Directors. These Consolidated Statement of Cash Flow, as restated have been arrived at after making such adjustments and regroupings to the individual consolidated financial statements of the Company, as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes to Restated Consolidated Financial Information as set out in **Annexure IV** to this Report.

7. Based on the above, we are of the opinion that the Restated Consolidated Financial Statements have been made after incorporating:

a) Adjustments for the changes in accounting policies retrospectively in respective financial years/period to reflect the same accounting treatment as per the changed accounting policy for all reporting periods.

b) Adjustments for prior period and other material amounts in the respective financial years/period to which they relate and qualifications which require adjustments.

c) There are no extra-ordinary items that need to be disclosed separately in the accounts and qualifications requiring adjustments.

d) The adjustments as highlighted in Annexure IV has been made in respect of qualifications in the Audit Reports issued by the Statutory Auditors for the financial period/year as covered under these restated financial statements.

e) These Profits and Losses have been arrived at after charging all expenses including depreciation and after making such adjustments/restatements and regroupings as in our opinion are appropriate and are to be read in accordance with the Significant Accounting Polices and Notes to Restated Consolidated Financial Information as set out in **Annexure IV** to this report.

8. At the request of the company, we have also examined the following financial information ("Other Financial Information") proposed to be included in the offer document prepared by the management and approved by the board of directors of the company and annexed to this report:

1. Details of Share Capital as Restated as appearing in ANNEXURE V to this report;
2. Details of Reserves and Surplus as Restated as appearing in ANNEXURE VI to this report;
3. Details of Long Term Borrowings as Restated as appearing in ANNEXURE VII to this report;
4. Details of Deferred Tax Liabilities (Net) and Deferred Tax Assets as Restated as appearing in ANNEXURE VIII to this report;
5. Details of Other Long Term Liabilities (Net) as Restated as appearing in ANNEXURE IX to this report;
6. Details of Long Term Provisions as Restated as appearing in ANNEXURE X to this report;
7. Details of Short Term Borrowings as Restated as appearing in ANNEXURE XI to this report;
8. Details of Trade Payables as Restated as appearing in ANNEXURE XII to this report;
9. Details of Other Current Liabilities as Restated as appearing in ANNEXURE XIII to this report;
10. Details of Short Term Provisions as Restated as appearing in ANNEXURE XIV to this report;
11. Details of Fixed Assets as Restated as appearing in ANNEXURE XV to this report;
12. Details of Non-Current Investments as Restated as appearing in ANNEXURE XVI to this report;
13. Details of Long Term Loans & Advances as Restated as appearing in ANNEXURE XVII to this report;
14. Details of Other Non-Current Assets as Restated as appearing in ANNEXURE XVIII to this report;
15. Details of Inventories as Restated as appearing in ANNEXURE XIX to this report;
16. Details of Trade Receivables as Restated enclosed as ANNEXURE XX to this report;
17. Details of Cash and Cash Equivalents as Restated enclosed as ANNEXURE XXI to this report;
18. Details of Short Term Loans & Advances as Restated as appearing in ANNEXURE XXII to this report;
19. Details of Other Current Assets as Restated as appearing in ANNEXURE XXIII to this report;
20. Details of Revenue from Operations as Restated in ANNEXURE XXIV to this report;
21. Details of Other Income as Restated as appearing in ANNEXURE XXV to this report;
22. Details of Cost of Materials Consumed as Restated as appearing in ANNEXURE XXVI to this report;
23. Details of Cost of Trading Goods as Restated as appearing in ANNEXURE XXVII to this report;
24. Details of Changes in Inventories as Restated as appearing in ANNEXURE XXVIII to this report;
25. Details of Employee Benefit Expenses as Restated as appearing in ANNEXURE XXIX to this report;
26. Details of Finance Costs as Restated as appearing in ANNEXURE XXX to this report;



27. Details of Other Expenses as Restated as appearing in ANNEXURE XXXI to this report;
28. Capitalization Statement as Restated as at 30th September 2019 as appearing in ANNEXUREXXXII to this report;
29. Statement of Tax Shelters as Restated as appearing in ANNEXURE XXXIII to this report;
30. Details of Related Parties Transactions with the Directors as Restated as appearing in ANNEXURE XXXIV to this report;
31. Details of Significant Accounting Ratios as Restated as appearing in ANNEXURE XXXV to this report
32. Reconciliation of Contingent Liabilities as Restated as appearing in ANNEXURE XXXVI to this report.

9. We, M/s Milind M Kulkarni & Associates, have been subjected to the peer review process of the Institute of Chartered Accountants of India (“ICAI”) and hold a valid peer review certificate issued by the “Peer Review Board” of the ICAI.

10. The preparation and presentation of the Financial Statements referred to above are based on the Audited financial statements of the Company and are in accordance with the provisions of the Act and ICDR Regulations. The Financial Statements and information referred to above is the responsibility of the management of the Company.

11. The report should not in any way be construed as a re-issuance or re-drafting of any of the previous audit reports issued by the statutory auditors nor should this report be construed as a new opinion on any of the financial statements referred to therein.

12. We have no responsibility to update our report for events and circumstances occurring after the date of the report.

13. In our opinion, the above financial information contained in Annexure I to XXXVI of this report read with the respective Significant Accounting Policies and Notes to Restated Summary Statements as set out in Annexure IV and Annexure V are prepared after making adjustments and regrouping as considered appropriate and have been prepared in accordance with the Act, ICDR Regulations, Engagement Letter and Guidance Note.

14. Our report is intended solely for use of the management and for inclusion in the Offer Document in connection with the SME IPO. Our report should not be used, referred to or adjusted for any other purpose except with our consent in writing.

**For Milind M Kulkarni & Associates**  
**Chartered Accountants**  
**Firm Registration No.: 126975W**

**Sd/-**

**Atul Deshpande**  
**Partner**  
**Membership No.: 118218**  
**UDIN 20118218AAAABH6946**  
**Date: February 08, 2020**  
**Place: Nashik**

**ANNEXURE - I**  
**CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES AS RESTATED**

(Amt. in Lakhs)

Particulars	Annexure No.	As at Sept. 30, 2019	As At March 31st		
			2019	2018	2017
<b>EQUITY AND LIABILITIES</b>					
<b>Shareholders' Funds</b>					
a. Share Capital	V	1,044.78	130.60	130.60	130.60
b. Reserves & Surplus	VI	80.53	990.02	724.62	640.62
c. Preference Shares issues by Subsidiary Company		114.00	114.00	114.00	114.00
d. Minority Interest		91.93	92.52	51.16	61.58
Share Application Money Pending Allotment		-	-	-	-
<b>Non Current Liabilities</b>					
a. Long Term Borrowings	VII	926.25	818.33	969.86	1,409.26
b. Deferred Tax Liabilities	VIII	-	-	70.67	56.16
c. Other Long term liabilities	IX	69.25	58.81	69.76	74.99
d. Long Term Provisions	X	82.15	69.21	54.83	37.36
<b>Current Liabilities</b>					
a. Short Term Borrowings	XI	1,036.29	964.95	787.25	823.48
b. Trade Payables	XII	574.49	1,411.79	1,663.78	1,261.52
c. Other Current Liabilities	XIII	602.55	560.15	568.77	569.06
d. Short Term Provisions	XIV	103.53	121.79	83.73	73.77
<b>TOTAL (1+2+3+4)</b>		<b>4,725.75</b>	<b>5,332.17</b>	<b>5,289.03</b>	<b>5,252.40</b>
<b>ASSETS</b>					
<b>Non Current Assets</b>					
a. Fixed Assets					
i. Tangible Assets	XV	4,233.28	4,100.87	3,949.39	3,874.16
Less: Accumulated Depreciation		(1,833.41)	(1,723.02)	(1,495.50)	(1,267.34)
ii. Intangible Assets		3.37	2.29	0.96	3.39
iii. Intangible Assets under development		-	-	-	-
iv. Capital Work in Progress		31.21	31.28	-	2.71
<b>Net Block</b>	XV	2,434.45	2,411.42	2,454.85	2,612.92
b. Deferred Tax Assets (Net)	VIII	17.13	34.24	-	-
c. Non-current Investments	XVI	5.30	5.30	5.25	5.25
d. Long Term Loans & Advances	XVII	34.12	32.42	79.07	40.73
e. Other non-current assets	XVIII	-	-	-	-
<b>Current Assets</b>					
a. Inventories	XIX	883.96	1,040.77	975.06	1,149.63
b. Trade Receivables	XX	1,046.80	1,548.54	1,448.85	1,032.31
c. Cash and Cash Equivalents	XXI	17.20	19.06	28.33	40.18
d. Short Term Loans & Advances	XXII	124.78	102.11	72.24	159.29
e. Other Current Assets	XXIII	162.01	138.31	225.38	212.09
<b>TOTAL (5+6)</b>		<b>4,725.75</b>	<b>5,332.17</b>	<b>5,289.03</b>	<b>5,252.40</b>

## ANNEXURE – II

## CONSOLIDATED STATEMENT OF PROFIT AND LOSS AS RESTATED

(Amt. in Lakhs)

Sr. No.	Particulars	Annexure No.	For the 6 months period ended Sept. 30, 2019	For the Year Ended March 31st		
				2019	2018	2017
<b>A</b>	<b>INCOME</b>					
	Revenue from Operations	XXIV	3,154.28	7,530.53	6,335.07	5,083.48
	Other Income	XXV	67.39	99.56	254.67	252.82
	<b>Total Income (A)</b>		<b>3,221.67</b>	<b>7,630.09</b>	<b>6,589.74</b>	<b>5,336.30</b>
<b>B</b>	<b>EXPENDITURE</b>					
	Cost of materials consumed	XXVI	2,214.22	5,623.46	4,710.42	3,812.40
	Cost of trading goods	XXVII	-	-	-	-
	Changes in inventories of finished goods, traded goods and work-in-progress	XXVIII	113.36	(10.38)	174.18	(27.23)
	Employee benefit expenses	XXIX	348.04	705.21	552.66	475.44
	Finance costs	XXX	122.04	221.45	268.98	340.64
	Depreciation and amortisation expense	XV	110.91	228.58	230.82	253.20
	Other Expenses	XXXI	269.85	607.59	542.03	607.71
	<b>Total Expenses (B)</b>		<b>3,178.42</b>	<b>7,375.91</b>	<b>6,479.09</b>	<b>5,462.16</b>
<b>C</b>	<b>Profit before tax</b>		43.25	254.18	110.65	(125.86)
	Tax expense :					
	(i) Current tax	XXXIII	22.04	52.33	22.56	18.93
	(ii) Deferred tax	VIII	17.11	(104.91)	14.50	31.89
	(iii) MAT credit		-	-	-	-
<b>E</b>	<b>Total Tax Expense</b>		<b>39.15</b>	<b>(52.58)</b>	<b>37.06</b>	<b>50.82</b>
	<b>Net profit/(loss) after tax , as restated, before minority interest</b>		4.10	306.76	73.59	(176.68)
	Less: Minority share in (Profit) and loss		0.60	(41.36)	10.41	3.57
	<b>Net Profit and loss as restated</b>		<b>4.70</b>	<b>265.40</b>	<b>84.00</b>	<b>(173.11)</b>

**ANNEXURE - III**  
**CONSOLIDATED STATEMENT OF CASH FLOW AS RESTATED**

(Amt. in Lakhs.)

Particulars	As at Sept. 30, 2019	As at March 31, 2019	As at March 31, 2018	As at March 31, 2017
<b>Cash flow from operating activities:</b>				
Net Profit before tax as per Profit And Loss A/c	43.25	254.18	110.65	(125.86)
Adjusted for:	-	-	-	-
Extra-ordinary Items	-	-	-	-
Depreciation & Amortisation	110.91	228.58	230.82	253.20
Provision for Gratuity	21.92	20.44	19.39	31.27
Interest & Finance Cost	122.04	221.45	268.98	340.64
Interest income	(0.40)	(1.97)	(1.78)	(2.45)
Dividend Income	(0.77)	(0.83)	(0.79)	(1.23)
Loss / (Profit) on Sale of Assets	-	-	(64.20)	-
Other Non Operating Income	(66.23)	(96.75)	(187.90)	(249.15)
<b>Operating Profit Before Working Capital Changes</b>	<b>230.72</b>	<b>625.10</b>	<b>375.17</b>	<b>246.42</b>
Adjusted for (Increase)/ Decrease:				
Inventories	156.81	(65.71)	174.57	21.53
Trade Receivables	501.74	(99.69)	(416.54)	(111.71)
Other Current assets	(23.70)	87.07	(13.29)	(116.05)
Loans and advances and other assets	1.82	(35.05)	113.15	17.58
Other Non Current Assets	-	-	-	-
Trade payables	(837.29)	(251.99)	402.26	369.47
Other Current Liabilities	42.40	(8.62)	(0.29)	107.70
Short Term Provisions	(17.47)	34.75	4.40	(1.33)
Other Long Term Liabilities	10.44	(10.95)	(5.23)	(7.90)
Long Term Provisions	(7.00)	(5.00)	-	(15.00)
<b>Cash Generated From Operations Before Extra-Ordinary Items</b>	<b>58.47</b>	<b>269.91</b>	<b>634.20</b>	<b>510.71</b>
Add:- Extra-Ordinary Items				
<b>Cash Generated From Operations</b>	<b>58.47</b>	<b>269.91</b>	<b>634.20</b>	<b>510.71</b>
Direct Tax Paid	(49.32)	(44.89)	(45.04)	(18.93)
<b>Net Cash Flow from/(used in) Operating Activities: (A)</b>	<b>9.15</b>	<b>225.02</b>	<b>589.16</b>	<b>491.78</b>
<b>Cash Flow From Investing Activities:</b>				
Purchase of Fixed Assets	(134.01)	(185.16)	(161.25)	(108.64)
Sale of Fixed Assets	0.07	0.00	152.71	1.04
Investments & Deposits	-	(0.05)	-	(66.01)
Long Term Loans and Advances	(1.70)	46.65	(38.34)	(5.84)
Interest Received	0.40	1.97	1.78	2.45
Dividend Received	0.77	0.83	0.79	1.23
Other Non Operating Income	66.23	96.75	187.90	249.15
<b>Net Cash Flow from/(used in) Investing Activities: (B)</b>	<b>(68.24)</b>	<b>(39.01)</b>	<b>143.59</b>	<b>73.38</b>
<b>Cash Flow from Financing Activities:</b>				
Proceeds From Share Capital	-	-	-	67.00
Proceeds From Share Application Money	-	-	-	-



Securities Premium on Shares Issued	-	-	-	2.00
Proceeds from Long Term borrowings (Net)	107.93	(151.53)	(439.40)	(107.19)
Proceeds from Short Term borrowings (Net)	71.34	177.70	(36.23)	(175.03)
Interest & Financial Charges	(122.04)	(221.45)	(268.97)	(340.64)
<b>Net Cash Flow from/(used in) Financing Activities ( C)</b>	<b>57.23</b>	<b>(195.28)</b>	<b>(744.60)</b>	<b>(553.86)</b>
Net Increase/(Decrease) in Cash & Cash Equivalents (A+B+C)	(1.86)	(9.27)	(11.85)	11.30
Cash & Cash Equivalents As At Beginning of the Year	19.06	28.33	40.18	28.88
Cash & Cash Equivalents As At End of the Year	<b>17.20</b>	<b>19.06</b>	<b>28.33</b>	<b>40.18</b>



## ANNEXURE – IV

### SUMMARY STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES & NOTES TO RESTATED CONSOLIDATED FINANCIAL INFORMATION

#### COMPANY OVERVIEW

SM Auto Stamping Limited (“the company”) was originally incorporated in name of SM Auto Stamping Private Limited in 2006 under the provisions of the Companies Act, 1956 with the Registrar of Companies, Maharashtra Mumbai. Subsequently, the Company was converted into a Public Limited Company and consequently the name of our Company was changed from “SM Auto Stamping Private Limited” to “SM Auto Stamping Limited” vide a fresh Certificate of Incorporation dated December 19, 2019 issued by the Registrar of Companies, Mumbai. The Company specializes in the production of Sheet Metal Pressed components for Automotive & Engineering Industries.

#### I. SIGNIFICANT ACCOUNTING POLICIES

##### A) BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The Restated Consolidated Statement of Assets and Liabilities (Annexure I) of the company as at September 30, 2019, March 31, 2019, 2018, and 2017, the Restated Consolidated Statements of Profit and Loss (Annexure II), the Restated Consolidated Cash Flow Statement (Annexure III) for the six month period ended September 30, 2019 and for the years ended March 31, 2019, 2018, and 2017 (hereinafter collectively referred to as “Restated Consolidated Financial Information”) have been extracted by the management from the audited interim consolidated financial statements of the group as at and for the six month period ended September 30, 2019 and audited financial statements of the group for the March 31, 2019, 2018, and 2017, approved by the respective Board of Directors of the companies.

These financial statements are prepared in accordance with Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention on the accrual basis. GAAP comprises mandatory accounting standards as prescribed under Section 133 of the Companies Act, 2013 (‘the Act’) read with Rule 7 of the Companies (Accounts) Rules, 2014, the provisions of the Act. The accounting policies adopted in the preparation of financial statements have been consistently applied. All assets and liabilities have been classified as current or non-current as per the company’s normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of operations and time difference between the provision of services and realization of cash and cash equivalents, the company has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities.

##### B) USE OF ESTIMATES

The preparation of financial statements is in conformity with Indian GAAP requires judgments, estimates and assumptions to be made that affect the reported amount of assets and liabilities, disclosure of contingent liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognised in the period in which the results are known / materialized.

##### C) ACCOUNTING CONVENTION

The group follows the mercantile system of accounting, recognizing income and expenditure on accrual basis. The accounts are prepared on historical cost basis and as a going concern. Accounting policies not referred to specifically otherwise, are consistent with the generally accepted accounting principles.

The following significant accounting policies are adopted in the preparation and presentation of these financial statements:

#### 1. Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

### **Sale of goods**

Revenue is recognised when the significant risks and rewards of ownership of the goods have been passed to the buyer. Sales are disclosed net of sales tax /GST/ VAT, trade discounts and returns, as applicable. Excise duties deducted from turnover (gross) are the amounts that are included in the amount of turnover.

### **Income from services**

Revenue from services is recognised when services have been rendered and there should be no uncertainty regarding consideration and its ultimate collection.

### **Interest Income**

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable."

### **Dividend Income**

Dividend Income is recognised on receipt basis.

## **2. Property, plant & equipment**

- a) Property, plant and equipment are stated as per Cost Model i.e., at cost less accumulated depreciation and impairment, if any;
- b) Costs directly attributable to acquisition are capitalized until the property, plant and equipment are ready for use, as intended by the management;
- c) Subsequent expenditures relating to property, plant and equipment are capitalized only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably. Repairs & maintenance costs are recognized in the Statement of profit & Loss when incurred;
- d) The cost and related accumulated depreciated are eliminated from the financial statements upon sale or retirement of the asset and the resultant gains or losses are recognized in the Statement of Profit or Loss. Assets to be disposed of are reported at the lower of the carrying value or the fair value less cost to sell;
- e) Depreciation on Tangible Assets in case of holding company is provided in such a manner so that the cost of asset (Net of realizable value) will be amortized over their estimated remaining useful life on WDV basis as per the useful life prescribed under Schedule II to the Companies Act 2013 and that of subsidiary is provided on SLM basis.
- f) Depreciation methods, useful lives, and residual values are reviewed periodically, including at each financial year end;

## **3. IMPAIRMENT**

The Management periodically assesses, using external and internal sources, whether there is an indication that an asset may be impaired. An impairment loss is recognized wherever the carrying value of an asset exceeds its recoverable amount. The recoverable amount is higher of the asset's net selling price and value in use, which means the present value of future cash flows expected to arise from the continuing use of the asset and its eventual disposal. An impairment loss for an asset is reversed if, and only if, the reversal can be related objectively to an event occurring after the impairment loss was recognized. The carrying amount of an asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognized for the asset in prior years.

## **4. INVENTORIES**

Inventories are valued after providing for obsolescence, as follows:

- a) Raw Materials, Stores & Spare parts and Packing Material-Lower of cost and net realizable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost is determined on Weighted Average Cost basis.

b) Work-in-Progress is valued at raw material cost plus proportionate conversion cost.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

## **5. RETIREMENT BENEFITS & OTHER EMPLOYEE BENEFITS**

### **Defined-contribution plans:**

All short term employee benefits are accounted on undiscounted basis during the accounting period based on services rendered by employees.

The Company's contribution to Provident Fund and Employees State Insurance Scheme is determined based on a fixed percentage of the eligible employees' salary and charged to the Statement of Profit and Loss on accrual basis.

The Group has made provision for payment of Gratuity to its employees. This Provision is made as per the method prescribed under the Payment of Gratuity Act. The cost of providing gratuity under this plan is determined on the basis of actuarial valuation at year end. Under the Gratuity Fund Plan, the holding company contributes to a LIC administered Group Gratuity Fund on behalf of employees.

## **6. FOREIGN EXCHANGE TRANSACTIONS**

Foreign-currency denominated monetary assets and liabilities if any are translated at exchange rates in effect at the Balance Sheet date. The gains or losses resulting from the transactions relating to purchase of current assets like Raw Material etc. are included in the Statement of Profit and Loss. Revenue, expense and cash-flow items denominated in foreign currencies are translated using the exchange rate in effect on the date of the transaction.

## **7. CASH FLOW STATEMENT**

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities are segregated.

## **8. BORROWING COSTS**

Borrowing costs that are directly attributable to the acquisition or construction of a qualifying asset are capitalized as part of the cost of that asset till such time the asset is ready for its intended use. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use. Costs incurred in raising funds are amortized equally over the period for which the funds are acquired. All other borrowing costs are charged to profit and loss account.

## **9. INCOME TAX**

The accounting treatment for the Income Tax in respect of the Company's income is based on the Accounting Standard on 'Accounting for Taxes on Income' (AS-22). The provision made for Income Tax in Accounts comprises both, the current tax and deferred tax. Provision for Current Tax is made on the assessable Income Tax rate applicable to the relevant assessment year after considering various deductions available under the Income Tax Act, 1961.

Deferred tax is recognised for all timing differences; being the differences between the taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Such deferred tax is quantified using the tax rates and laws enacted or substantively enacted as on the Balance Sheet date. The carrying amount of deferred tax asset/liability is reviewed at each Balance Sheet date and consequential adjustments are carried out.

## **10. EARNINGS PER SHARE**



Basic earnings per share is computed by dividing the net profit after tax by the weighted average number of equity shares outstanding during the period. Diluted earnings per share is computed by dividing the profit after tax by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

The diluted potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value which is the average market value of the outstanding shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

## 11. PROVISIONS AND CONTINGENT LIABILITIES

A provision is recognized if, as a result of a past event, the Company has a present legal obligation that is reasonably estimable, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by the best estimate of the likely future outflow of economic benefits required to settle the obligation at the reporting date.

Where no reliable estimate can be made, a disclosure is made as contingent liability. A disclosure for a contingent liability is also 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 in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

## 12. CASH & CASH EQUIVALENTS

Cash and cash equivalents comprise cash and cash on deposit with banks. The Company considers all highly liquid investments with a remaining maturity of twelve months or less, and which are readily convertible to known amounts of cash, to be cash equivalents.

## 13. SEGMENT REPORTING

Company is operating under a single segment

## 14. EMPLOYEE BENEFITS

The Company has adopted the Accounting Standard 15 (revised 2005) on Employee Benefits during the restated financials period. The disclosure as envisaged under the Accounting Standard is provided hereunder:

Details of Gratuity Expenses	For the period ended September 30, 2019	For the Year Ended 2018-19	For the Year ended 2017-18	For the Year Ended 2016-17
<b><u>Profit and loss account for the period</u></b>				
Current service cost	7.61	12.97	10.22	8.52
Interest on obligation	4.72	8.09	6.14	4.10
Expected return on plan assets	(1.81)	-3.46	-3.10	-2.34
Net actuarial loss/(gain)	11.39	5.48	-5.54	20.56
Recognised Past Service Cost-Vested	-	-	10.84	0.00
Loss (gain) on curtailments	-	-	0.81	0.00
<b>Total included in 'Employee Benefit Expense'</b>	<b>21.91</b>	<b>23.08</b>	<b>19.39</b>	<b>30.85</b>
prior year charge	-	-	-	1.08
<b>Total Charge to P&amp;L</b>	<b>21.91</b>	<b>23.08</b>	<b>19.39</b>	<b>30.85</b>
<b><u>Reconciliation of defined benefit obligation</u></b>				
Opening Defined Benefit Obligation	123.37	106.53	85.30	56.13
Transfer in/(out) obligation	-	-	-	-
Current service cost	7.61	12.97	10.22	8.52
Interest cost	4.72	8.09	6.14	4.10
Actuarial loss (gain)	11.36	5.23	-5.70	20.28
Past service cost	-	-	11.66	0.00



Benefits paid	-	-9.45	-1.10	-4.81
prior year charge	0.00	0.00	0.00	1.08
<b>Closing Defined Benefit Obligation</b>	<b>147.06</b>	<b>123.37</b>	<b>106.53</b>	<b>85.30</b>
<b>Table of experience adjustments</b>				
Defined Benefit Obligation	147.06	123.37	106.53	85.30
Plan Assets	51.15	42.37	40.98	39.14
<b>Surplus/(Deficit)</b>	<b>(95.91)</b>	<b>-81.00</b>	<b>-65.55</b>	<b>-46.16</b>
<b>Reconciliation of plan assets</b>				
Opening value of plan assets	42.37	40.98	39.14	26.90
Transfer in/(out) plan assets	-	-	-	-
Expenses deducted from the fund	-	-	-	-
Expected return	1.81	3.46	3.10	2.34
Actuarial gain/(loss)	(0.03)	-0.25	-0.17	-0.28
Contributions by employer	7.00	7.64	-	15.00
Benefits paid	-	-9.45	-1.10	-4.81
<b>Closing value of plan assets</b>	<b>51.15</b>	<b>42.37</b>	<b>40.98</b>	<b>39.14</b>
<b>Details of Gratuity Expenses</b>	<b>For the period ended September 30, 2019</b>	<b>For the Year Ended 2018-19</b>	<b>For the Year ended 2017-18</b>	<b>For the Year Ended 2016-17</b>
<b>Reconciliation of net defined benefit liability</b>				
Net opening provision in books of accounts	81.00	65.55	46.16	29.24
Transfer in/(out) obligation	-	-	-	-
Transfer (in)/out plan assets	-	-	-	-
Employee Benefit Expense	21.91	23.08	19.39	31.93
Benefits paid by the Company				
Contributions to plan assets	(7.00)	-7.64	-	-15.00
<b>Closing provision in books of accounts</b>	<b>95.91</b>	<b>81.00</b>	<b>65.55</b>	<b>46.16</b>
<b>Bifurcation of liability</b>				
Current Liability	13.77	11.79	10.72	8.80
Non-Current Liability	82.15	69.21	54.83	37.36
<b>Net Liability</b>	<b>95.91</b>	<b>81.00</b>	<b>65.55</b>	<b>46.16</b>
<b>Principle actuarial assumptions</b>				
<u>For SM Auto stamping Pvt Ltd</u>				
Discount Rate	7.45%	7.75%	7.70%	7.30%
Expected Return on Plan Assets	7.45%	7.75%	7.70%	7.30%
Salary Escalation Rate	10.00%	10.00%	10.00%	10.00%
Withdrawal Rates	5.00% p.a at younger ages reducing to 1.00% p.a at older ages	5.00% p.a at younger ages reducing to 1.00% p.a at older ages	5.00% p.a at younger ages reducing to 1.00% p.a at older ages	5.00% p.a at younger ages reducing to 1.00% p.a at older ages
<u>For SM Autovision Pvt Ltd</u>				
Discount Rate	7.40%	7.75%	7.70%	7.30%
Expected Return on Plan Assets	Not Applicable	Not Applicable	Not Applicable	Not Applicable
Salary Escalation Rate	10%	10%	10%	10%
Withdrawal Rates	5.00% p.a at younger ages reducing to 1.00% p.a at older ages	5.00% p.a at younger ages reducing to 1.00% p.a at older ages	5.00% p.a at younger ages reducing to 1.00% p.a at older ages	5.00% p.a at younger ages reducing to 1.00% p.a at older ages

II. NOTES TO RESTATED SUMMARY STATEMENTS:

The financial statements for the year ended on 31 March 2017, 2018 and 2019 and period ended on 30<sup>th</sup> September 2019 respectively are prepared as per Schedule III of the Companies Act, 2013:-

**1. Contingent liabilities and commitments (to the extent not provided for)**

A disclosure for a contingent liability is also made in the notes to restated financial restatements (Annexure – XXXVI) when there is a possible obligation that may, require an outflow of the Company's resources.

**2. Disclosure under Micro, Small and Medium Enterprises Development Act, 2006**

In the absence of information regarding outstanding dues of Micro or Small Scale Industrial Enterprise(s) as per The Micro, Small & Medium Enterprise Development Act, the Company has not disclosed the same as required by Schedule III to the Companies Act, 2013.

3. Related party transactions are already reported as per AS-18 of Companies (Accounting Standards) Rules, 2006, as amended, in the Annexure-XXXIV of the enclosed financial statements.

4. Deferred Tax liability/Asset in view of Accounting Standard – 22: “Accounting for Taxes on Income” as at the end of the year is as under:

(Rs. in lacs)

Particulars	For the period ended	For the Year Ended		
	September 30, 2019	2018-19	2017-18	2016-17
DTA/( DTL) on timing Difference in Depreciation as per Companies Act and Income Tax Act.	(481.59)	(418.53)	(332.53)	(236.40)
DTA /( DTL) on timing Differences in others	556.45	541.62	76.02	54.63
<b>Net Deferred Tax Asset/(Liability)</b>	<b>17.13</b>	<b>34.24</b>	<b>(70.67)</b>	<b>(56.16)</b>

**5. Directors' Remuneration:**

(Rs. in lacs)

Particulars	For the period ended September 30, 2019	For the Year Ended 2018-19	For the Year ended 2017-18	For the Year Ended 2016-17
<b>Holding Company</b>				
Directors' Remuneration	40.80	81.40	48.00	34.50
<b>Subsidiary Company</b>				
Directors' Remuneration	22.23	46.33	28.80	21.45
<b>Total</b>	<b>63.03</b>	<b>127.73</b>	<b>76.80</b>	<b>55.95</b>

**5a. Managerial's Remuneration:-**

Detail of payment and provisions on account of remuneration to managerial personnel are as under :-

(Rs. in lacs)

Particulars	For the period ended September 30, 2019	For the Year Ended 2018-19	For the Year ended 2017-18	For the Year Ended 2016-17
<b>Holding Company</b>				
Director Remuneration – Suresh Fegde	20.40	40.70	24.00	17.25
Director Remuneration – Alka Kulkarni	20.40	40.70	24.00	17.25

Subsidiary Company				
Director Remuneration – Mukund Kulkarni	20.40	39.10	24.00	17.25
Director Remuneration – Jayant Fegde	1.83	7.23	4.79	4.19

**6. Auditors' Remuneration:**

(Rs. in lacs)

Particulars	For period ended September 30, 2019	For the Year Ended		
		2018-19	2017-18	2016-17
a. As Auditors				
For Statutory & Tax Audit	1.16	2.63	2.40	2.45
For Taxation Matters	0.25	1.16	1.60	1.14
For Other Matters	0.20	0.44	0.25	0.08
<b>Total</b>	<b>1.61</b>	<b>4.23</b>	<b>4.25</b>	<b>3.67</b>

**7. Earnings Per Share :**

(Amt. Rs. in Lacs, except EPS)

Particulars	For period ended September 30, 2019	For the Year Ended		
		2018-19	2017-18	2016-17
A. Number of Shares at the beginning of the year (in lacs)	13.06	13.06	13.06	13.06
Shares issued during the year:				
- Allotment (Bonus Issue)	91.42	91.42	91.42	91.42
B. Total Number of equity shares outstanding at the end of the year (in lacs)	104.48	104.48	104.48	104.48
C. Weighted average number of equity shares outstanding during the year (in lacs)	104.48	104.48	104.48	104.48
D. Net profit after tax available for equity shareholders (excluding exceptional and extraordinary items) (as restated)	4.70	265.40	84.00	-173.11
E. Basic and Diluted earnings per share (Rs.) (D/C)	0.04	2.54	0.80	(1.66)

8. Figures have been rearranged and regrouped wherever practicable and considered necessary.

9. The management has confirmed that adequate provisions have been made for all the known and determined liabilities and the same is not in excess of the amounts reasonably required to be provided for.

10. The balances of trade payables, trade receivables, loans and advances are unsecured and considered as good are subject to confirmations of respective parties concerned.

**11. Realizations**

In the opinion of the Board and to the best of its knowledge and belief, the value on realization of current assets and loans and advances are approximately of the same value as stated.

**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 lacs. Figures in brackets indicate negative values.



#### 14. Impact of Audit Qualifications/Observations in Statutory Auditor's Report on Consolidated Financial Statements

The Audited Consolidated Financial Statements of the group includes certain qualifications in the Audit Reports on the consolidated financial statements of the group which are mentioned here below:-

##### Auditor's Observations which required adjustment in restated financial statements

- For the financial year ended **March 31, 2018**, and **March 31, 2019** we have drawn attention on the notes in consolidated financial statements in the Audit Report, which are reproduced hereunder:-

“Note 14 to the consolidated financial statements which state that, during the year company has changed accounting policy for valuation of inventory. The amount of duties and taxes is also included in the purchase cost of closing Inventory to comply with Income Computation and Disclosure Standards as prescribed under Income Tax law.”

For details in respect of adjustment made in restated consolidated financial statements, please refer to Note 16 Material Adjustments.

##### Auditor's Observations which do not require any corrective adjustments:

- For the financial year ended **March 31, 2017**, we have made an observation in the Audit Report, which is reproduced hereunder:-

*“The records of inventory maintained by the group are not proper and sufficient to verify the stock declared by the group. Consequently, we were unable to determine whether any adjustment to stock amount was necessary”*

Further attention drawn on the notes in consolidated financial statements in the Audit Report which is reproduced hereunder:-

“Note 8 & 16 to the financial statements which state that Trade Payables’ and Trade Receivable balances are subject to confirmation.”

- For the financial year ended **March 31, 2018**, we have drawn attention on the notes in consolidated financial statements in the Audit Report, which are reproduced hereunder:-
  - “Note 8 & 16 to the consolidated financial statements which state that Trade Payables’ and Trade Receivable balances are subject to confirmation.”
  - “Note 8 to the consolidated financial statement also state that the company has not classified its creditors as Micro, Small and Medium Enterprises as required under Micro, Small and Medium Enterprises Development Act 2006. Information required to be reported under the Act could not therefore be compiled for verification by Auditor. ‘
- For the period ended **September 30, 2019** we have drawn attention on the notes in consolidated financial statements in the Audit Report, which are reproduced hereunder:-
  - Note 9 & 17 to the financial statements which state that Trade Payables’ and Trade Receivables’ balances are subject to confirmation.
  - Note 9 to the financial statement which also states that the company has not classified its creditors as Micro, Small and Medium Enterprises as required under Micro, Small and Medium Enterprises Development Act 2006.
  - Note 16 to the financial statements which states that, during the year company has changed accounting policy for valuation of inventory.

#### 15. Material Adjustments

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 Schedule VI and Accounting Standards.

Statement of Adjustments in the financial statements:

(Rs. in lacs)

Adjustments for	For period ended 30-09-2019	2018-19	2017-18	2016-17
Net profit/(Loss) after Tax as per Audited Profit & Loss Account	(154.27)	280.24	225.43	(156.37)
<b>Adjustments for:</b>	-	-	-	-
Prior period expenses adjusted (Preliminary)	51.75	-	-	-
Provision for gratuity	-	(11.06)	(13.84)	(26.57)
Change in depreciation	-	(4.21)	2.75	1.18
Deferred Tax Liability / Asset Adjustment	(27.05)	15.75	(2.48)	5.08
Cost of materials consumed	42.47	9.96	32.51	
Changes in inventories of finished goods, traded goods and work-in-progress	103.17	5.41	(108.58)	
Finance costs	4.20			
Other Expenses	5.87	24.69		
Increase/ (Decrease) in Income	-	-	(24.69)	-
Taxes adjusted in Current period	(22.04)	5.91	27.51	-
<b>Net Profit/ (Loss) After Tax as Restated</b>	<b>4.10</b>	<b>306.76</b>	<b>73.59</b>	<b>(176.68)</b>

1.The provision for gratuity has been done in all years covered for restatement as per Actuarial Valuation Reports and provided in the respective year in which such liability has arisen as per AS 15: Employee Benefits

2. The depreciation charged by the company has been restated to the extent of changes in depreciation due to changes in the estimate in useful life of an assets as prescribed in schedule II of Companies Act, 2013.

3. Due to changes in depreciation and gratuity provision the deferred tax component on the same has also undergone change.

4. The company has policy to include the amount of duties and taxes in the purchase cost of closing Inventory to comply with Income Computation and Disclosure Standards as prescribed under Income Tax law.Further, to comply with accounting standards the amount of duties and taxes has been reduced from inventories.

5. Change in income was on account of overestimation subsidy receivable.

6.The profit before tax has changed due to restatement of above items. Correspondingly the provision for Current Tax has been restated.

7.Changes in income tax provision has resulted in changes in income tax expenses debited to profit and loss in next year corresponding to the previous year.

The reconciliation of Equity and Reserves as per audited results and the Equity and Reserves as per Restated Accounts is presented below:-

A. Equity Share Capital

(Rs. In Lakhs)

Particulars	30-Sept.-19	31-Mar-19	31-Mar-18	31-Mar-17
<b>Paid Up Equity Share Capital (Audited)</b>	<b>1044.78</b>	<b>130.59</b>	<b>130.59</b>	<b>130.59</b>
Changes During Restatement	-	-	-	-
<b>Paid Up Equity Share Capital (Restated)</b>	<b>1044.78</b>	<b>130.59</b>	<b>130.59</b>	<b>130.59</b>

## a) Surplus in Profit and Loss account

Adjustments for	For period ended 30-09-2019	2018-19	2017-18	2016-17
Net profit/(Loss) after Tax as per Audited Profit & Loss Account	(154.27)	280.24	225.43	(156.37)
Adjustments for:	-	-	-	-
Prior period expenses adjusted (Preliminary)	51.75	-	-	-
Provision for gratuity	-	(11.06)	(13.84)	(26.57)
Change in depreciation	-	(4.21)	2.75	1.18
Deferred Tax Liability / Asset Adjustment	(27.05)	15.75	(2.48)	5.08
Cost of materials consumed	42.47	(9.96)	(32.51)	-
Changes in inventories of finished goods, traded goods and work-in-progress	103.17	5.41	(108.58)	-
Finance costs	4.20	-	-	-
Other Expenses	5.87	24.69	-	-
Increase/ (Decrease) in Income	-	-	(24.69)	-
Taxes adjusted in Current period	(22.04)	5.91	27.51	-
Net Profit/ (Loss) After Tax as Restated	4.10	306.76	73.59	(176.68)

**NOTES ON ADJUSTMENTS****1. Adjustment of Deferred Tax Provision**

Adjustment of deferred tax provision [being deferred tax (asset) / liability] is on account of some restated temporary differences being gratuity, restated closing WDV's as per books and as per income tax act.

**2. Adjustment of IT Provision & MAT Credit entitlement**

Adjustment of IT Provision is on account of restated taxable income arrived at after giving effect of above mentioned material adjustments and as per normal rules of income tax provision.

**II. CHANGES IN ACCOUNTING POLICIES IN THE PERIODS/YEARS COVERED IN THE RESTATED FINANCIALS**

During the year, the Company has changed the accounting policy for recognizing the cost of inventories to align with accounting policy prescribed in AS -2 Valuation of inventories. However, till FY 2018-19 the Company had policy to include the amount of duties and taxes in the purchase cost of closing Inventory to comply with Income Computation and Disclosure Standards as prescribed under Income Tax law.

**ANNEXURE - V**  
**DETAILS OF SHARE CAPITAL AS RESTATED**

(Amt. in Lakhs.)

Particulars	As at Sept. 30, 2019	As at March 31, 2019	As at March 31, 2018	As at March 31, 2017
<b>Equity Share Capital</b>				
<b>Authorised Share capital</b>				
Equity Share of Rs. 10/- each	1,650.00	135.00	135.00	135.00
	<b>1,650.00</b>	<b>135.00</b>	<b>135.00</b>	<b>135.00</b>
<b>Issued, Subscribed &amp; Fully Paid Up Share Capital</b>				
Equity Share of Rs. 10/- each	1,044.78	130.60	130.60	130.60
<b>T O T A L</b>	<b>1,044.78</b>	<b>130.60</b>	<b>130.60</b>	<b>130.60</b>

**Reconciliation of number of shares outstanding at the end of year**

(in lakhs)

Particulars	As at Sept. 30, 2019	As at March 31, 2019	As at March 31, 2018	As at March 31, 2017
Equity shares at the beginning of the year	13.06	13.06	13.06	13.06
Add: Shares Allotted during the year		-	-	-
Add: Bonus Shares issued during the year	91.42	-	-	-
Equity Shares at the end of the year	<b>104.48</b>	<b>13.06</b>	<b>13.06</b>	<b>13.06</b>

**Details of shareholders holding more than 5% of the aggregate shares in the company**

Name of Shareholder	As at 30th Sept., 2019		As at 31st March, 2019		As at 31st March, 2018		As at 31st March, 2017	
	No. of Shares	Percentage	No. of Shares	Percentage	No. of Shares	Percentage	No. of Shares	Percentage
	(in Lakhs)		(in Lakhs)		(in Lakhs)		(in Lakhs)	
Alka Mukund Kulkarni	68.96	66.00%	8.62	66.00%	8.62	66.00%	8.62	66.00%
Suresh Gunvant Fegde	35.53	44.00%	4.44	44.00%	4.44	44.00%	4.44	44.00%

**ANNEXURE - VI**  
**DETAILS OF RESERVES AND SURPLUS AS RESTATED**

(Amt. in Lakhs.)

Particulars	As at Sept. 30, 2019	As at March 31, 2019	As at March 31, 2018	As at March 31, 2017
<b>a) Surplus (Profit &amp; Loss Account)</b>				
Balance at the beginning of the year/period	990.02	724.62	640.62	822.89
Share of minority interest in Pre-acquisition profit	-	-	-	(11.16)
Add: Securities Premium received by Subsidiary Company	-	-	-	2.00
Add:- Profit/(Loss) during the period	4.70	265.40	84.00	(173.11)
Less: Bonus Shares issued during the year	(914.19)			
Balance at the end of the Year	<b>80.53</b>	<b>990.02</b>	<b>724.62</b>	<b>640.62</b>

**ANNEXURE - VII**  
**DETAILS OF LONG TERM BORROWINGS AS RESTATED**

(Amt. in Lakhs)

Particulars	As at Sept.30, 2019	As at March 31, 2019	As at March 31, 2018	As at March 31, 2017
<b><u>Secured Loans :</u></b>				
1) TJSB Sahakari Bank Ltd. Term Loan	363.79	189.10	313.70	487.59
2) Samarth Sahakari Bank Term Loan	0.00	0.00	0.00	51.85
3) Kotak Mahindra Prime Ltd	1.35	2.86	5.62	9.07
4) SIDBI	348.33	362.14	415.30	552.61
<b><u>Unsecured Loans :</u></b>				
1) From Banks				
i) HDFC Bank Loan	-	5.65	20.06	32.70
ii) ICICI Bank Loan	-	0.00	3.83	14.85
2) From Shareholders	31.00	31.00	51.00	56.30
3) From Directors and Relatives of Directors	141.78	142.58	85.35	128.65
<b><u>Deposits from shareholders</u></b>	40.00	85.00	75.00	75.64
<b>TOTAL</b>	<b>926.25</b>	<b>818.33</b>	<b>969.86</b>	<b>1409.26</b>

**NATURE OF SECURITY AND TERMS OF REPAYMENT FOR LONG TERM BORROWINGS**

Loan	sanction Amount (in lakhs)	Nature of Security	Rate of Interest	Terms of Repayment	Amount of loan as on 30.09.2019 (in lakhs)	Amount of loan as on 31.03.2019 (in lakhs)
<b>SIDBI Term Loan</b>						
SIDBI -D00014A4	100	Mortgage of all movable assets under the solar project, Mortgage of Plot No C-13, MIDC Ambad Nashik together with all building and structures thereon and plant and machinery attached to earth & personal guarantee of directors	8.21%	Repayable within 60 monthly installments including moratorium of 6 months starting from April 2019 ( first 53 instalments of Rs 1.85 lakh each and last instalments of rs. 1.95 lakh each)	76.62	77.87
SIDBI - D0000IT8	900	(Secured by hypothecation of all the movable fixed assets , mortgage of Land & Building of company and individual properties of directors and Personal Guarantee of Directors.)	13% ( for 900 Lakh ) and 13.50% ( for 175 lakh )	Repayable within 72 months including moratorium of 12 months starting from April 2014	80.03	160.29
SIDBI -D0000YWK	143	(Secured by hypothecation of all the movable fixed assets , mortgage of Land & Building of company and individual properties of directors and Personal Guarantee of Directors.)	12.40%	Repayable within 84 months including moratorium of 6 months starting from April 2017 ( first 20 instalments of Rs 1 lakh each, next 20 instalments of Rs. 1.45 lakh each , Next 20 Instalments Rs. 20 lakh each and last 18 instalments of rs. 3 lakh each)	101.63	110.43
SIDBI - D0000WVQ	20	(Secured by hypothecation of all the movable fixed assets , mortgage of Land & Building of company and individual properties of directors and Personal Guarantee of Directors.)	12.40%	Repayable within 84 months including moratorium of 6 months starting from April 2017 ( first 20 instalments of Rs 0.20 lakh each, next 28 instalments of Rs. 0.25 lakh each and last 30 instalments of Rs. 0.30 lakh each)	12.25	13.55
SIDBI - D00014O6	100	(Secured by hypothecation of all the movable fixed assets , mortgage of Land & Building of company and individual	10.90%	Repayable within 60 months including moratorium of 6 months starting from June 2019	77.80	-



		properties of directors and Personal Guarantee of Directors.)				
<b>TJSB Sahakari Bank Ltd. Term Loan</b>					0.00	
TJSB Sahakari Bank Ltd. Property Loan - 289	50	Hypothecation of Stock and Book Debts, Plant and Machinery, 25% in FDR, Equitable mortgage of Plot No. B-198, MIDC Malegaon Sinnar, Plot No. J-41, MIDC, Ambad, Plot No. C-13, MIDC, Ambad, Nashik	10.75% (Floating)	Repayable within 69 monthly installments including 9 months moratorium of Rs. 1,14,406 starting from February 2015 and From May 2019 the instalment amount changed to 1,58,000.	-	6.81
TJSB Sahakari Bank Ltd. WCTL - 75	200	Land & Building at C-13 & J-41, Ambad and Land & Building at Plot No. B-198, MIDC Malegaon Sinnar,	12% (Floating)	Repayable within 60 monthly installments of Rs. 4,44,889 starting from April 2016	-	46.77
TJSB Sahakari Bank Ltd. WCTL - 78	300	Hypothecation of Stock and Book Debts	12% (Floating)	Repayable within 60 monthly installments of Rs. 6,67,333 starting from April 2017	90.93	135.52
TJSB Sahakari Bank Ltd. WCTL - 186	300	Hypothecation of Stock and Book Debts ,Supplementary mortgage of Land & Building at C-13 & J-41 , MIDC Ambad	14.75%	Repayable within 63 monthly installments of Rs. 7,09,767 starting from December 2013	-	-
TJSB Sahakari Bank Ltd. Express Loan	300	Land & Building at C-13 & J-41, Ambad and Land & Building at Plot No. B-198, MIDC Malegaon Sinnar,	10.75% (Floating)	Repayable in 90 monthly instalments including 9 months moratorium starting from September 2019	272.86	-
Samartha Sahakari Bank	63	Land & building at H -15	14%	Repayable within 108 monthly installments starting from November 2014	-	-
<b>Kotak Mahindra Prime Ltd</b>						
<b>Car Loan</b>	13	Hypothecation of Cars	9.50%	Repayable within 60 monthly installments of Rs.12,770 and Rs.14,115 starting from March 2016	1.35	2.86
<b>Unsecured Term Loans</b>						
Loan from HDFC Bank		N.A.	15.00%	Repayable within 48 monthly installments of Rs. 1,39,154 starting from April 2016	-	5.65
Loan from ICICI Bank		N.A.	15.50%	Repayable within 36 monthly installments starting from July 2016	-	-





<b>Loans from Directors of a subsidiary</b>						
Loan from Mukund Kulkarni	Nil		12.00%	There are no defined terms of repayment	70.14	67.57
<b>Loans from Relatives of Directors of Holding Company</b>						
Loan from Aditya Kulkarni	Nil		12.00%	There are no defined terms of repayment	71.64	74.17
Loan from Ajinkya Kulkarni	Nil		12.00%	There are no defined terms of repayment	-	-
<b>Loan from relatives of Directors of Subsidiary Company</b>						
Loan from Suresh Fegde	Nil		12.00%	There are no defined terms of repayment	0.00	0.84
<b>Unsecured Loans from Shareholders</b>						
M/s B.S.Steels	Nil			There are no defined terms of repayment	31.00	31.00
<b>Deposits from shareholders</b>						
Dipali Mahajan	Nil		12.00%	There are no defined terms of repayment	20.00	20.00
Lata Patil	Nil		12.00%	There are no defined terms of repayment	-	20.00
Ulhas Mahajan	Nil		12.00%	There are no defined terms of repayment	20.00	20.00
Girishankar Patil	Nil		12.00%	There are no defined terms of repayment	-	25.00

**ANNEXURE VIII**  
**DEFERRED TAX LIABILITIES (NET) AND DEFERRED TAX ASSETS AS RESTATED**

(Amt. in Lakhs.)

Particulars	30-09-19	2018-19	2017-18	2016-17
Opening Balance	123.09	(256.51)	(181.77)	-
<b>Closing Balance</b>				
On Depreciation	(481.59)	(418.53)	(332.53)	(236.40)
On Gratuity	95.91	81.00	65.55	46.16
Bonus Payable	12.38	12.38	10.47	8.41
MLWF Contribution	-	-	-	0.05
VAT Payable	-	-	-	0.01
PF Employer Contribution	0.05	0.13	-	-
Carried Forward Loss	448.11	448.11	-	-
<b>Closing Balance (Total)</b>	<b>74.86</b>	<b>123.09</b>	<b>(256.51)</b>	<b>(181.77)</b>
<b>DTA/(DTL) created during the year</b>	<b>17.13</b>	<b>34.24</b>	<b>(70.67)</b>	<b>(56.17)</b>

**ANNEXURE IX**  
**OTHER LONG TERM LIABILITIES AS RESTATED**

(Amt. in Lakhs.)

Particulars	As at Sept.30, 2019	As at March 31, 2019	As at March 31, 2018	As at March 31, 2017
(a) Creditors for Fixed Assets	69.25	58.81	69.76	74.99
(b) Security Deposits From Dealers	-	-	-	-
<b>Total</b>	<b>69.25</b>	<b>58.81</b>	<b>69.76</b>	<b>74.99</b>

**ANNEXURE - X**  
**DETAILS OF LONG TERM PROVISIONS AS RESTATED**

(Amt. in Lakhs)

Particulars	As at Sept.30, 2019	As at March 31, 2019	As at March 31, 2018	As at March 31, 2017
<b>Others</b>				
Provision for Group Gratuity Fund	82.15	69.21	54.83	37.36
Provision for Warranty	-	-	-	-
<b>TOTAL</b>	<b>82.15</b>	<b>69.21</b>	<b>54.83</b>	<b>37.36</b>

**ANNEXURE - XI**  
**DETAILS OF SHORT TERM BORROWINGS AS RESTATED**

(Amt. in Lakhs.)

Particulars	As at Sept.30, 2019	As at March 31, 2019	As at March 31, 2018	As at March 31, 2017
<b>Secured</b>				
CC From TJSB Bank	754.63	649.67	659.88	673.25
CC from IDBI Bank	281.66	315.28	124.10	149.37
ODD from TJSB Bank	0.00	0.00	0.85	0.86



Loans and advances from relatives of Directors	-	-	2.42	-
<b>TOTAL</b>	<b>1,036.29</b>	<b>964.95</b>	<b>787.25</b>	<b>823.48</b>

**NATURE OF SECURITY AND TERMS OF REPAYMENT FOR SHORT TERM BORROWINGS**

Secured Cash Credit	Nature of Security	Rate of Interest	Terms of Repayment
TJSB Sahakari Bank Ltd C.C. - 136	(Secured by stock and book debts, mortgage of land and building , plant and machinery ,furniture and fixtures and personal guarantee of directors)	10.75% (floating)	Repayable on Demand
IDBI C.C A/c - 143		11.65%	Repayable on Demand

**ANNEXURE XII**  
**TRADE PAYABLES AS RESTATED**

(Amt. in Lakhs.)

Particulars	As at Sept.30, 2019	As at March 31, 2019	As at March 31, 2018	As at March 31, 2017
Micro,small and Medium Enterprises	-	-	-	-
Others	574.49	1,411.79	1,663.78	1,261.52
<b>TOTAL</b>	<b>574.49</b>	<b>1,411.79</b>	<b>1,663.78</b>	<b>1,261.52</b>

- i) Company has called for declaration from the suppliers regarding their registration under MSMED Act, 2006. However no information has yet been received from the suppliers regarding their registration under MSMED Act, 2006. In absence of relevant documents all trade payables are classified as other than MSME Trade Payables.
- ii) Trade Payables' balances are subject to confirmation, reconciliation and consequential adjustments.

**ANNEXURE – XIII**  
**DETAILS OF OTHER CURRENT LIABILITIES AS RESTATED**

(Amt. in Lakhs)

Particulars	As at Sept.30, 2019	As at March 31, 2019	As at March 31, 2018	As at March 31, 2017
Current Maturities of Secured Long Term Loans	410.44	351.83	369.58	405.04
Current Maturities of Unsecured Long Term Loans	13.17	18.50	23.66	20.34
Interest Payable on Unsecured Loans	-	4.74	4.63	3.21
Advances Received	76.00	66.03	85.65	44.19
<b>Statutory Liabilities</b>				
Corporation Tax Payable	-	-	-	0.05
ESIC - Employees Contribution	0.12	0.26	0.24	0.28
Provident Fund - Employees Contribution	1.71	1.57	1.36	1.34
MLWF Employees Contribution Payable	-	0.01	0.02	0.01
Excise Duty Payable	-	-	-	24.45
LBT Payable	-	-	-	4.42
Profession Tax Payable	0.32	0.31	0.28	0.31
Service Tax on GTA Payable	-	-	-	0.17
Service Tax Payable	-	-	-	0.69
TCS Payable	0.39	0.79	0.76	0.39
TDS Payable	2.90	4.52	1.68	2.35
VAT Payable	-	-	-	47.73
Goods and Services tax Payable	83.81	91.56	63.45	-
<b>Others</b>	-			
Credit card Expenses Payable	-	0.24	0.43	0.27
Education Fund	0.10	0.20	0.20	0.29
Electricity Charges Payable	10.74	16.49	13.26	10.63
Liability towards Employees' deductions	2.67	2.53	2.46	1.62
R.B.S Enterprises Realisation A/c	-	-	0.15	0.15
Reimbursement of Expenses Payable- Machhindra Bodke	-	-	0.85	0.85
Telephone Exp. Payable	0.00	0.00	0.00	0.05
Water Charges Payable	0.15	0.42	0.11	0.23
Interest payable on loan from Suresh Fegde	-	0.09	-	-
Other Payables	0.03	0.06	-	-
<b>TOTAL</b>	<b>602.55</b>	<b>560.15</b>	<b>568.77</b>	<b>569.06</b>

**ANNEXURE - XIV**  
**DETAILS OF SHORT TERM PROVISIONS AS RESTATED**

(Amt. in Lakhs.)

Particulars	As at Sept.30, 2019	As at March 31, 2019	As at March 31, 2018	As at March 31, 2017
<b>Provision for Employee Benefits</b>				
Salary & Wages Payable	28.50	28.94	23.25	21.73
Bonus Payable	23.03	12.38	10.47	8.40
Leave encashment payable	-	12.54	-	-
Director's Remuneration Payable	8.39	19.84	10.47	10.34
Provident Fund - Employers Contribution	2.19	1.82	1.42	1.39



*SM Auto Stamping Limited*

Provident Fund - PF Admin Charges	0.09	0.08	0.07	0.10
ESIC - Employers Contribution	0.65	0.69	0.66	0.85
M.L.W.F. Employers Contribution Payable	0.03	0.02	0.05	0.04
Group Gratuity Fund Current Obligation	13.77	11.79	10.72	8.80
<b>Others</b>	-	-	-	-
Statutory Audit Fees Payable	1.99	1.33	1.00	0.95
Tax Audit Fees Payable	1.50	1.00	0.80	0.75
VAT Audit Fees Payable	-	-	0.60	0.75
IT Consultancy Charges Payable	0.75	0.50	0.40	0.35
ROC Consultancy Fees Payable	0.60	0.40	0.40	0.40
Income Tax Payable	22.04	24.82	22.56	18.93
Interest on CC Account Payable	-	5.64	0.86	-
<b>TOTAL</b>	<b>103.53</b>	<b>121.79</b>	<b>83.73</b>	<b>73.77</b>

**ANNEXURE XV  
FIXED ASSETS AS RESTATED**

Depreciation as per Companies Act, 2013

**(Amt. in Lakhs)**

Particulars	Rate of Dep.	Gross Block				Depreciation					Net Block	
		01-04-2019	Addition	Sale/ Transfer	30-09-2019	01-04-2019	01.04.19 to 30.09.2019	Reserves	Written Back	30-09-2019	30-09-2019	31-03-2019
<b>Tangible Assets</b>												
Factory Building & Premises	9.50%	1,008.99	1.95	-	1,010.94	357.23	16.92	-	-	374.15	636.79	651.77
Electrical Installation	25.89%	108.15	-	-	108.15	61.67	3.67	-	-	65.34	42.81	46.48
Furniture	25.89%	52.57	4.86	-	57.43	43.94	1.34	-	-	45.28	12.15	8.63
Dies	18.10%	387.37	-	-	387.37	240.02	10.27	-	-	250.29	137.08	147.34
Plant & Machinery	18.10%	2,463.02	125.18	-	2,588.20	957.73	74.72	-	-	1,032.45	1,555.75	1,505.29
Office Equipments	45.07	12.70	0.19	-	12.89	8.81	0.98	-	-	9.79	3.10	3.89
Motor Vehicles and Cars	25.89%	47.74	-	-	47.74	38.24	1.20	-	-	39.44	8.30	9.50
Computer & Peripherals	63.16	20.33	0.23	-	20.56	15.38	1.29	-	-	16.67	3.89	4.95
<b>Sub Total</b>		<b>4,100.87</b>	<b>132.41</b>	<b>-</b>	<b>4,233.28</b>	<b>1,723.02</b>	<b>110.39</b>	<b>-</b>	<b>-</b>	<b>1,833.41</b>	<b>2,399.87</b>	<b>2,377.85</b>
<b>Intangible Assets</b>												
Software & Web Site	63.16	14.32	1.60	-	15.92	12.03	0.52	-	-	12.55	3.37	2.29
		-	-	-	-	-	-	-	-	-	-	-
<b>Capital - WIP</b>												
Plant & Machinery		31.28	-	0.07	31.21	-	-	-	-	-	31.21	31.28
<b>Sub Total</b>		<b>45.60</b>	<b>1.60</b>	<b>0.07</b>	<b>47.13</b>	<b>12.03</b>	<b>0.52</b>	<b>-</b>	<b>-</b>	<b>12.55</b>	<b>34.58</b>	<b>33.57</b>
<b>Grand total</b>		<b>4,146.47</b>	<b>134.01</b>	<b>0.07</b>	<b>4,280.41</b>	<b>1,735.05</b>	<b>110.91</b>	<b>-</b>	<b>-</b>	<b>1,845.96</b>	<b>2,434.45</b>	<b>2,411.42</b>
<b>Previous Year</b>		<b>45.60</b>	<b>1.60</b>	<b>0.07</b>	<b>47.13</b>	<b>12.03</b>	<b>0.52</b>	<b>-</b>	<b>-</b>	<b>12.55</b>	<b>34.58</b>	<b>33.57</b>



(Amt. in Lakhs)

Particulars	Rate of Dep.	Gross Block				Depreciation				Net Block		
		As at April 1, 2018	Additions during the Year	Deletion during the Year	As at March 31, 2019	As at April 1, 2018	Depreciation charge for the year	Depreciation Reversed on Sale	Adjustment to Opening Balance	As at March 31, 2019	As at March 31, 2019	As at March 31, 2018
<b>Tangible Assets</b>												
Factory Building & Premises	9.50%	1007.18	1.81	-	1008.99	321.00	36.23	0.00	0.00	357.23	651.77	686.18
Electrical Installation	25.89%	108.15	0.00	-	108.15	53.91	7.76	-	-	61.67	46.48	54.24
Furniture	25.89%	52.30	0.28	-	52.57	41.63	2.31	-	-	43.94	8.63	10.67
Dies	18.10%	375.10	12.27	-	387.37	213.99	26.03	-	-	240.02	147.34	161.11
Plant & Machinery	18.10%	2334.30	128.72	-	2463.02	809.38	148.34	-	-	957.73	1505.29	1524.92
Office Equipments	45.07%	8.70	3.99	-	12.70	6.79	2.02	-	-	8.81	3.89	1.92
Motor Vehicles and Cars	25.89%	47.74	0.00	-	47.74	35.01	3.23	-	-	38.24	9.50	12.72
Computer & Peripherals	63.16%	15.92	4.41	-	20.33	13.79	1.59	-	-	15.38	4.95	2.13
<b>Sub-Total</b>		<b>3949.38</b>	<b>151.49</b>	<b>0.00</b>	<b>4100.87</b>	<b>1495.50</b>	<b>227.52</b>	<b>0.00</b>	<b>0.00</b>	<b>1723.02</b>	<b>2377.85</b>	<b>2453.88</b>
<b>Intangible Assets</b>												
Software & Web Site	63.16%	11.92	2.40	-	14.32	10.96	1.06	-	-	12.03	2.29	0.96
		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Sub-Total</b>		<b>11.92</b>	<b>2.40</b>	<b>0.00</b>	<b>14.32</b>	<b>10.96</b>	<b>1.06</b>	<b>0.00</b>	<b>0.00</b>	<b>12.03</b>	<b>2.29</b>	<b>0.96</b>
<b>Capital WIP</b>												
Plant & Machinery - WIP		0.00	31.28	0.00	31.28	0.00	0.00	0.00	0.00	0.00	31.28	0.00
<b>Sub-Total</b>		<b>0.00</b>	<b>31.28</b>	<b>0.00</b>	<b>31.28</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>31.28</b>	<b>0.00</b>
<b>Total</b>		<b>3961.31</b>	<b>185.16</b>	<b>0.00</b>	<b>4146.46</b>	<b>1506.46</b>	<b>228.58</b>	<b>0.00</b>	<b>0.00</b>	<b>1735.05</b>	<b>2411.42</b>	<b>2454.84</b>
<b>Previous Year</b>		<b>3888.79</b>	<b>161.25</b>	<b>88.73</b>	<b>3961.31</b>	<b>1275.87</b>	<b>230.82</b>	<b>0.23</b>	<b>0.00</b>	<b>1506.46</b>	<b>2454.84</b>	<b>2612.92</b>





(Amt. in Lakhs)

Particulars	Rate of Dep.	Gross Block				Depreciation				Net Block		
		As at April 1, 2017	Additions during the Year	Deletion during the Year	As at March 31, 2018	As at April 1, 2017	Depreciation charge for the year	Depreciation Reversed on Sale	Adjustment to Opening Balance	As at March 31, 2018	As at March 31, 2018	As at March 31, 2017
<b>Tangible Assets</b>												
Factory Building & Premises	9.50%	1025.11	68.10	86.03	1007.18	282.49	38.74	0.23	0.00	321.00	686.18	742.62
Electrical Installation	25.89%	108.15	0.00	0.00	108.15	45.57	8.34	-	0.00	53.91	54.24	62.58
Furniture	25.89%	51.68	0.62	0.00	52.30	38.82	2.81	0.00	0.00	41.63	10.67	12.86
Dies	18.10%	341.71	33.39	0.00	375.10	188.51	25.48	-	-	213.99	161.11	153.21
Plant & Machinery	18.10%	2276.37	57.93	0.00	2334.30	663.26	146.12	-	-	809.38	1524.92	1613.10
Office Equipments	45.07%	8.02	0.68	0.00	8.70	6.13	0.65	-	-	6.79	1.92	1.89
Motor Vehicles and Cars	25.89%	47.74	0.00	0.00	47.74	30.66	4.36	-	-	35.01	12.72	17.08
Computer & Peripherals	63.16%	15.38	0.53	0.00	15.92	11.90	1.89	-	-	13.79	2.13	3.48
<b>Sub-Total</b>		<b>3874.16</b>	<b>161.25</b>	<b>86.03</b>	<b>3949.39</b>	<b>1267.34</b>	<b>228.39</b>	<b>0.23</b>	<b>0.00</b>	<b>1495.50</b>	<b>2453.88</b>	<b>2606.82</b>
<b>Intangible Assets</b>												
Software & Web Site	63.16%	11.92	0.00	-	11.92	8.53	2.43			10.96	0.96	3.39
<b>Sub-Total</b>		<b>11.92</b>	<b>0.00</b>	<b>0.00</b>	<b>11.92</b>	<b>8.53</b>	<b>2.43</b>	<b>0.00</b>	<b>0.00</b>	<b>10.96</b>	<b>0.96</b>	<b>3.39</b>
<b>Capital WIP</b>												
Construction - WIP		2.70	0.00	2.70	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2.70
<b>Sub-Total</b>		<b>2.70</b>	<b>0.00</b>	<b>2.70</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>2.70</b>
<b>Total</b>		<b>3888.79</b>	<b>161.25</b>	<b>88.73</b>	<b>3961.31</b>	<b>1275.87</b>	<b>230.82</b>	<b>0.23</b>	<b>0.00</b>	<b>1506.46</b>	<b>2454.84</b>	<b>2612.92</b>
<b>Previous Year</b>		<b>3781.20</b>	<b>108.64</b>	<b>1.04</b>	<b>3888.79</b>	<b>1022.67</b>	<b>253.20</b>	<b>0.00</b>	<b>0.00</b>	<b>1275.87</b>	<b>2612.92</b>	<b>2758.53</b>

(Amt. in Lakhs)

Particulars	Rate of Dep.	Gross Block				Depreciation				Net Block		
		As at April 1, 2016	Additions during the Year	Deletion during the Year	As at March 31, 2017	As at April 1, 2016	Depreciation charge for the year	Depreciation Reversed on Sale	Adjustment to Opening Balance	As at March 31, 2017	As at March 31, 2017	As at March 31, 2016
<b>Tangible Assets</b>												
Factory Building & Premises	9.50%	1025.11	0.00	0.00	1025.11	241.70	40.79	0.00	0.00	282.49	742.62	783.42
Electrical Installation	25.89%	108.15	0.00	0.00	108.15	35.92	9.65	0.00	0.00	45.57	62.58	72.23
Furniture	25.89%	51.63	0.05	0.00	51.68	34.76	4.06	-	-	38.82	12.86	16.87
Dies	18.10%	290.91	50.80	0.00	341.71	154.63	33.88	-	-	188.51	153.21	136.28
Plant & Machinery	18.10%	2222.76	54.65	1.04	2276.37	509.23	154.03	-	-	663.26	1613.10	1713.53
Office Equipments	45.07%	7.63	0.40	0.00	8.02	5.47	0.66	-	-	6.13	1.89	2.16
Motor Vehicles and Cars	25.89%	47.74	0.00	0.00	47.74	24.68	5.98	-	-	30.66	17.08	23.06
Computer & Peripherals	63.16%	13.79	1.59	0.00	15.38	10.14	1.77	0.00	0.00	11.90	3.48	3.66
<b>Sub-Total</b>		3767.72	107.49	1.04	3874.16	1016.52	250.82	0.00	0.00	1267.34	2606.82	2751.20
<b>Intangible Assets</b>		-	-	-	-	-	-	-	-	-	-	-
Software & Web Site	63.16%	10.77	1.15	0.00	11.92	6.15	2.38	0.00	0.00	8.53	3.39	4.62
<b>Sub-Total</b>		10.77	1.15	0.00	11.92	6.15	2.38	0.00	0.00	8.53	3.39	4.62
<b>Capital WIP</b>												
Construction - WIP		2.70	0.00	0.00	2.70	0.00	0.00	0.00	0.00	0.00	2.70	2.70
<b>Sub-Total</b>		2.70	0.00	0.00	2.70	0.00	0.00	0.00	0.00	0.00	2.70	2.70
<b>Total</b>		3781.20	108.64	1.04	3888.79	1022.67	253.20	0.00	0.00	1275.87	2612.92	2758.53
<b>Previous Year</b>		3143.57	1734.76	1097.13	3781.20	817.80	204.87	0.00	0.00	1022.67	2758.53	2325.77

**ANNEXURE XVI**  
**NON - CURRENT INVESTMENTS AS RESTATED**

(Amt in Lakhs)

Particulars	As at Sept.30, 2019	As at March 31, 2019	As at March 31, 2018	As at March 31, 2017
<b>Unquoted</b>				
Investments in Equity Instruments	5.30	5.30	5.25	5.25
Investment in Preference Shares	-	-	-	-
<b>Total</b>	<b>5.30</b>	<b>5.30</b>	<b>5.25</b>	<b>5.25</b>
<b>No of Shares</b>				
Equity Shares in TJSB Sahakari Bank	10,000	10,000	10,000	10,000
Equity Shares in Samarth Sahakari Bank	1,213	1,213	1,013	1,013

**ANNEXURE - XVII**  
**DETAILS OF LONG TERM LOANS & ADVANCES AS RESTATED**

(Amt. in Lakhs.)

Particulars	As at Sept.30, 2019	As at March 31, 2019	As at March 31, 2018	As at March 31, 2017
<b><u>Loans and advances to related parties</u></b>				
<b>Security Deposits</b>				
<b><u>Unsecured considered good</u></b>				
MIDC Water Deposit	0.56	0.55	0.43	0.43
MSEDCL Deposit	15.21	13.52	14.43	14.17
Telephone Deposit	0.09	0.09	0.07	0.07
Others	1.06	1.06	1.06	1.16
	-	-	-	-
<b>Advance to Suppliers for Fixed Assets</b>	17.20	17.20	63.08	24.91
<b>T O T A L</b>	<b>34.12</b>	<b>32.41</b>	<b>79.07</b>	<b>40.73</b>

**ANNEXURE - XVIII**  
**DETAILS OF OTHER NON-CURRENT ASSETS AS RESTATED**

(Amt. in Lakhs.)

Particulars	As at Sept.30, 2019	As at March 31, 2019	As at March 31, 2018	As at March 31, 2017
	-	-	-	-
<b>T O T A L</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**ANNEXURE - XIX**  
**DETAILS OF INVENTORIES AS RESTATED**

(Amt. in Lakhs.)

Particulars	As at Sept.30, 2019	As at March 31, 2019	As at March 31, 2018	As at March 31, 2017
Raw materials	192.52	235.96	180.64	181.02
Work-in-progress	691.44	763.01	794.42	966.76



Finished goods	-	41.80	-	1.85
<b>TOTAL</b>	<b>883.96</b>	<b>1,040.77</b>	<b>975.06</b>	<b>1,149.63</b>

**ANNEXURE - XX**  
**DETAILS OF TRADE RECEIVABLES AS RESTATED**

(Amt. in Lakhs.)

Particulars	As at Sept.30, 2019	As at March 31, 2019	As at March 31, 2018	As at March 31, 2017
<b>Unsecured, considered good</b>				
Outstanding for more than 6 Months	14.89	21.82	24.67	27.78
Others	1,031.91	1,526.72	1,424.18	1,004.53
<b>TOTAL</b>	<b>1,046.80</b>	<b>1,548.54</b>	<b>1,448.85</b>	<b>1,032.31</b>

**ANNEXURE XXI**  
**CASH AND CASH EQUIVALENTS AS RESTATED**

(Amt. in Lakhs.)

Particulars	As at Sept.30, 2019	As at March 31, 2019	As at March 31, 2018	As at March 31, 2017
<b>Cash and Cash Equivalents</b>				
Cash on hand	4.48	2.31	3.59	11.83
<b>Balances with Banks</b>	-			
Balance in Current Accounts	1.64	6.03	4.59	1.22
Margin Money for Guarantee	-	-	7.63	15.43
Bank Deposits with more than 12 months maturity	11.08	10.72	12.52	11.71
<b>Total</b>	<b>17.20</b>	<b>19.06</b>	<b>28.33</b>	<b>40.18</b>

**ANNEXURE - XXII**  
**DETAILS OF SHORT TERM LOANS & ADVANCES**

(Amt. in Lakhs.)

Particulars	As at Sept.30, 2019	As at March 31, 2019	As at March 31, 2018	As at March 31, 2017
(a) Loans and advances to related parties				
Advance to Suresh Fegde	-	-	-	4.82
(b) Others unsecured advances considered good				
Advance Tax	10.00	5.00	10.00	10.00
Income Tax refund A.Y. 2015-16	-	-	2.57	2.57
Income Tax refund A.Y. 2016-17	0.48	0.48	0.48	-
Income Tax refund A.Y. 2017-18	-	-	0.58	-
Income Tax refund A.Y. 2018-19	0.25	0.25	-	-
VAT refund	9.19	9.19	14.49	23.39
Cenvat Credit Receivable	-	-	-	88.77
Excise P.L.A.	-	-	-	11.44
Service Tax Credit Receivable	-	-	-	3.19
T.D.S. Receivable	54.11	34.61	35.04	9.99
T.D.S. Receivable from Kotak Mahindra	0.07	0.07	-	-
T.D.S. Receivable from directors	4.27	-	-	-



Interest Receivable	0.51	0.51	-	-
Employee Advances	2.49	2.99	4.81	5.12
GST Credit Receivable	43.12	48.67	4.06	-
GST Cash Ledger Balance	0.29	0.34	0.21	-
<b>TOTAL</b>	<b>124.78</b>	<b>102.11</b>	<b>72.24</b>	<b>159.29</b>

**ANNEXURE - XXIII**  
**DETAILS OF OTHER CURRENT ASSETS AS RESTATED**

**(Amt. in Lakhs)**

Particulars	As at Sept.30, 2019	As at March 31, 2019	As at March 31, 2018	As at March 31, 2017
Advances to Suppliers	38.97	40.35	88.17	97.68
Advance Tata Capital Ltd	-	-	-	0.26
MVAT Deposit	0.25	0.25	0.25	0.25
Interest Receivable	0.38	0.38	0.37	0.58
Prepaid Expenses	1.43	1.43	1.49	1.31
Subsidy Receivable	120.98	95.90	135.10	112.01
<b>TOTAL</b>	<b>162.01</b>	<b>138.31</b>	<b>225.38</b>	<b>212.09</b>

**ANNEXURE - XXIV**  
**DETAILS OF REVENUE FROM OPERATIONS AS RESTATED**

**(Amt. in Lakhs.)**

Sr. No	Particulars	for the 6 months period ended Sept.30, 2019	Year Ended 31.03.2019	Year Ended 31.03.2018	Year Ended 31.03.2017
	<b>Revenue from operations</b>				
1	Sale of Product				
	- Finished Goods	2,851.87	6,664.45	5,926.72	5,367.19
	- Traded Goods	-	-	-	-
2	Sale Of Service	20.22	53.23	55.45	90.08
3	Other Operating Revenues	-			
4	Sale of scrap	282.19	812.85	537.41	253.38
		-			
	<b>Revenue From Operations (Gross)</b>	<b>3,154.28</b>	<b>7,530.53</b>	<b>6,519.58</b>	<b>5,710.65</b>
	Less:Excise Duty	-	-	184.52	627.17
	<b>Revenue From operations (Net)</b>	<b>3,154.28</b>	<b>7,530.53</b>	<b>6,335.07</b>	<b>5,083.48</b>

**ANNEXURE XXV**  
**DETAILS OF OTHER INCOME AS RESTATED**

**(Amt in Lakhs)**

Particulars	for the 6 months period ended Sept.30, 2019	Year Ended 31.03.2019	Year Ended 31.03.2018	Year Ended 31.03.2017	Nature
Interest Income	0.40	1.97	1.78	2.44	Recurring and not related to business activity.

Dividend Received	0.76	0.83	0.79	1.23	Recurring and not related to business activity.
Profit on Sale Of Asset	-	-	64.20	-	Non recurring and not related to business activity
Miscellaneous Receipts	2.46	8.92	8.14	7.31	Non recurring and not related to business activity.
Package Scheme of Incentives - Subsidy	63.77	86.37	179.18	241.84	Recurring and related to business activity.
Foreign Exchange Gain	-	1.47	0.58	-	Recurring and related to business activity.
<b>Total Other income</b>	<b>67.39</b>	<b>99.56</b>	<b>254.67</b>	<b>252.82</b>	

**ANNEXURE XXVI**  
**COST OF MATERIALS CONSUMED AS RESTATED**

**(Amt in Lakhs)**

Sr. No	Particulars	for the 6 months period ended Sept.30, 2019	Year Ended 31.03.2019	Year Ended 31.03.2018	Year Ended 31.03.2017
1	Inventory At the Beginning of the Year	235.96	180.64	181.02	229.78
2	Add: Purchases	2,132.13	5,581.18	4,633.70	3,688.46
3	Add:- Consumables	38.64	97.60	76.33	75.18
4	Less: Inventory at the End of the Year	192.51	235.96	180.64	181.02
	<b>Cost of Raw Materials Consumed</b>	<b>2,214.22</b>	<b>5,623.46</b>	<b>4,710.42</b>	<b>3,812.40</b>

**ANNEXURE XXVII**  
**COST OF TRADING GOODS AS RESTATED**

**(Amt in Lakhs)**

Particulars	for the 6 months period ended Sept.30, 2019	Year Ended 31.03.2019	Year Ended 31.03.2018	Year Ended 31.03.2017
Opening Stock	-	-	-	-
Add: Purchases	-	-	-	-
Less: Closing Stock	-	-	-	-
<b>Cost of trading goods</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**ANNEXURE XXVIII**  
**CHANGES IN INVENTORIES AS RESTATED**

**(Amt in Lakhs)**

Particulars	for the 6 months period ended Sept.30, 2019	Year Ended 31.03.2019	Year Ended 31.03.2018	Year Ended 31.03.2017
Opening stock:				
Finished Goods	41.79	-	1.85	11.37
WIP	763.01	794.43	966.76	930.01

Less: Closing Stock				
Finished Goods	-	41.80	-	1.85
WIP	691.44	763.01	794.43	966.76
<b>TOTAL</b>	<b>113.36</b>	<b>(10.38)</b>	<b>174.18</b>	<b>(27.23)</b>

**ANNEXURE XXIX**  
**EMPLOYEE BENEFIT EXPENSES AS RESTATED**

(Amt in Lakhs)

Particulars	for the 6 months period ended Sept.30, 2019	Year Ended 31.03.2019	Year Ended 31.03.2018	Year Ended 31.03.2017
Wages	137.15	292.77	249.84	217.60
Salary	82.82	147.04	129.70	109.61
Contribution to Provident Fund	10.40	19.88	18.46	16.38
Provident Fund Administration Charges	0.54	1.04	1.02	1.19
Contribution to ESIC	3.31	8.11	8.91	4.59
Maharashtra Labour welfare Fund	0.05	0.44	0.13	0.27
Gratuity	21.91	20.45	19.39	31.27
Employee Welfare Expenses	8.91	28.83	25.04	22.39
Directors' Remuneration	63.03	121.73	76.80	55.94
Bonus	19.78	50.88	23.37	16.19
Leave Encashment Expenses	0.14	14.04	-	-
<b>Total</b>	<b>348.04</b>	<b>705.21</b>	<b>552.66</b>	<b>475.44</b>

**ANNEXURE XXX**  
**FINANCE COSTS AS RESTATED**

(Amt in Lakhs)

Particulars	for the 6 months period ended Sept.30, 2019	Year Ended 31.03.2019	Year Ended 31.03.2018	Year Ended 31.03.2017
Bank Interest Expenses	96.56	174.99	219.39	262.75
Other Interest Expenses	21.70	35.05	42.69	65.27
Other Borrowing Costs	3.77	9.52	6.39	9.69
Interest On Excise Duty	-	-	0.46	1.35
Interest on ESIC	-	-	-	0.05
Interest on MLWF	0.01	-	-	0.00
Interest on Income Tax	-	0.79	-	1.33
Interest on Profession Tax	-	-	0.02	-
Interest on TDS	0.00	0.08	0.01	0.10
Interest on GST/Sales Tax	-	0.48	0.01	0.10
Interest on Custom Duty	-	0.55	-	-
Foreign Exchange Loss	-	-	-	-
<b>Total</b>	<b>122.04</b>	<b>221.45</b>	<b>268.98</b>	<b>340.64</b>



**ANNEXURE XXXI**  
**OTHER EXPENSES AS RESTATED**

(Amt in Lakhs)

Particulars	for the 6 months period ended Sept.30, 2019	Year Ended 31.03.2019	Year Ended 31.03.2018	Year Ended 31.03.2017
<b>Manufacturing Expenses</b>				
Cutting Charges	-	0.72	0.79	1.99
Freight Charges	0.95	3.27	1.63	1.22
Heat treatment	-	-	-	0.24
Labour Charges Paid	41.92	110.48	78.78	82.91
Local Body Tax Expenses	-	-	9.62	41.51
Loading & Unloading Charges	1.10	5.10	2.89	4.26
Material testing Charges	0.63	1.87	0.61	2.01
Packing Expenses	3.91	9.30	6.71	11.45
Plating Charges	12.01	27.70	25.96	24.43
Tool Manufacturing Charges	-	-	1.61	18.12
<b>Administrative &amp; Selling Expenses</b>				
Electricity Expenses	69.14	172.11	139.54	137.85
Professional and Legal Expenses	42.92	50.84	25.39	21.85
Insurance	4.70	4.88	5.32	4.90
Rates & Taxes	7.22	1.91	2.19	2.05
Bad debts	-	0.58	5.84	10.71
Repairs and Maintenance	36.71	105.96	115.15	112.15
Transportation	20.49	49.10	39.22	32.94
Miscellaneous Expenses	26.54	59.54	76.52	93.45
Payment to Auditors	-			
as Auditor	0.71	2.63	2.40	2.45
for Taxation Matters	0.70	1.17	1.60	1.14
for Other Matters	0.20	0.44	0.25	0.08
<b>Total</b>	<b>269.85</b>	<b>607.59</b>	<b>542.03</b>	<b>607.71</b>

**ANNEXURE XXXII**  
**CONSOLIDATED CAPITALIZATION STATEMENT**

(Amt. in Rs.)

Particulars	Pre Issue	Post Issue
<b>Borrowings</b>		
Short term debt (A)	1,036.29	1,036.29
Long Term Debt (B)	926.25	926.25
<b>Total debts (C)</b>	<b>1,962.54</b>	<b>1,962.54</b>
<b>Shareholders' funds</b>		
Equity share capital	1,044.78	1,428.78
Reserve and surplus - as restated	80.53	387.73
<b>Total shareholders' funds</b>	<b>1,125.31</b>	<b>1,816.51</b>
<b>Long term debt / shareholders funds</b>	0.82	0.51
<b>Total debt / shareholders funds</b>	1.74	1.08

**Notes:**

- Short term Debts represent which are expected to be paid/payable within 12 months and excludes installment of term loans repayable within 12 months.
- Long term Debts represent debts other than Short term Debts as defined above but includes installment of term loans repayable within 12 months grouped under other current liabilities.
- The figures disclosed above are based on restated consolidated statement of Assets and Liabilities of the Company as at 30.09.19.

**ANNEXURE XXXIII**  
**STATEMENTS OF TAX SHELTERS**

(Amt. in Lakhs)

Particulars	for the 6 months period ended Sept.30, 2019	Year Ended 31.03.2019	Year Ended 31.03.2018	Year Ended 31.03.2017
Profit before tax as per books (A)	43.25	254.18	110.65	-125.86
Tax Rate (%)	0.00	27.82%	27.55%	30.90%
Tax at notional rate on profits	9.90	70.71	30.48	0.00
<b>Adjustments :</b>				
<b>Permanent Differences(B)</b>				
Expenses Disallowed under Income Tax Act, 1961	0.00	1.94	0.00	1.33
<b>Total Permanent Differences(B)</b>	0.00	1.94	0.00	1.33
Income considered separately (C)	0.00	0.00	-64.20	0.00
<b>Total Income considered separately (C)</b>	0.00	0.00	0.00	0.00
<b>Timing Differences (D)</b>				
Difference between tax depreciation and book depreciation	38.15	-85.94	-97.20	-111.47
Difference due to expenses allowable/	14.91	17.49	21.38	17.56



disallowable u/s 35D/ 40A(7) / 43B				
<b>Total Timing Differences (D)</b>	<b>53.06</b>	<b>-68.45</b>	<b>-75.81</b>	<b>-93.90</b>
<b>Net Adjustments E = (B+C+D)</b>	<b>53.06</b>	<b>-66.50</b>	<b>-75.81</b>	<b>-92.58</b>
<b>Tax expense / (saving) thereon</b>				
<b>Income from Other Sources</b>				
Interest on Fixed Deposits	0.00	0.00	0.00	0.00
<b>Income from Other Sources (F)</b>	-	0.00	0.00	0.00
Taxable Income/(Loss) (A+E+F)	<b>96.31</b>	<b>187.67</b>	<b>34.84</b>	<b>-218.44</b>
<b>Taxable Income/(Loss) as per MAT</b>	43.25	254.18	110.65	-125.86
<b>Tax as per MAT</b>	6.51	52.33	22.56	0.00
<b>Tax as per Normal Calculations</b>	22.04	52.21	9.60	0.00
<b>MAT Credit Utilized</b>	13.08	0.00	0.00	0.00
<b>Income Tax as returned/computed</b>	0.00	60.65	55.47	18.93
Tax paid as per normal or MAT	NORMAL	NORMAL	NORMAL	NORMAL



**ANNEXURE XXXIV**

**DETAILS OF RELATED PARTY TRANSACTIONS**

**Names of the related parties with whom transactions were carried out during the years and description of relationship:**

Sr. No.	Name of the Person / Entity	Relation
1	Suresh Fegde	Director in Holding Company
2	Alka Kulkarni	Director in Holding Company
3	Mukund Kulkarni	Director in Subsidiary Company
4	Jayant Fegde	Director in Subsidiary Company
5	Aditya Kulkarni	Son of Mukund Kulkarni and Alka Kulkarni
6	Ajinkya Kulkarni	Son of Mukund Kulkarni and Alka Kulkarni
7	Ajinkya Kulkarni HUF	HUF of Director's son

Particulars	Nature of Transaction	Amount of Transaction in April 19 to Sept.-19		Amount Outstanding as on 30.09.19 (Payable)/ Receivable	Amount of Transaction in 2018-19		Amount Outstanding as on 31.03.19 (Payable)/ Receivable	Amount of Transaction in 2017-18		Amount Outstanding as on 31.03.18 (Payable)/ Receivable	Amount of Transaction in 2016-17		Amount Outstanding as on 31.03.17 (Payable)/ Receivable
		Debit	credit		Debit	credit		Debit	credit		Debit	credit	
<b>(A) Key Managerial Personnel</b>													
<b>Managerial Remunerati on</b>													
Suresh Fegde	Remuner ation	20.40	-	-	40.70	-	-	24.00	-	-	17.25	-	-
Alka Kulkarni	Remuner ation	20.40	-	-	40.70	-	-	24.00	-	-	17.25	-	-
Mukund Kulkarni	Remuner ation	20.40	-	-	39.10	-	-	24.00	-	-	17.25	-	-
Jayant Fegde	Remuner ation	1.83	-	-	7.23	-	-	4.79	-	-	4.19	-	-
<b>Others</b>													



Alka Kulkarni	Unsecured Loan							2.68	0.31	0.00	2.67	0.50	-2.36
Alka Kulkarni	Interest on Unsecured Loan	-	3.28	-	-	-	-3.28	0.07	0.00	-3.28	0.81	0.58	3.21
Mukund Kulkarni: Holding	Unsecured Loan	-	-	0.00	2.42	-	-	-	2.42	-2.42	4.69	4.12	0.00
Mukund Kulkarni: Subsidiary	Unsecured Loan	1.53	4.11	-70.15	12.73	46.78	-67.57	51.52	10.59	-33.51	30.35	10.74	-74.44
Mukund Kulkarni: Subsidiary	Interest on Unsecured Loan	4.11	0.41	-3.70	5.78	-	0.00	6.59	-	0.00	10.74	-	-
Suresh Fegde :Subsidiary	Unsecured Loan	0.93	0.09	-	0.00	-	-0.84	-	-	-0.84	-	-	-0.84
Suresh Fegde :Subsidiary	Interest on Unsecured Loan	0.09	-	-	0.10	0.01	-0.09	-	-	-	-	-	-
Alka Kulkarni: Holding	Advance given	2.48	-	2.48									
Suresh Fegde :Holding	Advance given	1.79	-	1.79	-	-	-	-	4.82	-	5.46	0.64	4.82
<b>(B )Other Related Party Transactions</b>													
<b>Relatives of Directors</b>													
Aditya Kulkarni	Unsecured Loan	4.32	4.96	-71.64	6.71	26.71	-71.00	5.61	5.61	-51.00	9.12	9.12	-51.00
Ajinkya Kulkarni	Unsecured Loan	10.00	6.83	-	6.83	10.00	-3.17	-	-	-	-	-	-



*SM Auto Stamping Limited*

Ajinkya Kulkarni - HUF	Unsecured Loan	31.21	31.21	-	0.00	-	-	-	-	-	-	-	-
Aditya Kulkarni	Interest on Unsecured Loan	4.26	-	-	6.71	-	-	5.61	-	-	9.12	-	-

**ANNEXURE XXXV**

**DETAILS OF SIGNIFICANT ACCOUNTING RATIOS**

**(Amt in Lakhs)**

<b>Ratios</b>	<b>for the 6 months period ended Sept 30, 2019</b>	<b>Year Ended 31.03.2019</b>	<b>Year Ended 31.03.2018</b>	<b>Year Ended 31.03.2017</b>
Restated PAT as per P& L Account	4.70	265.40	84.00	-173.11
		-	-	-
Weighted Average Number of Equity Shares at the end of the Year	104.48	104.48	104.48	104.48
	-	-	-	-
Number of Equity Shares outstanding at the end of the year / period	104.48	13.06	13.06	13.06
	-	-	-	-
Net Worth	1,125.31	1,120.62	855.22	771.22
<b>EBITDA</b>	169.66	657.24	318.72	164.33
<b>Earnings Per Share</b>				
<b>Basic &amp; Diluted</b>	0.04	2.54	0.80	(1.66)
<b>Return on Net Worth (%)</b>	0.42%	23.68%	9.82%	-22.45%
<b>Net Asset Value Per Share (Rs)</b>	10.77	85.81	65.48	59.05
Nominal Value per Equity share (Rs.)	10.00	10.00	10.00	10.00

**Footnote**

1. Ratios have been calculated as below  
Basic and Diluted Earnings Per Share (EPS)  
(Rs.)

$$\frac{\text{Restated Profit after Tax available to equity Shareholders}}{\text{Weighted Average Number of Equity Shares at the end of the year / period}}$$

Return on Net Worth (%)

$$\frac{\text{Restated Profit after Tax available to equity Shareholders}}{\text{Restated Net Worth of Equity Shareholders}}$$

Net Asset Value per equity share (Rs.)

$$\frac{\text{Restated Net Worth of Equity Shareholders}}{\text{Number of Equity Shares outstanding at the end of the year / period}}$$

Adjusted EPS

$$\frac{\text{Restated Profit after Tax available to equity Shareholders}}{\text{Weighted Average No. of Equity Shares including bonus shares}}$$

2. EBITDA has been calculated as Profit before tax + Depreciation + Interest Expenses - Other Income

3. The Company has allotted 91,41,853 bonus equity shares on September 19, 2019 in ratio of 7:1 to its shareholders. Thus, the total 1,04,47,832 equity shares has been considered while deriving EPS of the Company



ANNEXURE XXXVI

DETAILS OF CONTINGENT LIABILITIES AS RESTATED

(Amt in Lakhs)

Particulars	30.09.19	2018-19	2017-18	2016-17
Bank Guarantee	-	-	-	49.93
Letter of Credits	-	-	-	-
<b>Total</b>	-	-	-	<b>49.93</b>

### OTHER FINANCIAL INFORMATION

The audited financial statements of our Company as at and for the period/year ended September 30, 2019, March 31, 2019, March 31, 2018, and March 31, 2017 and their respective Audit reports thereon (Audited Financial Statements) are available at <http://www.smautostamping.com>

Our Company is providing a link to this website solely to comply with the requirements specified in the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirement) Regulations, 2018. The Audited Financial Statements do not constitute, (i) a part of this Draft Prospectus; or (ii) prospectus, a statement in lieu of a prospectus, an advertisement, an offer or a solicitation of any offer or an offer document to purchase or sell any securities under the Companies Act, 2013, the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirement) Regulations, 2018, or any other applicable law in India or elsewhere in the world. The Audited Financial Statements should not be considered as part of information that any investor should consider subscribing for or purchase any securities of our Company and should not be relied upon or used as a basis for any investment decision. Neither our Company, nor LM, nor any of their respective employees, directors, affiliates, agents or representatives accept any liability whatsoever for any loss, direct or indirect, arising from any information presented or contained in the Audited Financial Statements, or the opinions expressed therein.

2. The accounting ratios required under Clause 11 of Part A of Schedule VI of the SEBI ICDR Regulations are given below:-

Particulars	For the period ended September 30, 2019	For the year ended March 31,		
		2019	2018	2017
Basic & Diluted Earnings per Share based on Weighted Average Number of Shares (including effect of bonus shares issued on September 19, 2019)	0.04	2.54	0.80	(1.66)
Return on Net Worth (%)	0.42%	23.68%	9.82%	-22.45%
Net Asset Value Per Share (Rs) (based on actual number of shares)	10.77	85.81	65.48	59.05
Earnings before interest, tax, depreciation and amortization (EBITDA)	169.66	657.24	318.72	164.33

1. The ratios for the six months ended on September, 2019 are not annualized.

## PROFORMA FINANCIAL STATEMENTS

### Independent Auditors' Report on the Compilation of Pro Forma Financial Information Included in Prospectus in Connection with the Initial Public Offer of SM Auto Stamping Ltd.

#### The Board of Directors, SM Auto Stamping Limited

J – 41, Ambad MIDC,  
Nashik 422010.

Dear Sirs,

We have completed our assurance engagement to report on the compilation of pro forma financial information of SM Auto Stamping Ltd. (“Company”) The pro forma financial information consists of the pro forma balance sheet as at September 30, 2019 and March 31, 2019, the pro forma statement of profit and loss for the period ended September 30, 2019 and year ended March 31, 2019 read with notes thereto. The pro forma financial information has been prepared by the management of the company in accordance with the requirements of paragraph 11 of item (II)(B)(iii) of Schedule VI of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended to date (the “SEBI Regulations”) issued by the Securities and Exchange Board of India (the “SEBI”).

The pro forma financial information has been compiled by management of the company to illustrate the impact of the divestment made in SM Autovision Private Limited on November 27, 2019 as further set out in the basis of preparation paragraph included in the attached notes to the pro forma financial information on the company’s financial position as at September 30, 2019 and March 31, 2019 and the company’s financial performance for the period ended September 30, 2019 and year ended March 31, 2019 as if the divestment had taken place on March 31, 2018.

We have examined the financial information. For our examination, we have placed reliance on the following:

- a) the restated audited Consolidated financial statement of the Company as at September 30, 2019 on which we have expressed an unmodified opinion in our reports dated February 08, 2020;
- b) the restated audited standalone financial statement of the Company as at September 30, 2019 on which we have expressed an unmodified opinion in our reports dated February 08, 2020;
- c) the audited standalone financial statement of SM Autovision Pvt Ltd as September 30, 2019 on which we have expressed an unmodified opinion in our reports dated February 08, 2020;
- d) the audited Consolidated financial statement of the Company as at March 31, 2019 on which we have expressed an unmodified opinion in our reports dated September 13, 2019;
- e) the audited standalone financial statement of the Company as at March 31, 2019 on which we have expressed an unmodified opinion in our reports dated September 13, 2019; and
- f) the audited standalone financial statement of SM Autovision Pvt Ltd as at March 31, 2019 on which we have expressed an unmodified opinion in our reports dated August 29, 2019 (the “audited financial statements”).

#### Managements' Responsibility for the Pro Forma Financial Information

Management of the company is responsible for compiling the pro forma financial information on the basis of the audited consolidated and standalone financial statements of SM Auto Stamping Ltd and audited standalone financial statements SM Autovision Pvt Ltd as at September 30, 2019 and March 31, 2019. This responsibility includes the responsibility for designing, implementing and maintaining internal control relevant for compiling the pro forma financial information on the basis of audited financial statements that is free from material misstatement, whether due to fraud or error. The management is also responsible for identifying and ensuring that the Company complies with the laws and regulations applicable to its activities, including compliance with the provisions of the laws and regulations for the compilation of Pro Forma Financial Information.

#### Practitioner's Responsibilities

Our responsibility is to express an opinion, as required by SEBI regulation, about whether the pro forma financial information has been compiled, in all material respects, by the management of the company on the basis of the audited financial statements.



We conducted our engagement in accordance with Standard on Assurance Engagements (SAE) 3420, Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus, issued by the Institute of Chartered Accountants of India. This Standard requires that the practitioner comply with ethical requirements and plan and perform procedures to obtain reasonable assurance about whether the management of the company has compiled, in all material respects, the pro forma financial information on the basis of the audited financial statements.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the pro forma financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the pro forma financial information.

The purpose of pro forma financial information included in a Draft Prospectus/Prospectus is solely to illustrate the impact of a divestment made in SM Autovision Private Limited from 75.46% to 48% on November 27, 2019, on account of which SM Autovision Private Limited ceased to be the Subsidiary Company of SM Auto Stamping Limited and became its Associate Company, on unadjusted financial information of the entity as if the divestment had occurred or the transaction had been undertaken on March 31, 2018. Accordingly, we do not provide any assurance that the actual outcome of the divestment at November 27, 2019 would have been as presented.

A reasonable assurance engagement to report on whether the pro forma financial information has been compiled, in all material respects, on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the management of the company in the compilation of the pro forma financial information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- The related pro forma adjustments give appropriate effect to those criteria; and
- The pro forma financial information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the practitioner's judgment, having regard to the practitioner's understanding of the nature of the company, the event or transaction in respect of which the pro forma financial information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the pro forma financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Opinion**

In our opinion, the pro forma financial information has been compiled, in all material respects, on the basis of the audited financial statements.

### **Restrictions on Use**

This report is addressed to and is provided to enable the Board of Directors of the Company to include this report in the Offer Documents prepared in connection with the proposed initial public offer of the Company, to be filed by the Company with the SEBI, stock exchanges and the concerned Registrar of Companies.

**for Milind M Kulkarni & Associates**  
**Chartered Accountants**  
**Firm Registration No.: 126975W**

Sd/-

**Atul Deshpande**  
**Partner**  
**Membership No.: 118218**  
**UDIN: 20118218AAAABI3767**  
Date: February 08, 2020  
Place: Nashik

**Notes to the Pro forma Condensed Standalone Financial Information as of, and for the year ended, September 30, 2019 and March 31, 2019**

**Background**

On November 27, 2019, SM Auto Stamping Ltd (the “company”) has reduced its equity stake in SM Autovision Private Limited (“Autovision”) from 75.46% to 48% through transfer of 6,04,100 shares to its Directors. The unaudited pro forma financial information of the company gives the effect to divestment of Autovision from the company. The cash consideration receivable from directors of Autovision amounting to Rs. 60.41 Lakh will enhance the cash flow of the company.

**Basis of Preparation**

The pro forma standalone financial information of the company comprising the pro forma balance sheet as at September 30, 2019 and March 31, 2019, the pro forma statement of profit and loss for the period ended September 30, 2019 and year ended March 31, 2019, read with the notes to the pro forma financial information, has been prepared as per the request of the management of the company pursuant to requirements of SEBI ICDR Regulations to reflect the divestment of equity of Autovision in the Draft Prospectus/ Prospectus (collectively ‘Offer Documents’). Because of their nature, the pro forma financial information addresses a hypothetical situation and, therefore, do not represent company’s actual standalone financial position or results. They purport to indicate the results of operations that would have resulted had the divestment been completed at the beginning of the period presented and the standalone financial position had the divestment been completed as at the respective period or year end, but are not intended to be indicative of expected results or operations in the future periods or the future financial position of the company. The pro forma adjustments are based upon available information and assumptions that the management of the company believes to be reasonable. In addition, the rules and regulations related to the preparation of pro forma financial information in other jurisdictions may also vary significantly from the basis of preparation as set out in paragraphs below to prepare these pro forma financial statements.

As explained in the following paragraphs, the unaudited proforma balance sheet as at September 30, 2019 and March 31, 2019 has been prepared to reflect the divestment by the company of Autovision as on November 27, 2019. The unaudited pro forma statements of income for the period ended September 30, 2019 and year ended March 31, 2019 present the standalone financial statements of the company for the aforesaid period as if divestment had taken place on March 31, 2018.

The unaudited pro forma condensed standalone financial information is based on:

- a) the restated audited Consolidated financial statement of the Company as at September 30, 2019 on which we have expressed an unmodified opinion in our reports dated February 08, 2020;
- b) the restated audited standalone financial statement of the Company as at September 30, 2019 on which we have expressed an unmodified opinion in our reports dated February 08, 2020;
- c) the audited standalone financial statement of SM Autovision Pvt Ltd as at September 30, 2019 on which we have expressed an unmodified opinion in our reports dated February 08, 2020;
- d) the audited Consolidated financial statement of the Company as at March 31, 2019 on which we have expressed an unmodified opinion in our reports dated September 13, 2019;
- e) the audited standalone financial statement of the Company as at March 31, 2019 on which we have expressed an unmodified opinion in our reports dated September 13, 2019; and
- f) the audited standalone financial statement of SM Autovision Pvt Ltd as at March 31, 2019 on which we have expressed an unmodified opinion in our reports dated August 29, 2019 (the “audited financial statements”).

The unaudited pro-forma financial information does not include any adjustment for liabilities or related costs that may result from divestment activities, nor do they reflect any adjustments for potential down flow in the company’s operations and activities.

**Pro forma adjustments**

The following adjustments have been made to present the unaudited pro forma condensed consolidated financial information:

1. Adjustments to historical audited financial statements to reflect the post divestment structure of the company:  
The audited consolidated financial statements of the company have been presented as per Indian GAAP. The following adjustments have been made to the historical audited consolidated financial statements (as mentioned above) to present the impact of selling of shares by the company of Autovision on standalone financial statement of the company.

2. The audited standalone financial statements of the company are prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis. Pursuant to section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014, till the Standards of Accounting or any addendum thereto are prescribed by Central Government in consultation and recommendation of the National Financial Reporting Authority, the existing Accounting Standards notified under the Companies Act, 1956 shall continue to apply. Consequently these financial statements have been prepared to comply in all material aspects with the accounting standards notified under Section 211(3C) [Companies (Accounting Standards) Rules, 2006, as amended] and the other relevant provisions of the Companies Act, 2013. No further adjustments under Indian GAAP have been made to present pro forma financial information.
3. Divestment related adjustments:
- For the purpose of presenting pro forma financial information as explained above we have assumed that the divestment has been taken place as at April 01, 2018. The audited consolidated financial statement as at June 30, 2019 and March 31, 2019 have been considered as base financial statement. These consolidated financial statements have been prepared as per the principles of AS 21 – “Consolidated Financial Statements”. The company has sold 26.45 % shares to the directors of Autovision. Thereby holding of the company in Autovision is reduced to 48%. Hence the pro forma standalone financial statement has been presented considering principals of AS – 23 Accounting for Investments in Associates.
  - The pro forma adjustment column of the pro forma financial information shows the line by line deduction of items of financial statement of Autovision.
  - While presenting pro forma financial information investment in Autovision is reduced from investment and the proceeds received from directors’ of Autovision has been shown as receivable from them. Further as per the principals of AS – 23 Accounting for Investments in Associates investment in Autovision has been adjusted as follows.

Calculation of Goodwill / Capital reserve

(in Rs.)

	Particulars	30.09.2019	31.03.2019
A	Investment In SM Autovision Pvt Ltd	1,05,60,000	1,05,60,000
B	Net asset of SM Autovision Pvt Ltd		
	Equity shares capital	2,20,00,000	2,20,00,000
	Share premium	2,28,00,000	2,28,00,000
	Balance of loss as on 31/03/2018	(2,34,27,519)	(2,34,27,519)
	Net asset	2,13,72,481	2,13,72,481
	48% of Net Asset	1,02,58,791	1,02,58,791
	<b>Goodwill (A-B)</b>	<b>3,01,209</b>	<b>3,01,209</b>

Carrying amount of Investment

(in Rs.)

	Particulars	30.09.2019	31.03.2019
A	Investment In SM Autovision Pvt Ltd	1,05,60,000	1,05,60,000
	Less: Goodwill	3,01,209	3,01,209
	Initial recording cost of Investment	1,02,58,791	1,02,58,791
	Add 48% of profit of FY 2018-19	54,93,352	54,93,352
	of Stub period ending 30.09.2019	1,31,045	-
		56,24,398	54,93,352
	<b>Carrying amount of Investment</b>	<b>1,58,83,189</b>	<b>1,57,52,143</b>

**RESTATED PROFORMA BALANCE SHEET**

(Rs. in lakhs)

Particulars	As At September 30th 2019			As At March 31st 2019		
	Consolidated	Proforma Adjustments	Standalone with Associate adjustments	Consolidated	Proforma Adjustments	Standalone with Associate adjustments
<b>I Equity and Liabilities</b>						
<b>Shareholders' Funds</b>						
Share Capital	1,044.78	-	1,044.78	130.60	(0.00)	130.60
Reserves & Surplus	80.53	(15.87)	64.65	990.02	(59.00)	931.02
Preference Shares issues by Subsidiary Company	114.00	(114.00)	-	114.00	(114.00)	-
Minority Interest	91.93	(91.93)	-	92.52	(92.52)	-
<b>Non-Current Liabilities</b>	-	-	-	-	-	-
Long-term Borrowings	926.25	(381.86)	544.40	818.33	(352.68)	465.65
Other Long term Liabilities	69.25	(54.39)	14.86	58.81	(55.15)	3.66
Deferred Tax Liabilities (net)	(17.13)	2.33	(14.79)	(34.24)	27.85	(6.39)
Long-term provisions	82.15	(10.23)	71.92	69.21	(7.44)	61.77
<b>Current Liabilities</b>	-	-	-	-	-	-
Short-term Borrowings	1,036.29	(281.66)	754.63	964.95	(315.28)	649.67
Trade Payables	574.49	(172.33)	402.16	1,411.79	(325.01)	1,086.78
Other Current Liabilities	602.55	(262.24)	340.31	560.15	(250.72)	309.43
Short-term Provisions	103.52	(43.36)	60.16	121.79	8.17	129.96
<b>Total</b>	<b>4,708.61</b>	<b>(1,425.54)</b>	<b>3,283.08</b>	<b>5,297.93</b>	<b>(1,535.79)</b>	<b>3,762.14</b>
<b>II Assets</b>						
<b>Non-Current Assets</b>						
Fixed Assets						
- Tangible	2,399.87	(1,497.51)	902.36	2,377.85	(1,540.94)	836.91
- Intangible	3.37	(0.54)	2.83	2.29	(0.59)	1.71
- Capital WIP	31.21	(31.21)	-	31.28	(31.21)	0.07
Non-current Investments	5.30	304.78	310.09	5.30	303.47	308.77
Long term Loans and Advances	34.11	312.94	347.06	32.41	401.30	433.71
<b>Current Assets</b>	-	-	-	-	-	-
Inventories	883.96	(230.62)	653.34	1,040.77	(256.06)	784.70
Trade Receivables	1,046.80	(307.58)	739.22	1,548.54	(552.34)	996.20
Cash and Cash Equivalents	17.20	(9.66)	7.53	19.06	(8.01)	11.05
Short-term Loans and Advances	124.78	8.71	133.49	102.11	34.36	136.47
Other Current Assets	162.01	25.15	187.17	138.31	114.23	252.54
<b>Total</b>	<b>4,708.61</b>	<b>(1,425.54)</b>	<b>3,283.08</b>	<b>5,297.93</b>	<b>(1,535.79)</b>	<b>3,762.14</b>



**RESTATED PROFORMA STATEMENT OF PROFIT & LOSS**

(Rs. in lakhs)

Particulars	As At September 30th 2019			As At March 31st 2019		
	Consolidated	Proforma Adjustments	Standalone with Associate adjustments	Consolidated	Proforma Adjustments	Standalone with Associate adjustments
<b>Revenues</b>						
Net Revenues from operations	3,154.28	(491.80)	2,348.99	7,530.53	(1,717.10)	5,813.44
Other income	67.39	(16.92)	26.32	99.56	(24.00)	75.56
<b>Total Revenues</b>	<b>3,221.67</b>	<b>(508.72)</b>	<b>2,375.30</b>	<b>7,630.09</b>	<b>(1,741.09)</b>	<b>5,889.00</b>
<b>Expenses:</b>	-	-	-			
Cost of Materials Consumed	2,214.22	(364.04)	1,628.37	5,623.46	(1,206.94)	4,416.52
Changes in Inventories	113.36	(11.14)	95.09	(10.38)	(55.54)	(65.92)
Employee Benefit Expenses	348.04	(40.03)	267.19	705.21	(162.29)	542.92
Finance Costs	122.04	(20.03)	70.71	221.45	(85.45)	136.00
Depreciation and Amortization Expenses	110.91	(26.60)	58.98	228.58	(104.70)	123.88
Other Expenses	269.85	(30.07)	216.86	607.59	(116.08)	491.50
<b>Total Expenses</b>	<b>3,178.42</b>	<b>(491.92)</b>	<b>2,337.19</b>	<b>7,375.91</b>	<b>(1,731.01)</b>	<b>5,644.91</b>
<b>Profit before tax</b>	<b>43.25</b>	<b>(16.80)</b>	<b>38.11</b>	<b>254.18</b>	<b>(10.08)</b>	<b>244.09</b>
Tax expenses						
Current Tax	22.04	(3.09)	8.72	52.33	15.19	67.51
Deferred Tax Expenses / (Surplus)	17.11	(8.49)	(8.40)	(104.91)	104.36	(0.55)
<b>Profit/(Loss) for the period</b>	<b>4.10</b>	<b>(5.22)</b>	<b>37.79</b>	<b>306.76</b>	<b>(129.63)</b>	<b>177.13</b>
Add: Share of profit of Associates	-	-	-		-	-
of FY 2018-19	-	-	-	-	54.93	54.93
of Stub period ending 30.09.2019	-	1.31	1.31	-	-	-
	-	1.31	1.31	-	-	43.83
<b>Profit after adding share of profit of associates</b>	<b>4.10</b>	<b>(3.91)</b>	<b>39.10</b>	<b>306.76</b>	<b>(85.81)</b>	<b>220.95</b>
<b>On November 27, 2019, SM Auto Stamping Ltd has reduced its stake in SM Autovision Pvt Ltd from 75.46% to 48.00% due to which it ceased to be its Subsidiary Company. Above Proforma Summary statements have been made on the assumption that the stake has been reduced on 31st march 2018.</b>						





## STATEMENT OF FINANCIAL INDEBTEDNESS

To,

The Board of Directors,  
SM Auto Stamping Limited  
J-41, MIDC, Ambad Nashik-422010,  
Maharashtra, India

Dear Sirs,

Based on the independent examination of Books of Accounts, Audited Financial Statements, Re-stated standalone Financial Statements and other documents of **SM Auto Stamping Limited** and further explanations and information provided by the management of the Company, which we believe to be true and correct to the best of our information and belief, the sanction amount of financial indebtedness, principal terms of security for loan and other related details as on 30<sup>th</sup> September, 2019 are mentioned below.

## A. SECURED LOANS

STATEMENT OF PRINCIPAL TERMS OF SECURED LOANS AND ASSETS CHARGED AS SECURITY

(Rs. in Lacs)

Name of Lender	Purpose	Loan/ Agreement A/c No./Ref. No.	Sanctioned Amount (In Lacs)	Rate of interest	Primary & Collateral Security	Re-Payment Schedule	Moratorium	Outstanding amount as on 30.09.2019 as per Books (In Lakhs)
Small Industrial Development Bank of India	Term Loan	SIDBI/NSK/SMASPL/L 412151329/SEF-SMILE	100	8.21%	<b>Primary Security</b> – All movable assets including plant and machinery. <b>Collateral Security</b> –First pari-passu charge with TJSB Bank by way of mortgage in favor of SIDBI of borrowers leasehold rights over the immovable properties situated at plot no. C	Repayable within 60 monthly installments including moratorium of 6 months starting from April 2019 ( first 53 instalments of Rs 1.85 lakh each and last instalments of rs. 1.95 lakh each)	6 Months	98.82



					13 , MIDC Ambad , Nashik Personal Guarantee of Mrs. Alka Kulkarni And Mr. Suresh Fegde			
Thane Janata Sahakari Bank Ltd.	Property Loan	Ref. no .44/244	50	10.75% p.a.(floating )(at monthly rest ) i.e. 2.50% below PLR	<b>Primary Security –</b> Hypothecation of plant and machinery ( existing and future) <b>Collateral Security-</b> 25% in FDR and rest by the way of equitable mortgage of land and building situated at C 13 and J 41, MIDC Ambad and B 198 , MIDC Malegaon ,Sinnar , nashik  Personal Guarantee of Mr. Suresh Fegde and Mr. Mukund Kulkarni	Repayable within 69 monthly installments including 9 months moratorium of Rs. 1,14,406 starting from February 2015 and From May 2019 the instalment amount changed to 1,58,000.	9 Months	10.08
Thane Janata Sahakari Bank Ltd.	Working capital term loan	Ref. no 45/405	200	12% (floating)i.e.3.75%below PLR	<b>Primary Security –</b> Hypothecation of stock and book debts <b>Collateral Security-</b> Consent TPA and supplementary mortgage of land and building situated at C 13 and J 41, MIDC Ambad and B 198 , MIDC Malegaon ,Sinnar , nashik Personal Guarantee of Mrs. Alka Kulkarni And Mr. Suresh Fegde and Mr.mukund Kulkarni	Repayable within 60 monthly installments of Rs. 4,44,889 starting from April 2016	N.A	45.55
Thane Janata Sahakari Bank Ltd.	Working capital term loan	Ref. no 46/480	300	12% (floating)i.e.3.75%below PLR	<b>Primary Security –</b> Hypothecation of stock and book debts <b>Collateral Security-</b> Consent TPA and supplementary mortgage of land and building situated at C 13 and J 41, MIDC Ambad and B 198 , MIDC Malegaon ,Sinnar , nashik Personal Guarantee of Mrs. Alka Kulkarni And Mr. Suresh Fegde and Mr.mukund Kulkarni	Repayable within 60 monthly installments of Rs. 6,67,333 starting from April 2017	N.A	153.08



Thane Janata Sahakari Bank Ltd.	Cash Credit	Ref. no 46/480	550	11.50% (floating) i.e. 4.50% below PLR	<p><b>Primary Security –</b> Hypothecation of stock and book debts</p> <p><b>Collateral Security-</b> 25% in FDR and rest by the way of consent TPA and supplementary mortgage of land and building situated at C 13 and J 41, MIDC Ambad and B 198 , MIDC Malegaon ,Sinnar , nashik</p> <p>Personal Guarantee of Mrs. Alka Kulkarni And Mr. Suresh Fegde and Mr.mukund Kulkarni</p>	Repayable on demand		754.63
Kotak Mahindra Prime Ltd	Vehicle Loan	CF-12671896	12.80	9.50% (floating) i.e. 2.80% below PLR	<b>Primary Security –</b> Vehicles purchased against the loan	Repayable in 60 monthly instalments starting from March 2016		4.98
Thane Janata Sahakari Bank Ltd.	Term Loan – Express Scheme	49/2016	300	10.75% p.a. (floating) i.e. 5.25% below PLR	<b>Primary Security – Land &amp; Building situated at J-41 and C-13, MIDC, Ambad, Nashik</b>	Repayable in 90 monthly instalments including 9 months moratorium, EMI of Rs. 5,22,441 starting from Sept.'2019	9 months	302.48
<b>Total (Fund Based)</b>								<b>1368.93</b>
<b>Grand Total (Fund &amp; Non Fund Based)</b>								<b>1368.93</b>

**Principal terms of Cash Credit facilities availed from Thane Janata Sahakari Bank Ltd:**

1. The Availability of working capital facilities will be subject to availability of the Drawing power or sanctioned limit whichever is less.
2. Stock debtors and creditors statements as on last date of preceding month o be submitted before 10<sup>th</sup> day of Succeeding month.
3. While calculating drawing power for CC limit , the outstanding WCTL amount to be reduced from total available drawing power.
4. In addition to the rate of interest, following penal rate of interest/ charges will be charged: -

(a) Non- submission/ delayed submission of Stock Statement beyond the stipulated period of 10 days of next immediate month.	Flat penalty of Rs.1000 per day in addition to 2% penal interest
(b) Non Submission of renewal data including audited balance sheet	If not submitted within 1 month, flat penalty of 2% p.a.
(c) Non-compliance with financial covenants	If not submitted within 1 month, flat penalty of 2% p.a.



5. All the assets charged to the Bank should always be fully insured by the Borrower against fire, lightning, riots, strikes, floods, cyclones, earthquakes etc. with a Co approved by the Bank in the joint names of the Bank and yourselves at your cost for full market value or Banks interest, whichever is higher.

**6. Others:**

- (a) Company to take prior approval from Bank before issuing corporate guarantee in favour of its associates/ JVs/ subsidiaries/ etc.
- (b) The Company to submit audited balance sheets of its subsidiaries/ JVs and consolidated financials of the entire Group.

**7. Stock Audit:**

- (a) Stock and Receivable Audit will be carried out at as per Bank's extant instructions at present the periodicity is half yearly.

**General terms and Condition facilities availed from Thane Janata Sahakari Bank Ltd:**

The Borrower(s) shall give 60 day's prior notice to the Bank for undertaking any of the following activities to enable the Bank to take a view. If, in the opinion of the Bank, the move contemplated by the borrower is not in the interest of the Bank, the Bank will have the right of veto for the activity. Should the borrower still go ahead, despite the veto, the Bank shall have the right to call up the facilities sanctioned.

- (a) Interest is subject to changes stipulated as per the directives of the Reserve Bank of India and as determined by Bank from time to time. Bank reserves the right to make upward revision in interest rate in line with emerging interest rate scenario and as per Bank's policy without giving prior notices to the Borrower/Guarantor(s).
- (b) Interest will be charged at monthly rest and to be paid immediately on the date of its application. No separate notice will be sent as interest will be applied in every account and such application of interest at monthly rest from time to time will be taken as deemed notice to Borrower(s). Bank reserves the right to recompense.
- (c) Branch to recover the amount of processing charges for the unrenewed period.
- (d) Adequate Insurance of Securities with Bank clause. Original copy of policy/cover note with bank clause to be submitted to the Bank.
- (e) 2% p.a. over and above normal rate will be charged as penal interest for:
  - i. Failure to maintain adequate security.
    - ii. Failure to pay due Installment
    - iii. Overdue Installment / Interest
  - iv. Over drawings in sanctioned limit
  - v. Overdue interest
  - vi. Non-submission of Stock statement before 10th of every month
  - vii. Non-renewal of working capital limits within one month from the due date
  - viii. Overdue Project Finance. [Penal interest should also be recovered for extended period even if sanction for the same is obtained.]



- ix. Non-submission of Audited financial statement, if applicable.
- (f) 4% over and above normal rate will be charged as penal interest for Non- Compliance of terms and conditions (Concurrent Audit/Internal Audit Report shall be the base for identifying the Non-Compliance of terms and conditions).
- (g) The Proprietary concern/firm/company shall not make any inter transfer transactions among its Associate concern's except genuine trade transaction.
- (h) The Bank will have the right to examine at all times the Company's/Firm's/Proprietary Concern's books of accounts and to have the Company's/Firm's factories inspected from time to time by officers of the Bank and/or qualified auditors or technical experts and/or management consultant of the Bank's choice. Cost of such inspection will be borne by the Company/Firm.
- (i) During the currency of the Bank's credit facilities, the Proprietary Concern/Firm/Company will not without prior approval of the Bank.
- i. Effect any change in the Proprietary Concern's/Firm's/Company's capital structure
  - ii. Effect any change in the constitution
  - iii. Effect any change in the Management set up
  - iv. Invest by way of share capital in or advance funds to or place deposit with any other concern [normal trade credit or security deposit in the normal course of business or advance to employees can, however, be extended].
  - v. Enter into borrowing arrangement whether secured or unsecured with any other banks, financial institutions, Company or otherwise.
- (j) The Proprietary concern/firm/company will keep the Bank informed of the happenings of any event likely to have a substantial effect on their profit or business. If, for instance, the monthly production of sales is substantially less than what has been indicated to the Bank, the firm/company will inform accordingly with explanations and the remedial steps proposed to be taken.
- (k) Certified true copy of Board Resolution for approaching our Bank for credit limits mentioning authorised signatories to be obtained on record.
- (l) Certified true copy of Board Resolution mentioning Authorised Signatories, affixation of common seal, Creation of charges on securities & acceptance of terms and conditions of loans sanctioned is to be submitted.
- (m) In case of Private Limited and Limited Company, charge with R.O.C. to be registered within stipulated period covering total exposure (Existing & Proposed).
- (n) Irrevocable Power of Attorney be obtained on record.
- (o) Any escalation in the project cost shall be brought in by Proprietor/Firm/Company.
- (p) Undertaking to maintain level of unsecured loans/deposits of friends and relatives till currency of loan and will not be paid unless written permission of the Bank is to be obtained.
- (q) Certificate of Chartered Accountant confirming capital raised by the firm/company, be obtained.
- (r) Registration of Bank's charge on the vehicle (s) with R.T.O. & copy of R.C. book along with set of TWO blank transfer forms duly signed by Borrower(s) is to be submitted. In case of transport operator copy of R.T.O. permit duly renewed is to be submitted & the vehicle is to be registered as "PUBLIC CARRIER". The vehicle under hypothecation is to be brought to the Bank for routine inspection at least once in every quarter or as per the requirement of the Bank.
- (s) Based on actual cash flow, bank can accelerate repayment of Bank loan.
- (t) Even though the above mentioned facility/ies are granted to firm/company, the Bank reserves the right to recall the facility or alter the terms and conditions at any time at the discretion of the Bank during the currency of facility without any prior notice to firm/company.



- (u) The Bank reserves the right to discontinue the loan and to stop any disbursement without giving any notice, in case of non-compliance/breach of any of the terms and conditions stipulated herein and from time to time in the relevant documents or if any information/particulars furnished to bank is found to be incorrect or in case of any development of situations where in the opinion of the bank, its interest will be/is likely to be prejudicially affected by such continuation of disbursement.
- (v) This sanction would remain valid for the period of three months only from the date of this letter and revalidation will not be required if any of the sanctioned facility is availed within three months but before expiry of one year from the date of this letter.
- (w) Mortgage to be registered with CERSAI within stipulated time and charges to be recovered as per Bank's policy.

**General terms and Condition facilities availed from Small Industrial Development Bank of India (SIDBI):**

- (a) Intimate SIDBI within 30 days of any loan having been granted to its subsidiaries/associate concerns at a rate of Interest lower than the rate at which the concerns has borrowed the funds from SIDBI/its bankers/other financial institutions, falling which SIDBI shall be at liberty to take appropriate action against the borrower.
- (b) Agree that dealings with associate concerns shall be on commercial basis.
- (c) Agree to share credit information by SIDBI amongst banks/financial institutions under multiple banking arrangements.
- (d) Not to induct a person who is a director on the Board of a company which has been identified as a willful defaulter in terms.
- (e) Agree to submit original insurance policy of all the assets hypothecated/mortgaged to SIDBI for gross value of all the assets with Bank Clause and RIMV clause and covering the risks as per SIDBI guidelines and agree to renew the same and submit to SIDBI the original renewed insurance policy from time to time during the currency of the loan.
- (f) Submit to SIDBI its duly audited annual accounts and such other reports as may be required by SIDBI from time to time.
- (g) Agree to the condition that the concern shall not effect any changes in the project/constitution/management of the concern, without the approval of SIDBI in writing.
- (h) Agree to display 'Hypothecated to SIDBI' on all the major items of movable assets hypothecated or at prominent /major places for clear visibility to all, during the currency of the loan, to the satisfaction of SIDBI.
- (i) The borrower shall obtain and renew from time to time, various applicable statutory approvals required for running its business (including consent to operate from pollution control board).
- (j) The borrowers shall agree that in case of additional Working Capital requirement, the same would be sourced from own sources/other banks without recourse to SIDBI.
- (k) Agree that SIDBI shall have right to inspect the asset of the concern during currency of SIDBI term loan, as and when deemed appropriate. The cost of inspection, including travelling and all other expenses, shall be payable by the borrower to SIDBI.

**B. UNSECURED LOANS**

(Rs. in Lacs)

Name	Purpose	Rate of Interest	Repayment	Outstanding Amount in Lacs as per Books as on 30-09-2019
HDFC Bank	Business	15.00%	Repayable in 48 monthly instalments starting from April 2016	13.17
ICICI Bank	Business	15.50%	Repayable in 36 monthly instalments starting from July 2016	-



*SM Auto Stamping Limited*

<b>Aditya Kulkarni</b>	Business	12.00%	There are no defined terms of repayment	<b>71.64</b>
<b>Ajinkya Kulkarni</b>	Business	12.00%	There are no defined terms of repayment	-

**for Milind M Kulkarni & Associates**

**Chartered Accountants**

**FRN 126975W**

**Sd/-**

**CA Atul Deshpande**

**Partner**

**Membership No: 118218**

**UDIN:20118218AAAABP2501**

**Place :- Nashik**

**Date : February 15, 2020**



## **MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITIONS AND RESULTS OF OPERATIONS**

*You should read the following discussion of our financial condition and results of operations together with our Restated Financial Statements as of and for the period ended September 30, 2019 and the three Financial Years ended March 31, 2019, 2018 and 2017, including the notes thereto and the report thereon, which appear elsewhere in this Prospectus. You should also read the section titled "Risk Factors" on page 24 and the section titled "Forward Looking Statements" on page 15 of this Prospectus, which discusses a number of factors and contingencies that could affect our financial condition and results of operations. The following discussion relates to us, and, unless otherwise stated or the context requires otherwise, is based on our Restated financial Statements.*

*Our financial statements have been prepared in accordance with Indian GAAP, the Companies Act and the SEBI (ICDR) Regulations and restated as described in the report of our auditor dated February 08, 2019 which is included in this Prospectus under "Financial Statements". The Restated Financial Information has been prepared on a basis that differs in certain material respects from generally accepted accounting principles in other jurisdictions, including US GAAP and IFRS. Our financial year ends on March 31 of each year, and all references to a particular financial year are to the twelve-month period ended March 31 of that year.*

### **OVERVIEW**

Incorporated in 2006, we are one of the auto-component manufacturers located in Nashik catering to the sheet metal components and sub-assemblies requirements of automobile parts/equipment manufacturers. Our range of product primarily covers sheet metal pressed components for clutches, brakes, engine mountings, chassis, shaft drive, body trims, bearings etc. which are used in passenger cars, commercial vehicles and tractors. Our products such as deep drawn components and control panel components also find application in electrical equipments industry.

Two of our Promoters, Mr. Milind Kulkarni and Mr. Suresh Fegde promoted a partnership firm, M/s Spam Fab Technocrats in 1995 for engaging in job work of sheet metal components. Later, another partnership firm in the name of M/s SM Industries was also formed by the same promoters in 1998 to carry on the manufacturing and job work of press parts. Subsequently, our Company in the name of SM Auto Stamping Private Limited was incorporated in 2006 which took over both the partnership firms in 2007. SM Auto Stamping Private Limited was converted into a public limited company and renamed as SM Auto Stamping Limited w.e.f. December 19, 2019.

We have three manufacturing units, all ideally located at Nashik, Maharashtra on leasehold industrial plots of total size admeasuring to over 5000 sq. mtrs. Our all three units comply with the IATF 16949:2016 standards. Apart from manufacturing, we also provide job work services in respect of blanking and forming process on metal components.

Some of our reputed customers include JBM Auto Ltd., SKF India Ltd., Mahindra CIE Automotive Ltd., Haldex India Pvt Ltd, Reliable Autotech Private Limited and ABB India Ltd. to whom we have supplied our products in F.Y. 2018-19 and stub period Apr.'19 – September'19.

### **STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES**

#### **A) BASIS OF PREPARATION OF FINANCIAL STATEMENT**

The Restated Consolidated Statement of Assets and Liabilities (Annexure I) of the company as at as at September 30, 2019, March 31, 2019, 2018, and 2017 , the Restated Consolidated Statements of Profit and Loss (Annexure II), the Restated Consolidated Cash Flow Statement (Annexure III) for the six month period ended September 30, 2019 and for the years ended March 31, 2019, 2018, and 2017 (hereinafter collectively referred to as "Restated Consolidated Financial Information") have been extracted by the management from the audited interim consolidated financial statements of the group as at and for the six month period ended September 30, 2019 and audited financial statements of the group for the March 31, 2019, 2018, and 2017, approved by the respective Board of Directors of the companies.

These financial statements are prepared in accordance with Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention on the accrual basis. GAAP comprises mandatory accounting standards as prescribed under Section 133 of the Companies Act, 2013 ('the Act') read with Rule 7 of the Companies (Accounts) Rules, 2014, the provisions of the Act. The



accounting policies adopted in the preparation of financial statements have been consistently applied. All assets and liabilities have been classified as current or non-current as per the company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of operations and time difference between the provision of services and realization of cash and cash equivalents, the company has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities.

## **B) USE OF ESTIMATES**

The preparation of financial statements in conformity with Indian GAAP requires judgments, estimates and assumptions to be made that affect the reported amount of assets and liabilities, disclosure of contingent liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognised in the period in which the results are known / materialized.

## **C) ACCOUNTING CONVENTION**

The group follows the mercantile system of accounting, recognizing income and expenditure on accrual basis. The accounts are prepared on historical cost basis and as a going concern. Accounting policies not referred to specifically otherwise, are consistent with the generally accepted accounting principles.

The following significant accounting policies are adopted in the preparation and presentation of these financial statements:

### **1. Revenue recognition**

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

#### **Sale of goods**

Revenue is recognised when the significant risks and rewards of ownership of the goods have been passed to the buyer. Sales are disclosed net of sales tax /GST/ VAT, trade discounts and returns, as applicable. Excise duties deducted from turnover (gross) are the amounts that are included in the amount of turnover.

#### **Income from services**

Revenue from services is recognised when services have been rendered and there should be no uncertainty regarding consideration and its ultimate collection.

#### **Interest Income**

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable."

#### **Dividend Income**

Dividend Income is recognised on receipt basis.

### **2. Property, plant & equipment**

- a) Property, plant and equipment are stated as per Cost Model i.e., at cost less accumulated depreciation and impairment, if any;
- b) Costs directly attributable to acquisition are capitalized until the property, plant and equipment are ready for use, as intended by the management;
- c) Subsequent expenditures relating to property, plant and equipment are capitalized only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably. Repairs & maintenance costs are recognized in the Statement of profit & Loss when incurred;

- d) The cost and related accumulated depreciated are eliminated from the financial statements upon sale or retirement of the asset and the resultant gains or losses are recognized in the Statement of Profit or Loss. Assets to be disposed of are reported at the lower of the carrying value or the fair value less cost to sell;
- e) Depreciation on Tangible Assets in case of holding company is provided in such a manner so that the cost of asset (Net of realizable value) will be amortized over their estimated remaining useful life on WDV basis as per the useful life prescribed under Schedule II to the Companies Act 2013 and that of subsidiary is provided on SLM basis.
- f) Depreciation methods, useful lives, and residual values are reviewed periodically, including at each financial year end;

### **3. IMPAIRMENT**

The Management periodically assesses, using external and internal sources, whether there is an indication that an asset may be impaired. An impairment loss is recognized wherever the carrying value of an asset exceeds its recoverable amount. The recoverable amount is higher of the asset's net selling price and value in use, which means the present value of future cash flows expected to arise from the continuing use of the asset and its eventual disposal. An impairment loss for an asset is reversed if, and only if, the reversal can be related objectively to an event occurring after the impairment loss was recognized. The carrying amount of an asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognized for the asset in prior years.

### **4. INVENTORIES**

Inventories are valued after providing for obsolescence, as follows:

- a) Raw Materials, Stores & Spare parts and Packing Material-Lower of cost and net realizable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost is determined on Weighted Average Cost basis.
- b) Work-in-Progress is valued at raw material cost plus proportionate conversion cost.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

### **5. RETIREMENT BENEFITS & OTHER EMPLOYEE BENEFITS**

#### **Defined-contribution plans:**

All short term employee benefits are accounted on undiscounted basis during the accounting period based on services rendered by employees.

The Company's contribution to Provident Fund and Employees State Insurance Scheme is determined based on a fixed percentage of the eligible employees' salary and charged to the Statement of Profit and Loss on accrual basis.

The Group has made provision for payment of Gratuity to its employees. This Provision is made as per the method prescribed under the Payment of Gratuity Act. The cost of providing gratuity under this plan is determined on the basis of actuarial valuation at year end. Under the Gratuity Fund Plan, the holding company contributes to a LIC administered Group Gratuity Fund on behalf of employees.

### **6. FOREIGN EXCHANGE TRANSACTIONS**

Foreign-currency denominated monetary assets and liabilities if any are translated at exchange rates in effect at the Balance Sheet date. The gains or losses resulting from the transactions relating to purchase of current assets like Raw Material etc. are included in the Statement of Profit and Loss. Revenue, expense and cash-flow items denominated in foreign currencies are translated using the exchange rate in effect on the date of the transaction.

## **7. CASH FLOW STATEMENT**

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities are segregated.

## **8. BORROWING COSTS**

Borrowing costs that are directly attributable to the acquisition or construction of a qualifying asset are capitalized as part of the cost of that asset till such time the asset is ready for its intended use. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use. Costs incurred in raising funds are amortized equally over the period for which the funds are acquired. All other borrowing costs are charged to profit and loss account.

## **9. INCOME TAX**

The accounting treatment for the Income Tax in respect of the Company's income is based on the Accounting Standard on 'Accounting for Taxes on Income' (AS-22). The provision made for Income Tax in Accounts comprises both, the current tax and deferred tax. Provision for Current Tax is made on the assessable Income Tax rate applicable to the relevant assessment year after considering various deductions available under the Income Tax Act, 1961.

Deferred tax is recognised for all timing differences; being the differences between the taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Such deferred tax is quantified using the tax rates and laws enacted or substantively enacted as on the Balance Sheet date. The carrying amount of deferred tax asset/liability is reviewed at each Balance Sheet date and consequential adjustments are carried out.

## **10. EARNINGS PER SHARE**

Basic earnings per share is computed by dividing the net profit after tax by the weighted average number of equity shares outstanding during the period. Diluted earnings per share is computed by dividing the profit after tax by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

The diluted potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value which is the average market value of the outstanding shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

## **11. PROVISIONS AND CONTINGENT LIABILITIES**

A provision is recognized if, as a result of a past event, the Company has a present legal obligation that is reasonably estimable, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by the best estimate of the likely future outflow of economic benefits required to settle the obligation at the reporting date.

Where no reliable estimate can be made, a disclosure is made as contingent liability. A disclosure for a contingent liability is also 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 in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

## **12. CASH & CASH EQUIVALENTS**

Cash and cash equivalents comprise cash and cash on deposit with banks. The Company considers all highly liquid investments with a remaining maturity of twelve months or less, and which are readily convertible to known amounts of cash, to be cash equivalents.

## **13. SEGMENT REPORTING**

Company is operating under a single segment

#### 14. EMPLOYEE BENEFITS

The Company has adopted the Accounting Standard 15 (revised 2005) on Employee Benefits during the restated financials period. The disclosure as envisaged under the Accounting Standard is provided hereunder:

Details of Gratuity Expenses	For the period ended September 30, 2019	For the Year Ended 2018-19	For the Year ended 2017-18	For the Year Ended 2016-17
<b>Profit and loss account for the period</b>				
Current service cost	7.61	12.97	10.22	8.52
Interest on obligation	4.72	8.09	6.14	4.10
Expected return on plan assets	(1.81)	-3.46	-3.10	-2.34
Net actuarial loss/(gain)	11.39	5.48	-5.54	20.56
Recognised Past Service Cost-Vested	-	-	10.84	0.00
Loss (gain) on curtailments	-	-	0.81	0.00
<b>Total included in 'Employee Benefit Expense'</b>	<b>21.91</b>	<b>23.08</b>	<b>19.39</b>	<b>30.85</b>
prior year charge	-	-	-	1.08
<b>Total Charge to P&amp;L</b>	<b>21.91</b>	<b>23.08</b>	<b>19.39</b>	<b>30.85</b>
<b>Reconciliation of defined benefit obligation</b>				
Opening Defined Benefit Obligation	123.37	106.53	85.30	56.13
Transfer in/(out) obligation	-	-	-	-
Current service cost	7.61	12.97	10.22	8.52
Interest cost	4.72	8.09	6.14	4.10
Actuarial loss (gain)	11.36	5.23	-5.70	20.28
Past service cost	-	-	11.66	0.00
Benefits paid	-	-9.45	-1.10	-4.81
prior year charge	0.00	0.00	0.00	1.08
<b>Closing Defined Benefit Obligation</b>	<b>147.06</b>	<b>123.37</b>	<b>106.53</b>	<b>85.30</b>
<b>Table of experience adjustments</b>				
Defined Benefit Obligation	147.06	123.37	106.53	85.30
Plan Assets	51.15	42.37	40.98	39.14
<b>Surplus/(Deficit)</b>	<b>(95.91)</b>	<b>-81.00</b>	<b>-65.55</b>	<b>-46.16</b>
<b>Reconciliation of plan assets</b>				
Opening value of plan assets	42.37	40.98	39.14	26.90
Transfer in/(out) plan assets	-	-	-	-
Expenses deducted from the fund	-	-	-	-
Expected return	1.81	3.46	3.10	2.34
Actuarial gain/(loss)	(0.03)	-0.25	-0.17	-0.28
Contributions by employer	7.00	7.64	-	15.00
Benefits paid	-	-9.45	-1.10	-4.81
<b>Closing value of plan assets</b>	<b>51.15</b>	<b>42.37</b>	<b>40.98</b>	<b>39.14</b>
Details of Gratuity Expenses	For the period ended September 30, 2019	For the Year Ended 2018-19	For the Year ended 2017-18	For the Year Ended 2016-17
<b>Reconciliation of net defined benefit liability</b>				
Net opening provision in books of accounts	81.00	65.55	46.16	29.24
Transfer in/(out) obligation	-	-	-	-
Transfer (in)/out plan assets	-	-	-	-
Employee Benefit Expense	21.91	23.08	19.39	31.93
Benefits paid by the Company				
Contributions to plan assets	(7.00)	-7.64	-	-15.00
<b>Closing provision in books of accounts</b>	<b>95.91</b>	<b>81.00</b>	<b>65.55</b>	<b>46.16</b>



<b><u>Bifurcation of liability</u></b>				
Current Liability	13.77	11.79	10.72	8.80
Non-Current Liability	82.15	69.21	54.83	37.36
<b>Net Liability</b>	<b>95.91</b>	<b>81.00</b>	<b>65.55</b>	<b>46.16</b>
<b><u>Principle actuarial assumptions</u></b>				
<b><u>For SM Auto stamping Pvt Ltd</u></b>				
Discount Rate	7.45%	7.75%	7.70%	7.30%
Expected Return on Plan Assets	7.45%	7.75%	7.70%	7.30%
Salary Escalation Rate	10.00%	10.00%	10.00%	10.00%
Withdrawal Rates	5.00% p.a at younger ages reducing to 1.00% p.a at older ages	5.00% p.a at younger ages reducing to 1.00% p.a at older ages	5.00% p.a at younger ages reducing to 1.00% p.a at older ages	5.00% p.a at younger ages reducing to 1.00% p.a at older ages
<b><u>For SM Autovision Pvt Ltd</u></b>				
Discount Rate	7.40%	7.75%	7.70%	7.30%
Expected Return on Plan Assets	Not Applicable	Not Applicable	Not Applicable	Not Applicable
Salary Escalation Rate	10%	10%	10%	10%
Withdrawal Rates	5.00% p.a at younger ages reducing to 1.00% p.a at older ages	5.00% p.a at younger ages reducing to 1.00% p.a at older ages	5.00% p.a at younger ages reducing to 1.00% p.a at older ages	5.00% p.a at younger ages reducing to 1.00% p.a at older ages

### III. CHANGES IN ACCOUNTING POLICIES IN THE PERIODS/YEARS COVERED IN THE RESTATED FINANCIALS

During the period September ended 2019, the Company has changed the accounting policy for recognizing the cost of inventories to align with accounting policy prescribed in AS -2 Valuation of inventories. However, till FY 2018-19 the Company had policy to include the amount of duties and taxes in the purchase cost of closing Inventory to comply with Income Computation and Disclosure Standards as prescribed under Income Tax law.

#### Factors Affecting our Results of Operations

Our business is subjected to various risks and uncertainties, including those discussed in the section titled “**Risk Factors**” beginning on page 24 of this Prospectus. Our results of operations and financial conditions are affected by numerous factors including the following:

1. General economic and business conditions in the markets in which we operate and in the local, regional, national and international economies;
2. Fluctuations in operating costs;
3. Changes in consumer demand;
4. Failure to successfully upgrade our product portfolio, from time to time;
5. any change in government policies resulting in increases in taxes payable by us;
6. our ability to retain our key managements persons and other employees;
7. changes in laws and regulations that apply to the industries in which we operate.
8. our failure to keep pace with rapid changes in technology;
9. our ability to grow our business;
10. our ability to make interest and principal payments on our existing debt obligations and satisfy the other covenants contained in our existing debt agreements;
11. general economic, political and other risks that are out of our control;
12. Inflation, deflation, unanticipated turbulence in interest rates, equity prices or other rates or prices;
13. Company’s ability to successfully implement its growth strategy and expansion plans ;

14. failure to comply with regulations prescribed by authorities of the jurisdictions in which we operate;
15. inability to successfully obtain registrations in a timely manner or at all;
16. occurrence of Environmental Problems & Uninsured Losses;
17. conflicts of interest with affiliated companies, the promoter group and other related parties;
18. any adverse outcome in the legal proceedings in which we are involved; and
19. Concentration of ownership among our Promoters.

### Discussion on Result of Operations

The following discussion on results of operations should be read in conjunction with the restated consolidated financial statements for the period ended September 30, 2019 and financial years ended March 2019, March 2018 and March 2017.

Particulars	As at September 30, 2019	% of Total income	For the Year Ended March 31,					
			2019	% of Total income	2018	% of Total income	2017	% of Total income
Revenue From Operations	3,154.28	97.91%	7,530.53	98.70%	6,335.07	96.14%	5,083.48	95.26%
Other Income	67.40	2.09%	99.56	1.30%	254.67	3.86%	252.82	4.74%
<b>Total Revenue</b>	<b>3,221.68</b>	<b>100.00%</b>	<b>7,630.09</b>	<b>100.00%</b>	<b>6,589.74</b>	<b>100.00%</b>	<b>5,336.30</b>	<b>100.00%</b>
<b>Expenditure</b>								
Cost of materials consumed	2,214.22	68.73%	5,623.46	73.70%	4,710.42	71.48%	3,812.40	71.44%
Cost of trading goods	-	0.00%	-	0.00%	-	0.00%	-	0.00%
Changes in inventories of finished goods, traded goods and work-in-progress	113.36	3.52%	(10.38)	-0.14%	174.18	2.64%	(27.23)	-0.51%
Employee benefit expenses	348.05	10.80%	705.21	9.24%	552.66	8.39%	475.44	8.91%
Finance costs	122.05	3.79%	221.45	2.90%	268.98	4.08%	340.64	6.38%
Depreciation and amortization expense	110.62	3.43%	228.58	3.00%	230.82	3.50%	253.20	4.74%
Other Expenses	268.98	8.35%	607.59	7.96%	542.03	8.23%	607.71	11.39%
<b>Total Expenditure</b>	<b>3,177.28</b>	<b>98.62%</b>	<b>7,375.91</b>	<b>96.67%</b>	<b>6,479.09</b>	<b>98.32%</b>	<b>5,462.16</b>	<b>102.36%</b>
<b>Profit/(Loss) Before Tax</b>	<b>44.40</b>	<b>1.38%</b>	<b>254.18</b>	<b>3.33%</b>	<b>110.65</b>	<b>1.68%</b>	<b>(125.86)</b>	<b>-2.36%</b>
<b>Tax Expense:</b>								
Current Tax	6.69	0.21%	52.33	0.69%	22.56	0.34%	18.93	0.35%
Deferred Tax	17.18	0.53%	(104.91)	-1.37%	14.50	0.22%	31.89	0.60%
Total Tax Expense	<b>23.87</b>	<b>0.74%</b>	<b>(52.58)</b>	<b>-0.69%</b>	<b>37.06</b>	<b>0.56%</b>	<b>50.82</b>	<b>0.95%</b>
Net profit/(loss) after tax , as restated before minority interest	20.53	0.64%	306.76	4.02%	73.59	1.12%	(176.68)	-3.31%
Less: Minority share in (Profit) and loss	(0.60)	-0.02%	(41.36)	-0.54%	10.41	0.16%	3.57	0.07%
Net Profit and loss as restated	<b>21.13</b>	<b>0.66%</b>	<b>265.40</b>	<b>3.48%</b>	<b>84.00</b>	<b>1.27%</b>	<b>(173.11)</b>	<b>-3.24%</b>

### Revenue from operations:

Our principal component of income is from sale of sheet metal components, scrap material and job work.

**Other Income:**

Our other income primarily comprises of Subsidy Income (Package Scheme of Incentives), interest income, dividend receipt, and miscellaneous receipts.

**Employee benefits expense:**

Our employee benefits expense primarily comprises of Salary and wages, contribution to ESIC, PF, Gratuity Expenses, leave encashment expenses etc.

**Finance Costs:**

Our finance cost includes Interest Expenses and other borrowing costs.

**Depreciation and Amortization Expenses:**

Depreciation includes depreciation on tangible assets like factory building, electrical installation, plant and machinery, furniture, dies, motor vehicles, office equipments and computer. Amortization expenses includes amortization of intangible asset i.e. softwares & websites.

**Other Expenses:**

Other expenses include electricity expenses, labour charges, professional & legal expenses, repair & maintenance expenses, miscellaneous expenses etc.

**Financial Performance Highlights for the Period Ended September 30, 2019**

**Revenue from operations:**

The revenue from operations during the period ended September 30, 2019 was Rs. 3221.68 Lakhs. The revenue from operations comprised of sale of sheet metal components, scrap material and job work.

**Total Expenses:**

The total expenditure during period ended September 30, 2019 was Rs.3177.28 Lakhs. The total expenditure represents 98.62% of the total income. The total expenses are represented by Cost of Material Consumed, change in inventories of finished goods, traded goods and work in progress, employee benefits expense, finance costs, depreciation and amortization expenses and Other Expenses. The main constituent of total expenditure is cost of material consumed which is Rs. 2214.22 lakhs.

**Profit/ (Loss) after Tax:**

The restated net profit during the period ended September 30, 2019 was Rs. 21.13 lakhs representing 0.66% of the total revenue of our company.

**Financial Year 2019 Compared to Financial Year 2018**

**Total Income**

Total Income for the financial year 2018-2019 stood at Rs. 7630.09 lakhs whereas in Financial Year 2017-2018 the same stood at Rs.6589.74 Lakhs representing an increase of 15.79%.

**Revenue from Operations**

During the financial year 2018-2019 the net revenue from operation of our Company increased to Rs.7530.53lakhs as against Rs. 6335.07 Lakhs in the Financial Year 2017-2018 representing an increase of 18.87%. This increase was due to increase in sales of the Company.



**Other Income:**

During the financial year 2018-2019 the other income of our Company decreased to Rs.99.56lakhs as against Rs. 254.67lakhs in the Financial Year 2017-2018 representing a decrease of 60.91%. Such decrease was primarily due to decrease in profit on sale of assets and decrease in subsidy income.

**Total Expenses:**

The Total Expenditure for the financial year 2018-2019 increased to Rs. 7375.91lakhs from Rs.6479.09lakhs in the previous financial year representing an increase of 13.84%.

**Employee benefits expense:**

Our Company has incurred Rs. 705.21 Lakhs as Employee benefits expense during the financial year 2018-2019 as compared to Rs. 552.66 Lakhs in the financial year 2017-2018. The increase of 27.06% was due to increase in leave encashment expenses, director's remuneration, bonus and increase in salary and wages.

**Finance costs:**

These costs were for the financial Year 2018-2019 decreased to Rs. 221.45 Lakhs as against Rs. 268.98 Lakhs during the previous financial year. The decrease of 17.67% as compared to previous financial year was due to decrease in interest expenses.

**Depreciation and Amortization Expenses:**

Depreciation for the financial year 2018-2019 stood at Rs. 228.58lakhs as against Rs. 230.82lakhs during the previous financial year.

**Other Expenses:**

Our Company has incurred Rs. 607.59lakhs during the Financial Year 2018-2019 on other expenses as against Rs. 542.03lakhs during the financial year 2017-2018. The increase of 12.09% was mainly due to increase in labour charges, electricity expenses, professional & legal expenses and transportation expenses.

**Restated Profit before tax:**

The Company reported Restated profit before tax for the Financial Year 2018-2019 of Rs. 254.18lakhs in comparison to Restated profit of Rs. 110.65lakhs in financial year 2017-2018 representing an increase of 129.71%.

**Restated profit after tax:**

Net Profit after tax for the Financial Year 2018-2019 increased to Rs. 265.40 lakhs as compared to Rs.84 Lakhs in financial year 2017-2018. The increase in profit after tax by 215.95% was majorly due to factors mentioned above.

**Financial Year 2018 Compared to Financial Year 2017**

**Total Income:**

Total income for the financial year 2017-2018 stood at Rs. 6589.74 Lakhs whereas in Financial Year 2016-2017 the same stood at Rs.5336.30 Lakhs representing an increase of 23.49%.

**Revenue from Operations**

During the financial year 2017-2018 the net revenue from operation of our Company increased to Rs. 6335.07 lakhs as against Rs.5083.48 Lakhs in the Financial Year 2016-2017 representing an increase of 24.62%. This increase was due to increase in sale of products and scrap.



**Other Income:**

During the financial year 2017-2018 the other income of our Company increased to Rs. 254.67 Lakhs as against Rs. 252.82lakhs in the Financial Year 2016-2017 representing an increase of 0.73%. Such increase was primarily due to profit on sale assets.

**Total Expenses:**

The Total Expenditure for the financial year 2017-2018 increased to Rs. 6479.09 Lakhs from Rs. 5462.16lakhs in the previous financial year representing an increase of 18.62%.

**Employee benefits expense:**

Our Company has incurred Rs. 552.66 Lakhs as Employee benefits expense during the financial year 2017-2018 as compared to Rs. 475.44 Lakhs in the financial year 2016-2017. The increase of 16.24% was due to increase in Director's remuneration, bonus and increase in salary and wages.

**Finance costs:**

These costs were for the financial Year 2017-2018 decreased to Rs. 268.98 Lakhs as against Rs. 340.64 Lakhs during the previous financial year. The increase of 21.04% as compared to previous financial year was due to decrease in interest expenses.

**Depreciation and Amortization Expenses:**

Depreciation for the financial year 2017-2018 stood at Rs. 230.82 Lakhs as against Rs. 253.20 Lakhs during the previous financial year.

**Other Expenses:**

Our Company has incurred Rs. 542.03 Lakhs during the Financial Year 2017-2018 on other expenses as against Rs. 607.71 Lakhs during the financial year 2016-2017. The decrease of 10.81% was mainly due to decrease in tool manufacturing charges, labour charges, bad debts and miscellaneous expenses.

**Restated Profit before tax:**

Net Profit before tax for the financial year 2017-2018 increased to Rs.110.65 Lakhs as compared to loss of Rs. 125.86 Lakhs in the financial year 2016-2017, which was majorly due to factors as mentioned above.

**Restated profit after tax:**

The Company reported Restated profit after tax for the financial year 2017-2018 of Rs. 84.00 Lakhs in comparison to Restated loss after tax of Rs. 173.11lakhs in the financial year 2016-2017 majorly due to factors mentioned above.

**Information required as per Item (II) (C) (iv) of Part A of Schedule VI 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 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 24 of the 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**

Other than as described in the sections “**Risk Factors**”, “**Our Business**” and “**Management’s Discussion and Analysis of Financial Condition and Results of Operations**” on pages 24, 95 and 191 respectively, to our knowledge, no future relationship between expenditure and income is expected to have a material adverse impact on our operations and finances.

**5. Total turnover of each major industry segment in which our Company operates**

The Company is in the business of trading of steel products and mining and export of iron-ore. Relevant industry data, as available, has been included in the chapter titled “**Industry Overview**” beginning on page 87 of this 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 or service.

**8. Seasonality of business**

Our Company’s business is not seasonal in nature.

**9. Dependence on few customers**

Our top ten Customers for FY 2018-19 based on our total revenue from operations are:

Sr. No.	Name of Customer	Rs. (in lakhs) (excluding GST)	% of revenue (excluding revenue from scrap)
1	MSL Driveline Systems Limited	2,595.32	50.19%
2	Reliable Autotech Private Limited	1,209.19	23.38%
3	Innova Rubbers Private Limited	450.3	8.71%
4	JBM Auto Limited	255.63	4.94%
5	Alf Engineering Pvt Ltd	217.15	4.20%
6	HalDEX India Pvt Ltd	108.51	2.10%
7	SKF India Ltd.	94.66	1.83%
8	Mahindra CIE Automotive Limited	50.06	0.97%
9	Shreeson Technologies Pvt Ltd	36.73	0.71%
10	SM Autovision Pvt. Ltd.	30.02	0.58%

**10. Competitive conditions**

Competitive conditions are as described under the Chapters “**Industry Overview**” and “**Our Business**” beginning on pages 87 and 95 respectively of the Prospectus.

**11. Details of material developments after the date of last balance sheet i.e. September 30, 2019**

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 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 except below changes occurred after Balance Sheet date:-

1. Our Company has transferred 604,100 equity shares of SM Autovision Private Limited (“Autovision”) on November 27, 2019, pursuant to which our stake in Autovision has been reduced from 74.45% to 48%. W.e.f November 27, 2019, Autovision ceased to be our Subsidiary and have become our Associate Company.
2. Our Company has taken back the loan amount of Rs. 419.61 lakhs which was given as loan by us to SM Autovision Pvt. Ltd. The major amount of the said loan has been taken back between December 31, 2019 and January 03, 2020.
3. Our Board of Directors vide Board Resolution dated January 31, 2020 proposed to invest funds upto Rs. 900 lakhs in the optionally convertible preference shares of SM Autovision Private Limited having face value of Rs. 10/- each out of its internal accruals and borrowed funds. Our Company has given advance of Rs. 677.76 lakhs during the period of February 06, 2020 to February 20, 2020 to existing preference shareholders of SM Auto vision Pvt. Ltd. for the purpose of acquiring such preference shares from them.
4. The Board of Directors in their meeting held on September 19, 2019 allotted 91,41,853 Bonus shares in the ratio of 7:1 i.e. Seven Equity shares for every one Equity share held by each shareholder.
5. Mr. Mukund Narayan Kulkarni was appointed as Additional Director of the Company with effect from November 15, 2019.
6. Mr. Mukund Narayan Kulkarni was re-designated from Additional Director to Chairman & Managing Director of the Company for terms of 5 year with effect from December 10, 2019 vide Extra Ordinary General Meeting held on December 21, 2019.
7. Mr. Suresh Gunwant Fegde was re-designated from Director to Whole Time Director of the Company for terms of 5 year with effect from December 10, 2019 vide Extra Ordinary General Meeting held on December 21, 2019.
8. The designation of Mrs. Alka Mukund Kulkarni was changed from Director to Non-Executive Director of the Company with effect from December 10, 2019 vide Extra Ordinary General Meeting held on December 21, 2019.
9. Mr. Aditya Mukund Kulkarni was appointed as Additional Director of the Company with effect from December 10, 2019. Further, he was regularized from Additional Director to Non-Executive Director of the Company vide Extra Ordinary General Meeting held on December 21, 2019.
10. Mr. Sunilkumar Satyanarain Dayama was appointed as Additional Independent Director of the Company with effect from December 10, 2019. Further, he was regularized from Additional Independent Director to Independent Director of the Company vide Extra Ordinary General Meeting held on December 21, 2019.
11. Mr. Prakash Gangadhar Pathak was appointed as Additional Independent Director of the Company with effect from December 10, 2019. Further, he was regularized from Additional Director to Independent Director of the Company vide Extra Ordinary General Meeting held on December 21, 2019.
12. We have appointed Mr. Suresh Govind Jagdale as a Chief Financial Officer of the Company with effect from December 10, 2019.
13. We have appointed Mrs. Priya Anuj Khadilkar as a Company Secretary and Compliance officer of the Company with effect from December 10, 2019.
14. The Shareholder of the Company approved the conversion of the Company from Private Limited to Public Limited and



consequently the name of Company was changed from “SM Auto Stamping Private Limited” to “SM Auto Stamping Limited” in its Extra Ordinary General Meeting held on December 05, 2019 and fresh Certificate of Incorporation was issued by Registrar of Companies, Mumbai vide dated December 19, 2019.

15. A Board resolution in the meeting of Board of Directors dated December 20, 2019 authorizing the Board of Directors to raise funds by making an Initial Public Offering.
16. A special resolution in the meeting of shareholders dated December 21, 2019 authorizing the Board of Directors to raise funds by making an Initial Public Offering.
17. Our Company has constituted an Audit Committee (“Audit Committee”), vide Board Resolution dated December 20, 2019, as per the applicable provisions of the Section 177 of the Companies Act, 2013.
18. Our Company has formed the Stakeholders Relationship Committee vide Board Resolution dated December 20, 2019
19. Our Company has formed the Nomination and Remuneration Committee vide Board Resolution dated December 20, 2019

## CAPITALISATION STATEMENT

(Rs. . in lakhs)

Particulars	Pre Issue	Post Issue
<b>Borrowings</b>		
Short term debt (A)	1,036.29	1,036.29
Long Term Debt (B)	926.25	926.25
<b>Total debts (C)</b>	<b>1,962.54</b>	<b>1,962.54</b>
<b>Shareholders' funds</b>		
Equity share capital	1,044.78	1,428.78
Reserve and surplus - as restated	80.53	387.73
<b>Total shareholders' funds</b>	<b>1,125.31</b>	<b>1,816.51</b>
<b>Long term debt / shareholders funds</b>	0.82	0.51
<b>Total debt / shareholders funds</b>	1.74	1.08

**Notes:**

1. Short term Debts represent which are expected to be paid/payable within 12 months and excludes installment of term loans repayable within 12 months.
2. Long term Debts represent debts other than Short term Debts as defined above but includes installment of term loans repayable within 12 months grouped under other current liabilities.
3. The figures disclosed above are based on restated consolidated statement of Assets and Liabilities of the Company as at 30.09.19.

## SECTION VII – LEGAL AND OTHER INFORMATION

### OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

*Except as stated in this section, there are no outstanding (I) criminal proceedings, (II) actions taken by regulatory or statutory authorities, (III) disciplinary action including penalty imposed by the SEBI or stock exchanges against our Promoters in the last five financial years, including outstanding action, (IV) claims related to direct and indirect taxes, and (V) other pending litigation which are determined to be material as per the policy adopted by our Board ("**Materiality Policy**"), in each case involving our Company, Promoters and Directors, (the "**Relevant Parties**").*

*For the purpose of (V) above, our Board has considered and adopted a policy of materiality for identification of material litigation in terms of the SEBI (ICDR) Regulations, 2018 as amended for disclosure of all pending litigation involving the Issuer, its directors and promoters, other than criminal proceedings, statutory or regulatory actions and taxation matters where the aggregate amount involved in such individual litigation exceeds 1% of profit after tax of the Company, as per the last audited standalone financial statements of the Company or such litigations whose outcome could have a material impact on the business, operations, prospects or reputations of the Company.*

*The Company has a policy for identification of Material Outstanding Dues to Creditors in terms of the SEBI(ICDR) Regulations, 2018 as amended for creditors where outstanding due to any one of them exceeds 5.00% of the Company's trade payables for the last audited standalone financial statements.*

#### **PART 1: CONTINGENT LIABILITIES OF OUR COMPANY**

Particulars	Amt. (Rs. in lakhs)
Guarantees given by bank on behalf of the company	Nil

#### **PART 2: LITIGATION RELATING TO OUR COMPANY**

##### **A. FILED AGAINST OUR COMPANY**

##### **1. Litigation Involving Criminal Laws**

NIL

##### **2. Litigation involving Actions by Statutory/Regulatory Authorities**

NIL

##### **3. Litigation involving Tax Liabilities**

###### **i. Direct Tax**

###### **a. Income Tax**

###### **For Assessment Year 2018-19**

For A.Y. 2018-19, the Company has an outstanding liability of Rs. 1,90,600/- under Section 143(1)(a) of the Income Tax Act, 1961, vide demand raised on October 01, 2019 against the Company, as per the information available on the Income Tax Website. Further, there have been assessment proceedings being carried u/s 143(3) of the Income Tax Act, 1961 for A.Y. 2018-19.

###### **ii. Indirect Tax**

###### **a. VAT**

#### **For Financial Year 2014-15**

The Department of GST has issued a demand notice dated March 28, 2019 under Section 32 of the Maharashtra Value Added Tax Act, 2002 against SM Auto Stamping Pvt. Ltd wherein a total demand of Rs. 85,173/- has been determined for the period of F.Y. 2014-15. The Company has made payment of Rs. 46,254/- against such demand under the Settlement of arrears under the Maharashtra Settlement of Arrears of tax, interest, penalty or late fee Ordinance, 2019 through application dated June 27, 2019 The matter is pending for disposal.

#### **For Financial Year 2013-14**

The Department of GST has issued a demand notice dated March 28, 2019 under Section 32 of the Maharashtra Value Added Tax Act, 2002 against SM Auto Stamping Pvt. Ltd wherein a total demand of Rs. 176,682/- has been determined for the period of F.Y. 2013-14. The Company has made payment of Rs. 87,095/- against such demand under the Settlement of arrears under the Maharashtra Settlement of Arrears of tax, interest, penalty or late fee Ordinance, 2019 through application dated June 27, 2019 The matter is pending for disposal.

#### **4. Other Pending Litigation**

NIL

#### **B. CASES FILED BY OUR COMPANY**

##### **1. Litigation Involving Criminal Laws**

NIL

##### **2. Litigation involving Actions by Statutory/Regulatory Authorities**

NIL

##### **3. Litigation involving Tax Liabilities**

NIL

##### **4. Other Pending Litigation**

NIL

### **PART 3: LITIGATION RELATING TO DIRECTORS AND PROMOTERS OF OUR COMPANY**

#### **A. LITIGATION AGAINST OUR DIRECTORS AND PROMOTERS**

##### **1. Litigation Involving Criminal Laws**

##### *Maharashtra State through A.C. Ade v/s Alka Mukund Kulkarni*

A Summary Criminal case numbering 7994/2019 was filed against our Promoter Director, Mrs. Alka Mukund Kulkarni in the capacity of occupier of our C-13 factory unit, by Maharashtra State through A.C. Ade, Deputy Director, Industrial Safety & Health, Nashik under Rule 3(1) and 5(1) of Schedule VIII-A of Rule 57 annexed to Maharashtra Factories Rules, 1963 read with Section 92 of Factories Act, 1948 in the court of Chief Judicial Magistrate, Nashik on September 24, 2019. However on account of non availability of complete case documents, further details could not be furnished. The case is pending for disposal.

##### **2. Litigation involving Actions by Statutory/Regulatory Authorities**

NIL

### 3. Litigation involving Tax Liabilities

#### i. Direct Tax Liabilities

##### a. Income Tax

#### ➤ Mrs. Alka Mukund Kulkarni:-

##### For Assessment Year 2015-16

For A.Y. 2015-16, Mrs. Alka Mukund Kulkarni has an outstanding liability of Rs. 33,340/- under Section 143(1)(a) of the Income Tax Act, 1961, vide demand raised on January 14, 2016, as per the information available on the Income Tax Website.

#### ➤ Mr. Mukund Narayan Kulkarni

##### For Assessment Year 2007-08

For A.Y. 2007-08, Mr. Mukund Narayan Kulkarni has an outstanding liability of Rs. 63,001/- under Section 143(1) of the Income Tax Act, 1961, vide demand raised on January 02, 2009, as per the information available on the Income Tax Website.

##### For Assessment Year 2012-13

For A.Y. 2012-13, Mr. Mukund Narayan Kulkarni has an outstanding liability of Rs. 76,850/- under Section 143(1)(a) of the Income Tax Act, 1961, vide demand raised on January 24, 2014, as per the information available on the Income Tax Website.

#### ➤ Mr. Suresh Gunwant Fegde

##### For Assessment Year 2009-10

For A.Y. 2009-10, Mr. Suresh Gunwant Fegde has an outstanding liability of Rs. 147,710/- under Section 143(1)(a) of the Income Tax Act, 1961, vide demand raised on February 17, 2011, as per the information available on the Income Tax Website.

##### For Assessment Year 2012-13

For A.Y. 2012-13, Mr. Suresh Gunwant Fegde has an outstanding liability of Rs. 96,750/- under Section 143(1)(a) of the Income Tax Act, 1961, vide demand raised on January 17, 2014, as per the information available on the Income Tax Website.

##### For Assessment Year 2013-14

For A.Y. 2013-14, Mr. Suresh Gunwant Fegde has an outstanding liability of Rs. 21,550/- under Section 154 of the Income Tax Act, 1961, vide demand raised on January 05, 2015, as per the information available on the Income Tax Website.

#### ii. Indirect Tax Liabilities

NIL

### 4. Other Pending Litigation



NIL

**B. LITIGATION FILED BY OUR DIRECTORS AND PROMOTERS**

**1. Litigation Involving Criminal Laws**

NIL

**2. Litigation involving Actions by Statutory/Regulatory Authorities**

NIL

**3. Litigation involving Tax Liabilities**

**i. Direct Tax Liabilities**

NIL

**ii. Indirect Tax Liabilities**

NIL

**4. Other Pending Litigation**

NIL

**PART 4: AMOUNTS OWED TO SMALL SCALE UNDERTAKINGS AND OTHER CREDITORS**

The Board of Directors of our Company considers dues exceeding 5% of our Company's trade payables for the last audited standalone financial statements to small scale undertakings and other creditors as material dues for our Company. As on September 30, 2019, there are 8 creditors to whom our Company owes amounts exceeding 5% of our Company's Trade Payables and the aggregate outstanding dues to them being approximately Rs. 259.39 lakhs. Further, our Company has not received any intimation from suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosure, if any, in relation to amount unpaid as at the year end together with interest payable as required under the said Act have not been furnished. Therefore, as on September 30, 2019, our Company owes amounts aggregating to Rs. 402.16 lakhs approximately towards 225 Creditors as per Audited Standalone 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. The details pertaining to amounts due towards such creditors are available on the website of our Company i.e. [www.smautostamping.com](http://www.smautostamping.com).

**PART 5: MATERIAL DEVELOPMENTS OCCURRING AFTER LAST BALANCE SHEET DATE**

Except as disclosed in Chapter titled "*Management's Discussion & Analysis of Financial Conditions & Results of Operations*" beginning on page 191 of this Prospectus, there have been no material developments that have occurred after the Last audited Balance Sheet date.

## **GOVERNMENT AND OTHER APPROVALS**

Our Company has received the necessary consents, licenses, permissions, registrations and approvals from the Central and State Governments and other government agencies/ regulatory authorities/ certification bodies required to undertake the Issue or continue our business activities and except as mentioned below, no further approvals are required for carrying on our present or proposed business activities.

In view of the approvals listed below, we can undertake the Issue and our current business activities and no further major approvals from any governmental/ regulatory authority or any other entity are required to be undertaken, in respect of the Issue or to continue our business activities. It must, however, be distinctly understood that in granting the above approvals, the Government of India and other authorities do not take any responsibility for the financial soundness of our Company or for the correctness of any of the statements or any commitments made or opinions expressed in this behalf. Unless otherwise stated, these approvals are all valid as of the date of this Prospectus.

For details in connection with the regulatory and legal framework within which we operate, see the section titled “*Key Regulations and Policies*” at page 106 of this Prospectus.

The main objects clause of the Memorandum of Association of our Company and the objects incidental, enable our Company to carry out its activities.

The Company has got following licenses/ registrations/ approvals/ consents/ permissions from the Government and various other Government agencies required for its present business.

### **I. APPROVALS FOR THE ISSUE**

The following approvals have been obtained or will be obtained in connection with the Issue:

#### **Corporate Approvals:**

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 December 20, 2019 authorized the Issue, subject to the approval of the shareholders and such other authorities as may be necessary.
2. The shareholders of our Company have, pursuant to Section 62(1)(c) of the Companies Act, 2013, by a Special Resolution passed in the Extra Ordinary General Meeting held on December 21, 2019 authorized the Issue.

#### **Approval from the Stock Exchange:**

1. In-principle approval dated January 31, 2020 from the SME Platform of BSE for using the name of the Exchange in the offer documents for listing of the Equity Shares issued by our Company pursuant to the Issue.

#### **Agreements with NSDL and CDSL:**

1. The company has entered into an agreement dated January 15, 2020 with the Central Depository Services (India) Limited (“CDSL”) and the Registrar and Transfer Agent, who in this case is, Bigshare Services Pvt. Ltd. for the dematerialization of its shares.
2. Similarly, the Company has also entered into an agreement dated January 10, 2020 with the National Securities Depository Limited (“NSDL”) and the Registrar and Transfer Agent, who in this case is Bigshare Services Pvt. Ltd. for the dematerialization of its shares.
3. The International Securities Identification Number (ISIN) of our Company is INE0C4I01011

### **II. APPROVALS PERTAINING TO INCORPORATION, NAME AND CONSTITUTION OF OUR COMPANY**

1. Certificate of Incorporation dated 14<sup>th</sup> August, 2006 issued by the Registrar of Companies, Mumbai, Maharashtra in the

name of “SM Auto Stamping Private Limited”.

2. Fresh Certificate of Incorporation dated December 19, 2019 issued by the Registrar of Companies, Mumbai, Maharashtra, in the name of “SM Autostamping Limited” pursuant to conversion of Company to public limited company.
3. The Corporate Identification Number (CIN) of our Company is U27109MH2006PLC163789.

### III. GENERAL APPROVALS

We require various approvals and/ or licenses under various rules and regulations to conduct our business. Some of the material approvals required by us to undertake our business activities are set out below:

#### A. INDUSTRIAL AND LABOUR LAW RELATED APPROVALS:

Sr. No	Description	Applicable laws	Authority	Registration number	Date of Certificate	Date of Expiry
1.a	Factory License (C-13, MIDC, Ambad, Nashik, Maharashtra – 422010)	Factories Act, 1948	Directorate of Industrial Safety and Health, Government of Maharashtra	121602592000450	January 18, 2020	December 31, 2020
1.b	Factory License (J-41, MIDC, Ambad, Nashik, Maharashtra – 422010)	Factories Act, 1948	Directorate of Industrial Safety and Health, Government of Maharashtra	121602591000430	January 10, 2020	December 31, 2020
2.a	Entrepreneurs ‘Memorandum (Part II) (Plot No. B-198, MIDC, Malegaon, Sinnar, Nashik, Maharashtra – 422103)	Micro, Small and Medium Enterprises (MSME) Act, 2006	District Industries Centre, Nashik	27 020 11 01612	July 07, 2008	Valid until cancelled
2.b	Entrepreneurs ‘Memorandum (Part II) (Plot No. J-41, MIDC, Ambad, Nashik, Maharashtra – 422010)	Micro, Small and Medium Enterprises (MSME) Act, 2006	District Industries Centre, Nashik	27 020 12 01377	March 10, 2008	Valid until cancelled
2.c	Entrepreneurs ‘Memorandum (Part II) (Plot No. C-13, MIDC, Ambad, Nashik, Maharashtra – 422010)	Micro, Small and Medium Enterprises (MSME) Act, 2006	District Industries Centre, Nashik	27 020 11 01177	December 10, 2007	Valid until cancelled
3.	Importer –Exporter Code number	The Foreign trade (Development and Regulation) Act, 1992	Foreign Trade Development Officer	3109001659	May 01, 2009	Valid until cancelled
4.	Certificate of Registration (employees covered – J-41 and C-13,	The Employee State Insurance Act, 1948	Asst/Deputy Director	36000110780000699	July 26, 2010	Valid until cancelled



	MIDC, Nashik)					
5.	Certificate of Registration (employees covered - B-198, MIDC, Sinnar, Nashik)	The Employee State Insurance Act, 1948	Asst/Deputy Director	36360110780010699	February 25, 2018	Valid until cancelled
6.	Certificate of Registration (employees covered - J-41 and C-13, MIDC, Nashik)	The Employees' Provident Funds and Miscellaneous Provisions Act, 1952	-	MH/52010/1	See Note 1 below	Valid until cancelled
7.	Certificate of Registration (employees covered - B-198, MIDC, Sinnar, Nashik)	The Employees' Provident Funds and Miscellaneous Provisions Act, 1952	-	MH/52107/4	See Note 1 below	Valid until cancelled

Note 1: Our Company is not in possession of PF registration certificate in its name.

**B. TAX RELATED APPROVALS:**

Sr. No	Description	Applicable laws	Authority	Registration number	Date of Certificate	Date of Expiry
1.	Permanent Account Number (PAN)	Income Tax Act, 1961	Income Tax Department, Government of India	AAKCS1177K	September 08, 2006	Valid until cancelled
2.	Tax Deduction Account number (TAN)	Income Tax Act, 1961	Income Tax Department, Government of India	NSKS09442G	See Note 1 below	Valid until cancelled
3.	VAT Registration Certificate	The Maharashtra Value Added Tax Act, 2002	Sales Tax officer, Nashik	27680564114V	November 14, 2011 (effective date :-September 29, 2006)	Valid till cancelled
4.	Central Sales Tax Registration Certificate	The Central Sales tax (Registration and Turnover) Rules, 1957	Sales Tax officer, Nashik	27680564114C	November 14, 2011 (effective date :-September 29, 2006)	Valid till cancelled
5.	Goods & Service Tax Registration Certificate	Central Goods and Service Tax Act 2017	Government of India	27AAKCS1177K1ZX	July 28, 2018	Valid till cancelled
6.a	Excise Registration Certificate (Plot No. B -198, MIDC, Malegaon, Sinnar, Nashik, Maharashtra - 422103)	Central Excise Rules, 2002	Assistant Commissioner of Central Excise, Nashik	AAKCS1177KXM001	March 30, 2007	Valid till cancelled
6.b.	Excise Registration Certificate (Plot No. C-13, MIDC, Ambad, Ambed Audyogik	Central Excise Rules, 2002	Deputy Commissioner of Central Excise, Nashik	AAKCS1177KXM002	March 31, 2008	Valid till cancelled



	Vasahat, Nashik, Maharashtra – 422010					
6.c.	Excise Registration Certificate (Plot No. J-41, MIDC, Ambad, Ambed Audhatik, Vasahat, Nashik, Maharashtra – 422010)	Central Excise Rules, 2002	Assistant Commissioner of Central Excise, Nashik	AAKCS1177KXM003	March 31, 2007	Valid till cancelled
7.	Professional Tax Registration	Maharashtra State Tax on Professions, Trades, Callings and Employment Act, 1975	DS Department of Goods and Service Tax Maharashtra	27680564114P	Effective from April 10, 2013	Valid till cancelled

Note 1: We are not in possession of TAN Certificate, thus the date of issue of TAN certificate cannot be provided.

**C. ENVIRONMENTAL LAW RELATED APPROVALS:**


Sr. No	Description	Applicable law	Authority	Registration number	Date of Certificate	Date of Expiry
1.	Registration certificate for (Plot No: C-13, MIDC, Ambad, Nashik, Maharashtra – 422010)	Water (Prevention and Control of Pollution) Act, 1974, Air (Prevention and Control of Pollution) Act, 1981 and Hazardous Wastes (Management, Handling and Transboundary Movement) Rules, 2004	Regional Officer, MPC Board, Nashik	MPCB/14/03381/53/828	April 11, 2014	December 31, 2022

**D. MISCELLANEOUS APPROVALS:**

Sr. No	Description	Applicable law	Registration number	Date of Certificate	Date of Expiry
1.	Registration Certificate	The Employees' Provident Funds and Miscellaneous Provisions Act, 1952	MH/NSK/52010	January 22, 2003	Valid until cancelled
2.	Certificate of Verification	The Legal Metrology Act, 2009 & The Maharashtra Legal Metrology (Enforcement) Rules, 2011	CLM12651110	September 27, 2019	September 27, 2020
3.	<b>Quality Certifications</b>				
3.a	Certificate for Management System as per IATF 16949: 2016	-	44 111 081803 001	January 09, 2019	January 08, 2022

	(Plot No: J-41, MIDC, Ambad, Nashik, Maharashtra – 422010)				
3.b	Certificate for Management System as per IATF 16949: 2016 (Plot No: C-13, MIDC, Ambad, Nashik, Maharashtra – 422010)	-	44 111 081803 002	January 08, 2019	January 07, 2022
3.c	Certificate for Management System as per IATF 16949: 2016 (Plot No. B-198, Malegaon, MIDC, Sinnar, Nashik, Maharashtra – 422113)	-	44 111 081803 003	December 31, 2018	December 30, 2021

**IV. Approvals or Licences pending to be applied:**

1. NOC for fire Safety from applicable Municipal Corporation body for all three factory units ;
2. Registration of our logo  under the Trademarks Act, 1999
3. Verification Certificate under the Legal Metrology Act, 2009 & The Maharashtra Legal Metrology (Enforcement) Rules, 2011 for our measuring equipments placed in our two units located at J--41, MIDC, Ambad, Nashik, Maharashtra – 422010 and B-198, Malegaon, MIDC, Sinnar, Nashik, Maharashtra – 422113
4. Change/Correction in the address of our Company in the ESIC & PF registration certificates/ Department records in respect of our units situated at J-41 and C-13, MIDC, Ambad, Nashik, Maharashtra – 422010
5. Change of name in all the above approvals from “SM Auto Stamping Private Limited” to “SM Auto Stamping Limited” ;

**V. Approvals or Licences pending to be renewed:**

1. Renewal of consent to operate under the Water (Prevention and Control of Pollution) Act, 1974, Air (Prevention And Control Of Pollution) Act, 1981 and renewal of Authorization under the Hazardous & Other Wastes (Management & Transboundary Movement) Rules, 2016 from Maharashtra Pollution Control Board for our two units located at J-41, MIDC, Ambad, Nashik, Maharashtra – 422010 and B-198, Malegaon, MIDC, Sinnar, Nashik, Maharashtra – 422113.

## OUR GROUP COMPANY

As per the SEBI (ICDR) Regulations, 2018, for the purpose of identification of Group Company, our Company has considered those companies as our Group Company with which there were related party transactions as per the Restated Financial Statements of our Company in any of the last three financial years & stub period and other Companies as considered material by our Board. Further, pursuant to a resolution of our Board dated December 20, 2019 for the purpose of disclosure in relation to Group Company 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 that forms part of the Promoter Group of our Company in terms of Regulation 2(1)(pp) of the SEBI(ICDR)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 10.00% of total revenue of the company as per Restated Financial Statements.

Based on the above, the following Company is only identified as our Group Company:-

1. SM Autovision Private Limited

The details of our Group Company are provided below:

### 1. SM Autovision Private Limited (“Autovision”)

#### Corporate Information -

SM Autovision Private Limited was incorporated on March 13, 2012 under the provisions of Companies Act, 1956 vide certificate of incorporation issued by the Registrar of Companies, Mumbai, Maharashtra. The Registered Office of the Company is situated at J-41, MIDC Ambad, Nashik – 422010, Maharashtra, India.

The Company is engaged in similar line of business of manufacturing of automotive components. SM Autovision Private Limited was our Subsidiary Company from March 15, 2017 to November 26, 2019. On November 27, 2019, our Company reduced the equity stake in Autovision from 75.46% to 48.00% through transfer of 6,04,100 equity shares to its Directors. Thus with effect from November 27, 2019, Autovision became our Associate Company.

As on date of this Prospectus, our Company holds 10,56,000 Equity shares of face value of Rs. 10/- each of Autovision constituting 48.00% of its paid up Equity Share Capital.

Further, our Company holds 14,60,000 optionally convertible preference shares of face value of Rs. 10/- each of Autovision constituting 56.15% of its Preference Share Capital.

<b>CIN</b>	U29253MH2012PTC227990		
<b>PAN</b>	AARCS2239R		
<b>Registered Office Address</b>	J-41, MIDC Ambad, Nashik – 422010, Maharashtra, India		
<b>Board of Directors*</b>	<b>Name</b>	<b>DIN</b>	
	Mr. Mukund Narayan Kulkarni	00248797	
	Mr. Jayant Suresh Fegde	07193063	
	<i>(Rs. in Lacs, rounded off except per share data)</i>		
<b>Audited Financial Information</b>	<b>For The Year Ended</b>		
	<b>March 31, 2019</b>	<b>March 31, 2018</b>	<b>March 31, 2017</b>
<b>Equity Share Capital</b>	220.00	120.00	120.00
<b>Preference Share Capital (Optionally Convertible)</b>	260.00	260.00	260.00
<b>Reserves and Surplus</b>	147.93	43.42	20.88



<b>Sales</b>	1794.11	1467.02	887.99
<b>Profit/ (Loss) after tax</b>	104.52	22.53	(176.94)
<b>Basic Earnings per share (face value of Rs. 10 each) (based on Weighted Average number of Shares)</b>	6.08	1.88	(29.79)
<b>Diluted Earnings per share (face value of Rs. 10 each) (based on Weighted Average number of Shares)</b>	2.42	0.59	(20.74)
<b>Net asset value per share (Rs) (based on Actual Number of Shares)</b>	16.72	13.62	11.74

\*As on date of this Prospectus

#### Significant notes of the auditors on Financial Statements for the financial year ended 31<sup>st</sup>March 2017

##### Extract from the Independent Auditor's report on the Financial Statements:

For F.Y. 2016-17, the Statutory Auditor has expressed a qualified opinion in its Audit Report on the Financial Statements, which is mentioned hereunder:

##### Basis for Qualified Opinion

The records of inventory maintained by the Company are not proper and sufficient to verify the stock declared by the Company. Consequently, we are unable to determine whether any adjustment to stock amount was necessary.

##### Emphasis of Matter

We draw attention to the following matters in the Notes to the financial statements:

(a) Note 8 & 14 to the financial statements which state that "Trade Payables" and "Trade Receivables" are subject to confirmation.

Note 8: The Company has not classified its creditors as Micro, Small and Medium Enterprises as required under Micro, Small and Medium Enterprises Development Act, 2006. Information required to be reported under the Act could not therefore be compiled for verification by Auditor. Trade Payables' balances are subject to confirmation.

Note 14: Trade Receivables' balances are subject to confirmation.

#### Significant notes of the auditors on Financial Statements for the financial year ended 31<sup>st</sup>March 2018

##### Extract from the Independent Auditor's report on the Financial Statements:

##### Emphasis of Matter

We draw attention to the following matters in the Notes to the financial statements:

(a) Note 8 & 14 to the financial statements which state that "Trade Payables" and "Trade Receivables" are subject to confirmation.

(b) Note 8 to the financial statements also state that the Company has not classified its creditors as Micro, Small and Medium Enterprises as required under Micro, Small and Medium Enterprises Development Act, 2006. Information required to be reported under the Act could not therefore be compiled for verification by Auditor.

(c) Note 13 to the financial statements which state that, during the year, Company has changed accounting policy for valuation of inventory. The amount of duties and taxes is also included in the purchase cost of closing inventory to comply with Income Computation and Disclosure Standards as prescribed under Income Tax Law.

Note 14: Trade Receivables' balances are subject to confirmation.





**Significant notes of the auditors on Financial Statements for the financial year ended 31<sup>st</sup>March 2019**

**Extract from the Independent Auditor’s report on the Financial Statements:**

Note 5.1:- Creditors balances are subject to confirmation, reconciliation and consequential adjustments.

Note 8.2:- Trade payables’ balances are subject to confirmation, reconciliation and consequential adjustments.

Note 14:- The Company has policy to include the amount of duties and taxes in the purchase cost of closing inventory to comply with Income Computation and Disclosure Standards as prescribed under Income Tax Law. Thereby, profit of the Company is overstated by an amount of Rs. 38,30,916 for the financial year 2018-19 and by Rs. 39,41,027 for F.Y. 2017-18.

Note 15:- Trade Receivables’ balances are subject to confirmation, reconciliation and consequential adjustments.

The shareholding pattern of SM Autovision Private Limited as on the date of this Prospectus is as mentioned below:-

Sr. No.	Name of Shareholders	No. of shares	% Percentage
1.	Mr. Mukund Narayan Kulkarni	7,62,738	34.67
2.	Mr. Jayant Suresh Fegde	3,81,258	17.33
3.	SM Auto Stamping Private Limited	10,56,000	48.00
4.	Mrs. LataGirishankarpatil	1	0.00
5.	Mr. Ulhas Ramdas Mahajan	1	0.00
6.	Mrs. DipaliUlhasMahajan	1	0.00
7.	Mr. Girishankar Baliram Patil	1	0.00
	<b>Total</b>	<b>22,00,000</b>	<b>100.00</b>

**Other Confirmations**

As on the date of this Prospectus, SM Autovision Private Limited is our Associate Company. Our Promoter, Mr. Mukund Narayan Kulkarni is also the Director in SM Autovision Private Limited. SM Autovision Private Limited is an unlisted private limited Company and it has not made any public issue (including any rights issue to the public) in the preceding three financial years. The Company is neither a sick Company nor is under winding up.

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

**Loss Making Company**

Our Group Company, SM Autovision Private Limited has incurred losses in the F.Y. 2016-17. For details, please refer to page 214 of this Prospectus.

**Negative Net-worth Company**

The group company determined by our Board does not have a Negative Net-worth.

**Litigations**

Our Group Company does not have any pending litigation which will have material impact on our Company.

**Nature and Extent of Interest of Group Company**

**a) In the promotion of our Company :**



Our Group Company does not have any interest in the promotion of our Company.

**b) In the properties acquired or proposed to be acquired by our Company in the past two years before filing the Prospectus with stock exchange:**

Our Group Company does not have any interest in the properties acquired or proposed to be acquired by our Company in the past two years before filing the Prospectus with Stock Exchange.

**c) In transactions for acquisition of land, construction of building and supply of machinery**

Our Group Company does not have any interest in any transactions for the acquisition of land, construction of building or supply of machinery.

**Common Pursuits/Conflict of Interest**

Our Group Company, SM Autovision Private Limited is engaged in the same line of business as our Company.

As on the date of this Prospectus, we cannot assure that our Promoters, Promoter Group/Group Entities 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 entities 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.

We shall adopt the necessary procedures and practices as permitted by law to address any conflicting situations, as and when they may arise.

**Defunct / Strike-off Company**

Our Group Company has not remained defunct and no application has been made to the RoC for striking off the name of SM Autovision Private Limited during the five years preceding the date of this Prospectus.

**Undertaking / confirmations**

None of our Promoters or Promoter Group or Group Company or person in control of our Company has been

- i. Prohibited 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, person in control of our Company 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, the relatives of our individual Promoters (as defined under the Companies Act) nor our Group Company /Promoter Group entities have been declared as a willful defaulter by the RBI or any other government authority and there are no violations of securities laws committed by them or any entities they are connected with in the past and no proceedings for violation of securities laws are pending against them.

None of our Promoters, Promoter Group or the Group Company has become sick Companies under the SICA 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.

## OTHER REGULATORY AND STATUTORY DISCLOSURES

### Authority for the Issue

### Corporate Approvals

Our Board has approved the Issue pursuant to the resolution passed at its meeting held on December 20, 2019 and our Shareholders have approved the Fresh Issue pursuant to the resolution passed at their Extra Ordinary General meeting held on December 21, 2019 under Section 62(1)(c) of the Companies Act, 2013.

### In-principle Approval

Our Company has obtained in-principle approval from the SME Platform of BSE for using its name in the Draft Prospectus/ Prospectus pursuant to an approval letter dated January 31, 2020.

### Prohibition by SEBI, RBI or governmental authorities

We confirm that our Company, our Promoters, our Promoters Group, our Directors, person(s) in control of the promoter, our Group Companies or the natural person(s) in control of our Company are not prohibited from accessing the capital market or debarred from buying, selling or dealing in securities under any order or direction passed by the Board or any securities market regulator in any other jurisdiction or any other authority/court

The companies, with which our Directors are or were associated as promoter, directors or persons in control are not prohibited or debarred from accessing capital markets under any order or direction passed by SEBI or any other regulatory authority.

None of our Directors or the entities that our Directors are associated with as promoters or directors are in any manner associated with the securities market and there has been no action taken by the SEBI against our Directors or any entity in which our Directors are associated with as promoters or directors.

### Prohibition with respect to wilful defaulters

Neither our Company, our Promoters, our Directors, Group Companies, relatives (as per Companies Act, 2013) of Promoters or the person(s) in control of our Company have been identified as wilful defaulters as defined by the SEBI ICDR Regulations, 2018.

### Compliance with the Companies (Significant Beneficial Ownership) Rules, 2018

Under the SBO Rules certain persons who are 'significant beneficial owners', are required to intimate their beneficial holdings to our Company in Form no. BEN-1. As on date of Prospectus, there are no such significant beneficial owners in our Company.

### Eligibility for the Issue

Our Company is eligible in terms of Regulations 230 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 229(2) and other provisions of Chapter IX of the SEBI (ICDR) Regulations, as we are an Issuer whose post issue paid up capital is more than ten crore rupees and upto twenty five crore rupees 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 BSE").

### We confirm that:

1. In accordance with Regulation 260 of the SEBI (ICDR) Regulations, this issue will be 100% underwritten and that the LM to the Issue shall underwrite 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 51 of this Prospectus.

2. In accordance with Regulation 268 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 terms of Regulation 246(5) of the SEBI (ICDR) Regulations, we shall ensure that our Lead Manager 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. Further, in terms of Regulation 246(2), SEBI shall not issue observation on the Draft Prospectus/ Prospectus.

4. In accordance with Regulation 261(1) of the SEBI (ICDR) Regulations, we hereby confirm that we will enter into an agreement with the Lead Manager and 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 BSE. 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 51 of this Prospectus.

We further confirm that we shall be complying with all the other requirements as laid down for such an issue under Chapter IX of SEBI (ICDR) Regulations, as amended from time to time and subsequent circulars and guidelines issued by SEBI and the Stock Exchange.

1. Our Company shall mandatorily facilitate trading in Demat securities and has entered into an agreement with both the depositories.
2. Our Company has a website i.e. <https://www.smautostamping.com>

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 BSE:-

3. Our Company was originally incorporated as "SM Auto Stamping Private Limited" on August 14, 2006 vide Registration no. 163789 (CIN: U27109MH2006PTC163789) under the provisions of the Companies Act, 1956 with the Registrar of Companies, Mumbai. Further, pursuant to Special Resolution passed by the shareholders at the Extra Ordinary General Meeting held on December 05, 2019, our company was converted into a Public Limited Company and consequently the name of our Company was changed from "SM Auto Stamping Private Limited" to "SM Auto Stamping Limited" vide a fresh Certificate of Incorporation dated December 19, 2019 issued by the Registrar of Companies, Mumbai. The Corporate Identification Number of our Company post conversion is U27109MH2006PLC163789.
4. The post issue paid up capital of the company will be 1,42,87,832 shares of face value of ₹ 10/- aggregating up to ₹1428.78 lakhs which is less than ₹ 25 Crores.
5. The Company has a track record of atleast 3 years as on the date of filing Prospectus.
6. The net tangible asset of the Company as on September 30, 2019 was Rs. 4705.25 lakhs, which is above Rs. 3 crores.
7. The Company 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 September 30, 2019 is positive.



(In Rs. Lacs)

Particular	Period ending September 30, 2019	Year ending March 31, 2019	Year ending March 31, 2018
Net worth	1125.31	1120.62	855.22
Earnings before depreciation and tax	154.16	482.76	341.47

8. Our Company has not been referred to the Board for Industrial and Financial Reconstruction (BIFR).
9. There is no winding up petition against the Company, which has been admitted by the court or a liquidator has not been appointed.
10. No material regulatory or disciplinary action by a stock exchange or regulatory authority in the past three years against the company.
11. 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.
12. The directors of the issuer are not associated with the securities market in any manner, and there is no outstanding action against them initiated by the Board in the past five years.

#### DISCLAIMER CLAUSE OF SEBI

**IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF DRAFT OFFER DOCUMENT / 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 OFFER IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE DRAFT OFFER DOCUMENT / OFFER DOCUMENT. THE LEAD MANAGER, 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, 2018 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 DRAFT OFFER DOCUMENT/ OFFER DOCUMENT, THE LEAD MANAGER, 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 MANAGER, HEM SECURITIES LIMITED, HAS FURNISHED TO SEBI A DUE DILIGENCE CERTIFICATE DATED DECEMBER 31, 2019 IN THE FORMAT PRESCRIBED UNDER SCHEDULE V(A) OF THE SEBI (ICDR), REGULATION 2018.**

The filing of this Prospectus does not, however, absolve our company from any liabilities under the Companies Act, 2013 or from the requirement of obtaining such statutory 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/ 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, Mumbai in terms of sections 32 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.	Dhruv Consultancy Services Limited	23.1984	54.00	May 10, 2018	53.40	-0.19% [0.67%]	-12.58% [6.77%]	-29.63% [-0.72%]
2.	Sonam Clock Limited	10.1088	36.00	June 14, 2018	37.00	2.50% [1.18%]	2.50% [5.20%]	4.17% [-2.40%]
3.	Parin Furniture Limited	18.90	63.00	October 09, 2018	64.00	0.79% [2.75%]	7.30% [4.57%]	8.65% [13.25%]
4.	Kritika Wires Limited	15.3984	32.00	October 10, 2018	34.10	9.38% [1.20%]	28.75% [4.57%]	3.13% [10.94%]
5.	Mindpool Technologies Limited	3.6	30.00	February 28, 2019	30.00	-28.00% [8.12%]	-38.17% [9.90%]	-34.00% [3.00%]
6.	V R Films Limited	2.27	61.00	April 30, 2019	62.00	13.03% [1.72%]	195% [-5.00%]	113.52% [4.89%]
7.	Evans Electric Limited	1.93	52.00	May 13, 2019	52.20	188.46 % [6.83%]	299% [-2.00%]	218.46% [8.72%]
8.	Earum Pharmaceuticals Limited	6.65	36.00	July 04, 2019	36.00	25.00% [-9.00%]	-16.67% [-4.51%]	22.78% [3.37%]
9.	Gian Life Care Limited	3.1152	22.00	January 13, 2020	22.00	-36.36% [-0.70%]	N.A	N.A
10.	Hindprakash Industries Limited	11.52	40.00	January 27, 2020	40.70	N.A	N.A	N.A

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%
2017-18	16 <sup>(2)</sup>	234.21	-	1	4	6	2	3	-	2	3	5	3	3
2018-19	5 <sup>(3)</sup>	71.205	-	1	1	-	-	3	-	1	-	-	-	3
2019-20	5 <sup>(4)</sup>	25.485	-	1	-	1	-	2	-	-	-	2	-	1

(1) The Scrips of Dev Information Technology Limited, VadivarheSpeciality 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.*

*(2) The scrip of Dhruv Consultancy Services Limited and Sonam Clock Limited were listed on May 10, 2018 and June 14, 2018. Parin Furniture Limited, Kritika Wires Limited and Mindpool Technologies Limited were listed on October 09, 2018, October 10, 2018 and February 28, 2019 respectively.*

*(3) The scrip of V R Films & Studios Limited, Evans Electric Limited and Earum Pharmaceuticals Limited were listed on April 30, 2019, May 13, 2019 and July 04, 2019 respectively.*

*(4) The scrips of Gian Life Care Limited and Hindprakash Industries Limited were listed on January 13, 2020 and January 27, 2020 respectively and has not completed their 30th day from the date of its listing.*

**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 Lead Manager**

Our Company, the Directors and the Lead Manager accept no responsibility for statements made otherwise than those contained in this Prospectus or, in the advertisements or any other material issued by or at the instance of the Company and anyone placing reliance on any other source of information would be doing so at their own risk.

The LM accept no responsibility, save to the limited extent as provided in the Agreement entered between the LM (Hem securities Limited), and our Company on December 23, 2019 and the Underwriting Agreement dated January 16, 2020 and addendum dated February 1, 2020 entered into between the Underwriter, and our Company and the Market Making Agreement dated January 16, 2020 and addendum dated February 1, 2020 entered into among the Market Maker and our Company.

All information shall be made available by our Company, and the Lead Manager to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever including at road show presentations, in research or sales reports, at collection centres or elsewhere.

The Lead Manager and their respective associates and affiliates may engage in transactions with, and perform services for, our Company, our Promoter Group, Group Companies, or our affiliates or associates in the ordinary course of business and have engaged, or may in future engage, in commercial banking and investment banking transactions with our Company, our Promoter Group, Group Companies, and our affiliates or associates for which they have received and may in future receive compensation.

**Note**

Investors who apply in the Issue will be required to confirm and will be deemed to have represented to our Company, and the Underwriter and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of our Company and will not offer, sell, pledge or





transfer the Equity Shares of our Company to any person who is not eligible under applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of our Company. Our Company, the Underwriter and their respective Directors, officers, agents, affiliates and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire the Equity Shares in the Offer.

### **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 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 Prospectus comes is required to inform himself or herself about, and to observe, any such restrictions. Any dispute arising out of this Issue will be subject to jurisdiction of the competent court(s) in Nashik, 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 Prospectus may not be distributed in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of this Prospectus nor any sale hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of our Company from the date hereof or that the information contained herein is correct as of any time subsequent to this date.

### **Disclaimer Clause of the SME Platform of BSE**

As required, a copy of this Prospectus shall be submitted to BSE. BSE has vide its letter dated January 31, 2020 given permission to the Issuer to use the Exchange's name in the Offer Document as the Stock Exchange on whose Small and Medium Enterprises Platform ("SME Platform") the Company's securities are proposed to be listed. BSE has scrutinized this offer document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to the Issuer. BSE does not in any manner:

- i. warrant, certify or endorse the correctness or completeness of any of the contents of this offer document; or
- ii. warrant that this Company's securities will be listed on completion of IPO or will continue to be listed on BSE; or
- iii. take any responsibility for the financial or other soundness of the Issuer, its Promoters, its management or any scheme or project of the Issuer;
- iv. warrant, certify or endorse the validity, correctness or reasonableness of the price at which the equity shares are offered by the Company and investors are informed to take the decision to invest in the equity shares of the Company only after making their own independent enquiries, investigation and analysis. The price at which the equity shares are offered by the Company is determined by the Company in consultation with the Lead Manager to the Issue and the Exchange has no role to play in the same and it should not for any reason be deemed or construed that the contents of this offer document have been cleared or approved by BSE. 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.
- v. BSE does not in any manner be liable for any direct, indirect, consequential or other losses or damages including loss of profits incurred by any investor or any third party party that may arise from any reliance on this offer document or for the reliability, accuracy, completeness, truthfulness or timeliness thereof,
- vi. The Company has chosen the SME platform on its own initiative and at its own risk, and is responsible for complying with all local laws, rules, regulations, and other statutory or regulatory requirements stipulated by BSE/other regulatory authority. Any use of the SME platform and the related services are subject to Indian laws and Courts exclusively situated in Mumbai.



### **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**

This Prospectus is being filed with BSE Limited, Exchange Plaza, 25<sup>th</sup> Floor, P J Towers, Dalal Street, Mumbai, Maharashtra - 400001 India.

Pursuant to Regulation 246(5) of SEBI (ICDR) Regulations, 2018, the copy of the Draft Prospectus has been furnished to the SEBI in a soft copy. However, SEBI will not issue any observation on the Prospectus in terms of Regulation 246(2) of the SEBI (ICDR) Regulations, 2018. Pursuant to SEBI Circular No. SEBI/HO/CFD/DIL1/CIR/P/2018/011 dated January 19, 2018, a copy of the Draft Prospectus and Prospectus will be filed online through SEBI Intermediary portal at <https://siportal.sebi.gov.in>.

A copy of the Prospectus, along with the documents required to be filed, will be delivered for registration to the RoC in accordance with Section 32 of the Companies Act, 2013, and a copy of the Prospectus, required to be filed under Section 26 of the Companies Act, 2013 would be delivered for registration to the Registrar of Companies, Mumbai 100, Everest, Marine Drive Mumbai- 400002, India.

### **Listing**

The Equity Shares of our Company are proposed to be listed on SME Platform of BSE. Our Company has obtained in-principle approval from BSE by way of its letter dated January 31, 2020 for listing of equity shares on SME Platform of BSE (BSE SME).

BSE will be the Designated Stock Exchange, with which the Basis of Allotment will be finalized for the Issue. If the permission to deal in and for an official quotation of the Equity Shares on the SME Platform is not granted by BSE, our Company shall forthwith repay, all moneys received from the applicants in pursuance of this Prospectus. If such money is not repaid within the prescribed time then our Company becomes liable to repay it, then our Company and every officer in default shall, shall be liable to repay such application money, with interest, as prescribed under the applicable law.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the SME Platform of BSE mentioned above are taken within Six (6) Working Days of the Issue Closing Date. If Equity Shares are not Allotted pursuant to the Issue 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.

### **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 Our Directors, Our Promoters, Our Company Secretary & Compliance Officer, Chief Financial Officer, Our Statutory Auditor, Our Banker to the Company, Lead Manager, Registrar to the Issue, Banker to the Issue and Sponsor Bank\*, 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 and 32 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 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, 2018, M/s. Milind M. Kulkarni and Associates, Chartered Accountants, Statutory Auditor 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 the Prospectus for registration with the RoC.

### Experts Opinion

Except for the reports in the section titled “*Financial Statements and “Statement of Tax Benefits”*” on page 133 and 85 respectively of this Prospectus from the Statutory Auditor, 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.

### Fees, Brokerage and Selling Commission payable

The total fees payable to the Lead Manager will be as per the (i) Agreement dated December 23, 2019 with the Lead Manager, (ii) the Underwriting Agreement dated January 16, 2020 and addendum dated February 1, 2020 with the Underwriter and (iii) the Market Making Agreement dated January 16, 2020 and addendum dated February 1, 2020 with the Market Maker, a copy of which is available for inspection at our Registered Office from 10.00am to 5.00 pm on Working Days from the date of the 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 December 23, 2019 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



Prospectus.

#### **Previous issues of Equity Shares otherwise than for cash**

For detailed description please refer to the section titled "*Capital Structure*" beginning on page 55 of this 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.

#### **Previous capital issue during the last three years by listed Group Companies of our Company**

None of our Group Companies are listed. Further, none of our Group Companies have made any capital issue of securities in the preceding three years.

#### **Performance vis-à-vis objects**

Our Company is an "Unlisted Issuer" in terms of the SEBI (ICDR) Regulations, and this Issue is an "Initial Public Offering" in terms of the SEBI (ICDR) Regulations. Therefore, data regarding promise versus performance is not applicable to us.

#### **Outstanding Debentures or Bond Issues or Redeemable Preference Shares**

As on the date of this Prospectus, our Company has no outstanding debentures, bonds or redeemable preference shares.

#### **Partly Paid-Up Shares**

As on the date of this Prospectus, there are no partly paid-up Equity Shares of our Company.

#### **Outstanding Convertible Instruments**

Our Company does not have any outstanding convertible instruments as on the date of filing this Prospectus.

#### **Option to Subscribe**

- a. Investors will get the allotment of specified securities in dematerialization form only.
- b. The equity shares, on allotment, shall be traded on stock exchange in Demat segment only.

#### **Stock Market Data for our Equity Shares**

Our Company is an "Unlisted Issuer" in terms of the SEBI (ICDR) Regulations, and this Issue is an "Initial Public Offering" in terms of the SEBI (ICDR) Regulations. Thus there is no stock market data available for the Equity Shares of our Company.

#### **Investor Grievances and Redressal System**

The agreement between the Registrar to the Issue, 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 this Prospectus. Since there is no investor complaints received, none are pending as on the date of filing of this Prospectus.

Investors may contact the LM for any complaint pertaining to the Issue. All grievances, may be addressed to the Registrar to the Issue, with a copy to the relevant Designated Intermediary, where the Bid cum Application Form was submitted, quoting the full



name of the sole or first Applicant, Bid cum Application Form number, Applicants' DP ID, Client ID, PAN, address of the Applicant, number of Equity Shares applied for, date of Bid cum Application Form, name and address of the relevant Designated Intermediary, where the Bid was submitted and ASBA Account number in which the amount equivalent to the Bid Amount was blocked. Further, the Applicant shall enclose the Acknowledgement Slip or provide the acknowledgement number received from the Designated Intermediaries in addition to the documents/information mentioned hereinabove. Our Company, LM and the Registrar accept no responsibility for errors, omissions, commission of any acts of the Designated Intermediaries, including any defaults in complying with its obligations under the SEBI ICDR Regulations.

### **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 within 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 Mrs. Priya Anuj Khadilkar, Company Secretary, as the Compliance Officer to redress complaints, if any, of the investors participating in the Issue. For details, see "**General Information**" on page 47 of this Prospectus.

Our Board by a resolution on December 20, 2019 constituted a Stakeholders Relationship Committee. For further details, please refer to section titled "*Our Management*" beginning on page 116 of this Prospectus.

Investors can contact the Compliance Officer or the Registrar in case of any pre-Issue or post-Issue related problems such as non-receipt of letters of allocation, credit of allotted Equity Shares in the respective beneficiary account etc.

Pursuant to the press release no. PR. No. 85/2011 dated June 8, 2011, SEBI has launched a centralized web based complaints redress system "SCORES". This would enable investors to lodge and follow up their complaints and track the status of redressal of such complaints from anywhere. For more details, investors are requested to visit the website [www.scores.gov.in](http://www.scores.gov.in).

### **Status of Investor Complaints**

We confirm that we have not received any investor complaint during the three years preceding the date of this Prospectus and hence there are no pending investor complaints as on the date of this Prospectus.

### **Disposal of investor grievances by listed companies under the same management as our Company**

We do not have any listed company under the same management.

### **Capitalization of Reserves or Profits**

Save and except as stated in "**Capital Structure**" on page 55 of this Prospectus, our Company has not capitalized its reserves or profits at any time since inception.

### **Revaluation of assets**

Our Company has not revalued its assets since incorporation.

### **Servicing Behavior**

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 under sections titled "*Our Management*"; and "*Related Party Transactions*" beginning on page 116 and 172 respectively, none of the beneficiaries of loans and advances and sundry debtors are related to the Directors of our Company.

## SECTION VIII – ISSUE RELATED INFORMATION

### TERMS OF THE ISSUE

*The Equity Shares being Issued are subject to the provisions of the Companies Act, SCRA, SCRR, SEBI (ICDR) Regulations, the SEBI Listing Regulations, our Memorandum and Articles of Association, the terms of the Prospectus, this Prospectus, the abridged prospectus, any addendum/corrigendum thereto, Application Form, any Confirmation of Allocation Note (“CAN”), the Revision Form, Allotment advices, 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 all applicable laws, guidelines, rules, notifications and regulations relating to the issue of capital and listing and trading of securities issued from time to time by SEBI, the GoI, the Stock Exchange, the RoC, the RBI and/or other authorities, as in force on the date of the Issue and to the extent applicable or such other conditions as may be prescribed by SEBI, RBI, the GoI, the Stock Exchange, the RoC and/or any other authorities while granting its approval for the Issue.*

*Please note that, in terms of the SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 and SEBI/HO/CFD/DIL2/CIR/P/2018/138, SEBI circular (SEBI/HO/CFD/DIL2/CIR/P/2018/138) dated November 01, 2018 read with SEBI circular (SEBI/HO/CFD/DIL2/CIR/P/2019/50) dated April 3, 2019, SEBI circular (SEBI/HO/CFD/DIL2/CIR/P/2019/76) dated June 28, 2019 and SEBI Circular (SEBI/HO/CFD/DCR2/CIR/P/2019/133) dated November 8, 2019, all potential investors shall participate in the Issue only through an Application Supported by Blocked Amount (ASBA) process including through UPI mode (as applicable) by providing details about the bank account which will be blocked by the Self Certified Syndicate Banks (SCSBs) for the same.*

*Further vide the said circular Registrar to the Issue and Depository Participants have been also authorised to collect the Application forms. Investor may visit the official website of the concerned for any information on operationalization of this facility of form collection by the Registrar to the Issue and Depository Participants as and when the same is made available.*

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

The present Public Issue of 38,40,000 Equity Shares which have been authorized by a resolution of the Board of Directors of our Company at their meeting held on December 20, 2019 and was approved by the Shareholders of the Company by passing Special Resolution at the Extra-ordinary General Meeting held on December 21, 2019 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 259 of the 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 132 of the Prospectus.

#### **Face Value and Issue Price**

The Equity Shares having a Face Value of Rs.10.00 each are being offered in terms of the Draft Prospectus/ Prospectus at the price of Rs.18/- per Equity Share (including premium of Rs.8/-per share).



The Issue Price is determined by our Company in consultation with the Lead Manager and is justified under section titled "**Basis for Issue Price**" beginning on page 82 of this Prospectus. At any given point of time there shall be only one denomination of the Equity Shares of our Company, subject to applicable laws.

### **Compliance with SEBI ICDR Regulations, 2018**

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 259 of the 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 shall be signed among our Company, the respective Depositories and Registrar to the Issue.

- Tripartite Agreement dated January 10, 2020 between NSDL, our Company and Registrar to the Issue; and
- Tripartite Agreement dated January 15, 2020 between CDSL, our Company and Registrar to the Issue;

The trading of the Equity Shares will happen in the minimum contract size of 8000 Equity Shares and the same may be modified by the SME platform of BSE from time to time by giving prior notice to investors at large.

Allocation and allotment of Equity Shares through this Issue will be done in multiples of 8000 Equity Shares and is subject to a minimum allotment of 8000 Equity Shares to the successful applicants in terms of the SEBI circular No. CIR/MRD/DSA/06/2012 dated February 21, 2012.

### **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:

1. To register himself or herself as the holder of the Equity Shares; or
2. 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 Program:

Event	Indicative Date
Issue Opening Date	March 03, 2020
Issue Closing Date	March 05, 2020
Finalization of Basis of Allotment with the Designated Stock Exchange	March 11, 2020
Initiation of Allotment / Refunds / Unblocking of Funds from ASBA Account or UPI ID linked bank account	March 12, 2020
Credit of Equity Shares to Demat accounts of Allottees	March 13, 2020
Commencement of trading of the Equity Shares on the Stock Exchange	March 16, 2020

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

Application Forms and any revisions to the same will be accepted only between 10.00 a.m. to 5.00 p.m. (IST) during the Issue Period (except for the Issue Closing Date). On the Issue Closing Date, the Application Forms will be accepted only between 10.00 a.m. to 3.00 p.m. (IST) for retail and non-retail Applicants. The time for applying for Retail Individual Applicants on Issue Closing Date maybe extended in consultation with the LM, RTA and BSE SME taking into account the total number of applications received up to the closure of timings.

Due to the limitation of time available for uploading the Application Forms on the Issue Closing Date, Applicants are advised to submit their applications one (1) day prior to the Issue Closing Date and, in any case, not later than 3.00 p.m. (IST) on the Issue Closing Date. Any time mentioned in this Prospectus is IST. Applicants are cautioned that, in the event a large number of Application Forms are received on the Issue Closing Date, as is typically experienced in public issues, some Application Forms may



not get uploaded due to the lack of sufficient time. Such Application Forms that cannot be uploaded will not be considered for allocation under this Issue. Applications will be accepted only on Working Days, i.e., Monday to Friday (excluding any public holidays). Neither our Company nor the LM is liable for any failure in uploading the Application Forms due to faults in any software/hardware system or otherwise.

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

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

### **Minimum Subscription and Underwriting**

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

In terms of Regulation 260 of the SEBI (ICDR) Regulations, 2018, the Issue is 100% underwritten. For details of underwriting arrangement, kindly refer the chapter titled "*General Information - Underwriting*" on page 51 of this Prospectus.

Further, in accordance with Regulation 267 of the SEBI ICDR Regulations, 2018, the minimum application size in terms of number of specified securities shall not be less than Rupees One Lakh per application.

### **Migration to Main Board**

As per the provisions of the Chapter IX of the SEBI (ICDR) Regulation, 2018, our Company may migrate to the main board of BSE 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 Rs. 25 crores by virtue of any further issue of capital by way of rights, preferential issue, bonus issue etc. (which has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the promoter in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal and for which the company has obtained in-principal approval from the main board), we shall have to apply to BSE 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.

If the Paid up Capital of the company is more than Rs. 10 crores but below Rs. 25 crores, we may still apply for migration to the main board if the same has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the promoter in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal.

### **Market Making**

The shares offered through this Issue are proposed to be listed on the SME Platform of BSE (BSE SME), wherein the Lead Manager 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 BSE.

For further details of the agreement entered into between the Company, the Lead Manager and the Market Maker please refer to section titled "*General Information - Details of the Market Making Arrangements for this Issue*" on page 51 of this Prospectus.





### **Arrangements for disposal of odd lots**

The trading of the Equity Shares will happen in the minimum contract size of 8000 shares in terms of the SEBI circular No. CIR/MRD/DSA/06/2012 dated February 21, 2012. However, the Market Maker shall buy the entire shareholding of a shareholder in one lot, where value of such shareholding is less than the minimum contract size allowed for trading on the SME Platform of BSE Limited.

### **As per the extent Guideline of the Government of India, OCBs cannot participate in this Issue.**

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.

### **Option to receive Equity Shares in Dematerialized Form**

Pursuant to Section 29 of the Companies Act, 2013, the Equity Shares in the Issue shall be allotted only in dematerialized form. Further, as per the SEBI ICDR Regulations, the trading of the Equity Shares shall only be in dematerialized form on the Stock Exchange.

### **New Financial Instruments**

There are no new financial instruments such as deep discounted bonds, debenture, warrants, secured premium notes, etc. issued by our Company through this Issue.

### **Application by Eligible NRI's, FPI's, VCF's, AIF's 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.

### **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 Promoters minimum contribution in the Issue as detailed under section titled "*Capital Structure*" beginning on page 55 of this 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 to section titled "*Main Provisions of the Articles of Association*" beginning on page 259 of this Prospectus.

### **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.

*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 Lead Manager do not accept any responsibility for the completeness and accuracy of the information stated hereinabove. Our Company and the Lead Manager are not liable to inform the investors of any amendments or modifications or changes in applicable laws and regulations, which may occur after the date of this Prospectus. Applicants are advised to make their independent investigations and ensure that the number of Equity Shares applied for do not exceed the applicable limits under laws and regulations.*



**Jurisdiction**

Exclusive jurisdiction for the purpose of this Issue is with the competent courts / authorities in Nashik, 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 229(2) of Chapter IX of SEBI (ICDR) Regulations, 2018, as amended from time to time, whereby, an issuer whose post issue paid up capital is more than ten crore rupees and upto twenty five crore rupees, shall issue shares to the public and propose to list the same on the Small and Medium Enterprise Exchange ("SME Exchange", in this case being the SME Platform of BSE). For further details regarding the salient features and terms of such an issue please refer chapter titled "*Terms of the Issue*" and "*Issue Procedure*" on page 228 and 236 of this Prospectus.

The Issue comprises of a Public Issue of 38,40,000 Equity Shares of Face Value of 10/- each fully paid (The "Equity Shares") for cash at a price of Rs. 18/-per Equity Shares (including a premium of Rs. 8/-per equity share) aggregating to 691.20Lakhs( "the issue") by our Company of which 2,00,000Equity Shares of Rs.10 each will be reserved for subscription by Market Maker Reservations Portion and a Net Issue to public of 36,40,000Equity Shares of Rs.10 each is hereinafter referred to as the net issue. The Issue and the Net Issue will constitute 26.88% and 25.48% respectively of the post issue paid up Equity Share Capital of the Company.

Particulars of the Issue	Net Issue to Public*	Market Maker Reservation Portion
<b>Number of Equity Shares available for allocation</b>	36,40,000Equity Shares	2,00,000Equity Shares
<b>Percentage of Issue Size available for allocation</b>	94.79% of the Issue Size	5.21% of the Issue Size
<b>Basis of Allotment</b>	Proportionate subject to minimum allotment of 8,000Equity Shares and further allotment in multiples of 8,000 Equity Shares each. For further details please refer to " <i>Issue Procedure - Basis of Allotment</i> " on page 241 of this Prospectus.	Firm Allotment
<b>Mode of Application</b>	All the applicants shall make the application (Online or Physical) through ASBA Process including through UPI mode (as applicable)	Through ASBA Process Only.
<b>Mode of Allotment</b>	Compulsorily in dematerialized form.	Compulsorily in dematerialized form.
<b>Minimum Application Size</b>	<p><b><u>For Other than Retail Individual Investors:</u></b> Such number of Equity Shares in multiples of 8,000Equity Shares at an Issue price of Rs.18/-each, such that the Application Value exceeds Rs. 2,00,000/-</p> <p><b><u>For Retail Individuals Investors:</u></b> 8,000Equity Shares at an Issue price of Rs.18each.</p>	2,00,000Equity Shares
<b>Maximum Application Size</b>	<p><b><u>For Other than Retails Individual Investors:</u></b> The maximum application size is the Net Issue to public subject to limits the investor has to adhere under the relevant laws and regulations applicable.</p> <p><b><u>For Retail Individuals Investors:</u></b> Such number of Equity Shares in multiples of 8,000Equity Shares such that the Application Value does not exceed Rs. 2,00,000/-.</p>	2,00,000 Equity Shares
<b>Trading Lot</b>	8,000 Equity Shares	8,000 Equity Shares, However the Market Makers may accept odd lots if any in the market as required under the SEBI (ICDR) Regulations, 2018.
<b>Terms of Payment</b>	The entire Application Amount shall be blocked by the SCSBs in the bank account of Applicants, or by the Sponsor Banks through UPI mechanism (for RIIs using the UPI mechanism) at the time of the submission of the Application Form	



This Issue is being made in terms of Chapter IX of the SEBI (ICDR) Regulations, 2018, as amended from time to time.

\*Since present issue is a fixed price issue, the allocation in the net offer to the public category in terms of Regulation 253 of the SEBI (ICDR) Regulations, 2018 shall be made as follows:

- a) Minimum of 50.00% of the net offer of shares to the public shall be made available for Retail Individual Investors; and
- b) The balance Net Issue of shares to the Public shall be made available for allotment to individual Applicants other than Retail Individual Applicant and other Investors including Non-Institutional Investors, Qualified Institution Buyers, Corporate Bodies/ Institutions.

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

**Withdrawal of the Issue**

In accordance with SEBI (ICDR) Regulations, the Company, in consultation with the Lead Manager, 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 Lead Manager, through the Registrar to the Issue, will instruct the SCSBs, to unblock the ASBA Accounts within one Working Day from the day of receipt of such instruction. The notice of withdrawal will be issued in the same newspapers where the pre-Issue advertisements have appeared and the Stock Exchange will also be informed promptly.

If our Company withdraws the Issue after the Issue Closing Date and subsequently decides to undertake a public offering of Equity Shares, our Company will file a fresh 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 of the Prospectus after it is filed with the ROC.

**Issue Program:**

<b>ISSUE OPENING DATE</b>	March 03, 2020
<b>ISSUE CLOSING DATE</b>	March 05, 2020

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 BSE after taking into account the total number of applications received up to the closure of timings and reported by LM to BSE within half an hour of such closure.

It is clarified that Applications not uploaded would be rejected. In case of discrepancy in the data entered in the electronic form vis-à-vis the data contained in the physical Application 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, modified and updated pursuant to, among others, the circular (CIR/CFD/POLICYCELL/11/2015) dated November 10, 2015 notified by SEBI, the circular (CIR/CFD/DIL/1/2016) dated January 1, 2016, SEBI circular bearing number SEBI/HO/CFD/DIL/CIR/P/2016/26 dated January 21, 2016 and SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2018/22 dated February 15, 2018, SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 01, 2018 (“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 SCRA, the SCRR 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 shall be made available on the websites of the Stock Exchange, the Company and the Lead Manager before opening of the Issue Period.

The General Information Documents to be included will be updated to reflect the enactments and regulations including the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019, SEBI Listing Regulations and certain notified provisions of the Companies Act, 2013, to the extent applicable to a public issue. The General Information Document will also be available on the websites of the Stock Exchange and the Lead Manager. Please refer to the relevant provisions of the General Information Document, which are applicable to the Issue.

All Designated Intermediaries in relation to the Issue should ensure compliance with the SEBI circular (CIR/CFD/POLICYCELL/11/2015) dated November 10, 2015, as amended and modified by the SEBI circular (SEBI/HO/CFD/DIL/CIR/P/2016/26) dated January 21, 2016 and SEBI circular (SEBI/HO/CFD/DIL2/CIR/P/2018/22) dated February 15, 2018 and (SEBI/HO/CFD/DIL2/CIR/P/2018/138) dated November 1, 2018, in relation to clarifications on streamlining the process of public issue of equity shares and convertibles as amended and modified by the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019 circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 June 28, 2019, circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 and circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 08, 2019.

With effect from July 1, 2019, with respect to Applications by RIIs through Designated Intermediaries (other than SCSBs), the existing process of physical movement of forms from such Designated Intermediaries to SCSBs for blocking of funds has been discontinued and only the UPI Mechanism for such Applications with existing timeline of T+6 days will continue for a period of three months or launch of five main board public issues, whichever is later (“UPI Phase II”), Further pursuant to SEBI Circular SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019 UPI Phase II was extended till March 31, 2020. Subsequently, the final reduced timeline will be made effective using the UPI Mechanism for applications by RIBs (“UPI Phase III”), as may be prescribed by SEBI

Please note that the information stated/covered in this section may not be complete and/or accurate and as such would be subject to modification/change. Our Company and Lead Manager do not accept any responsibility for the completeness and accuracy of the information stated in this section and the General Information Document. Our Company and Lead Manager would not be able to include any amendment, modification or change in applicable law, which may occur after the date of the Prospectus. Applicants are advised to make their independent investigations and ensure that their Application do not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or as specified in this 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.

### ***Phased implementation of Unified Payments Interface***

SEBI has issued a circular bearing number SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018 and circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019 circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 June 28, 2019, circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 and circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 08, 2019 (collectively the “UPI Circulars”) in relation to streamlining the process of public issue of equity shares and convertibles. Pursuant to the UPI Circulars, UPI will be introduced in a phased manner as a payment mechanism (in addition to mechanism of blocking funds in the account maintained with SCSBs under the ASBA) for applications by RIBs through intermediaries with the objective to reduce the time duration from public issue closure to listing from six working days to up to three working days. Considering the time required for making necessary changes to the systems and to ensure complete and smooth



transition to the UPI Mechanism, the UPI Circular proposes to introduce and implement the UPI Mechanism in three phases in the following manner:

**Phase I:** This phase has become applicable from January 1, 2019 and will continue till June 30, 2019. Under this phase, a Retail Individual Applicant would also have the option to submit the Application Form with any of the intermediary and use his / her UPI ID for the purpose of blocking of funds. The time duration from public issue closure to listing would continue to be six Working Days.

**Phase II:** This phase commenced on completion of Phase I and will continue till March 31, 2020. Under this phase, submission of the Application Form by a Retail Individual Applicant through intermediaries to SCSBs for blocking of funds will be discontinued and will be replaced by the UPI Mechanism. However, the time duration from public issue closure to listing would continue to be six Working Days during this phase.

**Phase III:** Subsequently, the time duration from public issue closure to listing would be reduced to be three Working Days.

All SCSBs offering facility of making application in public issues shall also provide facility to make application using the UPI Mechanism. The Issuers are to appoint one of the SCSBs as a sponsor bank to act as a conduit between the Stock Exchanges and NPCI in order to facilitate collection of requests and / or payment instructions of the Retail Individual Applicants into the UPI mechanism.

For further details, refer to the General Information Document available on the websites of the Stock Exchanges and the Lead Manager.

## **PART A**

### **Fixed Price Issue Procedure**

The Issue is being made in compliance with the provisions of Reg. 229(2) of Chapter IX of the SEBI (ICDR) Regulations, 2018 and through the Fixed Price Process wherein 50% of the Net Issue to Public is being offered to the Retail Individual Applicants and the balance shall be offered to Non Retail Category i.e. QIBs and Non Institutional Applicants. However, if the aggregate demand from the Retail Individual Applicants is less than 50%, then the balance Equity Shares in that portion will be added to the non retail portion offered to the remaining investors including QIBs and NIIs and vice-versa subject compliance with Regulation 253(2) of the SEBI ICDR Regulations and subject to valid Applications being received from them at or above the Issue Price.

Subject to the valid Applications being received at or above the Issue Price, allocation to all categories in the Net Issue, shall be made on a proportionate basis, except for the Retail Portion where Allotment to each Retail Individual Applicants shall not be less than the minimum lot, subject to availability of Equity Shares in Retail Portion, and the remaining available Equity Shares, if any, shall be allotted on a proportionate basis. Under subscription, if any, in any category, would be allowed to be met with spill over from any other category or a combination of categories at the discretion of our Company in consultation with the Lead Manager and the Stock Exchange.

**Investors should note that according to Section 29(1) of the Companies Act, 2013, allotment of Equity Shares to all successful Applicants will only be in the dematerialized form. It is mandatory to furnish the details of Applicant's depository account along with Application Form. The Application Forms which do not have the details of the Applicants' depository account, including the DP ID Numbers and the beneficiary account number shall be treated as incomplete and rejected. Application Forms which do not have the details of the Applicants' PAN, (other than Applications made on behalf of the Central and the State Governments, residents of the state of Sikkim and official appointed by the courts) shall be treated as incomplete and are liable to be rejected. Applicants will not have the option of being Allotted Equity Shares in physical form. The Equity Shares on Allotment shall be traded only in the dematerialised segment of the Stock Exchanges. However, investors may get the specified securities rematerialised subsequent to allotment.**

### **Application Form**

Retail Individual Applicants can submit their Applications by submitting Application Forms, in physical form or in electronic mode, to the members of the Syndicate, the sub-Syndicate, the SCSBs, the Registered Brokers, Registrars to an Issue and Share Transfer Agents and Depository Participants.



Application Forms will be available with the Syndicate/sub-Syndicate members, SCSBs and at our Registered Office. In addition, the Application Forms will also be available for download on the website of the Company, Lead Manager and Stock Exchange, BSE SME (www.bsesme.com), at least one day prior to the Issue Opening Date.

All Applicants shall mandatorily participate in the Issue only through the ASBA process. ASBA Applicants must provide bank account details and authorization to block funds in the relevant space provided in the Application Form or alternatively, the Retail Individual Applicants wishing to apply through UPI Channel, may provide the UPI ID and validate the blocking of the funds and the Application Forms that do not contain such details are liable to be rejected. For further details on the UPI Channel please refer SEBI circular Ref: SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018.

Applicants shall ensure that the Applications are made on Application Forms bearing the stamp of a member of the Syndicate or the Registered Broker or the SCSBs or Registrars to an Issue and Share Transfer Agents or Depository Participants, as the case may be, submitted at the Collection centres only (except in case of electronic Application Forms) and the Application Forms not bearing such specified stamp are liable to be rejected.

Pursuant to SEBI Circular dated January 1, 2016 and bearing no. CIR/CFD/DIL/1/2016, the Application Form has been standardized. Also, please note that pursuant to SEBI Circular CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 investors in public issues can only invest through ASBA mode. The prescribed colours of the Application Form for various investors applying in the Issue are 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

\*Excluding Electronic Application Form

Designated Intermediaries (other than SCSBs) after accepting application form submitted by RIIs (without using UPI for payment), NIIs and QIBs shall capture and upload the relevant details in the electronic bidding system of stock exchange(s) and shall submit/deliver the Application Forms to respective SCSBs where the Applicants has a bank account and shall not submit it to any non-SCSB Bank.

Further, for applications submitted to designated intermediaries (other than SCSBs), with use of UPI for payment, after accepting the application form, respective intermediary shall capture and upload the relevant application details, including UPI ID, in the electronic bidding system of stock exchange(s).

Applicants shall only use the specified Application Form for making an Application in terms of the 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 are required to ensure that the ASBA Account has sufficient credit balance as an amount equivalent to the full Application Amount can be blocked by the SCSB or Sponsor Bank at the time of submitting the Application.

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)



<b>5.</b>	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)
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*Retails investors submitting application with any of the entities at (ii) to (v) above (hereinafter referred as "Intermediaries"), and intending to use UPI, shall also enter their UPI ID in the application form.*

*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.
<b>For applications submitted by investors to intermediaries other than SCSBs with use of UPI for payment:</b>	After accepting the application form, respective intermediary shall capture and upload the relevant application details, including UPI ID, in the electronic bidding system of stock exchange. Stock exchange shall share application details including the UPI ID with sponsor bank on a continuous basis, to enable sponsor bank to initiate mandate request on investors for blocking of funds. Sponsor bank shall initiate request for blocking of funds through NPCI to investor. Investor to accept mandate request for blocking of funds, on his/her mobile application, associated with UPI ID linked bank account.

Stock exchange shall validate the electronic bid details with depository's records for DP ID/Client ID and PAN, on a real-time basis and bring the inconsistencies to the notice of intermediaries concerned, for rectification and re-submission within the time specified by stock exchange.

Stock exchange shall allow modification of selected fields viz. DP ID/Client ID or Pan ID (Either DP ID/Client ID or Pan ID can be modified but not BOTH), Bank code and Location code, in the bid details already uploaded.

Upon completion and submission of the Application Form to Application Collecting intermediaries, the Applicants are deemed to have authorized our Company to make the necessary changes in the Prospectus, without prior or subsequent notice of such changes to the Applicants. Applicants shall submit an Application Form either in physical or electronic form to the SCSB's authorising blocking of funds that are available in the bank account specified in the Application Form used by ASBA Applicants. Designated Intermediaries (other than SCSBs) shall submit/deliver the ASBA Forms/ Application Forms to the respective SCSB, where the Applicant has a bank account and shall not submit it to any non-SCSB bank or any Escrow Collection Bank.

### **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 BSE i.e. [www.bseindia.com](http://www.bseindia.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:

- a) Indian nationals resident in India who are not incompetent to contract under the Indian Contract Act, 1872, as amended, in single or as a joint application and minors having valid Demat account as per Demographic Details provided by the Depositories. Furthermore, based on the information provided by the Depositories, our Company shall have the right to accept the Applications belonging to an account for the benefit of minor (under guardianship);
- b) Hindu Undivided Families or HUFs, in the individual name of the Karta. The Applicant should specify that the application is being made in the name of the HUF in the Application Form as follows: —Name of Sole or First applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Kartal. Applications by HUFs would be considered at par with those from individuals;
- c) Companies, corporate bodies and societies registered under the applicable laws in India and authorized to invest in the Equity Shares under their respective constitutional and charter documents;
- d) Mutual Funds registered with SEBI;
- e) Eligible NRIs on a repatriation basis or on a non-repatriation basis, subject to applicable laws. NRIs other than Eligible NRIs are not eligible to participate in this Issue;
- f) Indian Financial Institutions, scheduled commercial banks, regional rural banks, co-operative banks (subject to RBI permission, and the SEBI Regulations and other laws, as applicable);
- g) FIIs and sub-accounts of FIIs registered with SEBI, other than a sub-account which is a foreign corporate or a foreign individual under the QIB Portion;
- h) Limited Liability Partnerships (LLPs) registered in India and authorized to invest in equity shares;
- i) Sub-accounts of FIIs registered with SEBI, which are foreign corporate or foreign individuals only under the Non Institutional applicant's category;
- j) Venture Capital Funds and Alternative Investment Fund (I) registered with SEBI; State Industrial Development Corporations;
- k) Foreign Venture Capital Investors registered with the SEBI;
- l) Trusts/societies registered under the Societies Registration Act, 1860, as amended, or under any other law relating to Trusts and who are authorized under their constitution to hold and invest in equity shares;
- m) Scientific and/or Industrial Research Organizations authorized to invest in equity shares;
- n) Insurance Companies registered with Insurance Regulatory and Development Authority, India;
- o) Provident Funds with minimum corpus of Rs. 25 Crores and who are authorized under their constitution to hold and invest in equity shares;
- p) Pension Funds with minimum corpus of Rs. 25 Crores and who are authorized under their constitution to hold and invest in equity shares;
- q) 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;
- r) Insurance funds set up and managed by army, navy or air force of the Union of India;
- s) Multilateral and bilateral development financial institution;
- t) Eligible QFIs;
- u) Insurance funds set up and managed by army, navy or air force of the Union of India;
- v) Insurance funds set up and managed by the Department of Posts, India;
- w) Any other person 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

**As per the existing regulations, OCBs are not eligible to participate in this Issue. The RBI has however clarified in its circular, A.P. (DIR Series) Circular No. 44, dated December 8, 2003 that OCBs which are incorporated and are not under the adverse notice of the RBI are permitted to undertake fresh investments as 138 incorporated non-resident entities in terms of Regulation 5(1) of RBI Notification No.20/2000-RB dated May 3, 2000 under FDI Scheme with the prior approval of Government if the investment is through Government Route and with the prior approval of RBI if the investment is through Automatic Route on case by case basis. OCBs may invest in this Issue provided it obtains a prior approval from the RBI. On submission of such approval along with the Application Form, the OCB shall be eligible to be considered for share allocation.**

## MAXIMUM AND MINIMUM APPLICATION SIZE

### 1. For Retail Individual Applicants

The Application must be for a minimum of 8,000 Equity Shares and in multiples of 8,000 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 8,000 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 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 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.**

## BASIS OF ALLOTMENT

Allotment will be made in consultation with the Stock Exchange. In the event of oversubscription, the allotment will be made on a proportionate basis in marketable lots as set forth here:

1. The total number of Shares to be allocated to each category as a whole shall be arrived at on a proportionate basis i.e. the total number of Shares applied for in that category multiplied by the inverse of the over subscription ratio (number of applicants in the category X number of Shares applied for).
2. The number of Shares to be allocated to the successful applicants will be arrived at on a proportionate basis in marketable lots (i.e. Total number of Shares applied for into the inverse of the over subscription ratio).

For applications where the proportionate allotment works out to less than 8,000 Equity shares the allotment will be made as follows:

1. Each successful applicant shall be allotted 8,000 Equity shares; and
2. The successful applicants out of the total applicants for that category shall be determined by the drawl 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.

If the proportionate allotment to an applicant works out to a number that is not a multiple of 8,000 Equity shares, the applicant would be allotted Shares by rounding off to the nearest multiple of 8,000 Equity shares subject to a minimum allotment of 8,000 Equity shares.

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 nearest multiple of 8,000 Equity shares, results in the actual allotment being higher than the shares offered, the final allotment may be higher at the sole discretion of the Board of Directors, up to 110% of the size of the offer specified under the Capital Structure mentioned in this Prospectus.

The above proportionate allotment of shares in an Issue that is oversubscribed shall be subject to the reservation for small individual applicants as described below:

1. 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.
2. The balance net offer of shares to the public shall be made available for allotment to
  - a. Individual applicants other than retails individual investors and
  - b. Other investors, including Corporate Bodies/ Institutions irrespective of number of shares applied for.
3. The unsubscribed portion of the net offer to any one of the categories specified in a) or b) shall/may be made available for allocation to applicants in the other category, if so required.

Retail Individual Investor' means an investor who applies for shares of value of not more than Rs. 2,00,000/- . Investors may note that in case of over subscription allotment shall be on proportionate basis and will be finalized in consultation with Stock Exchange. The Executive Director / Managing Director of Stock Exchange in addition to Lead Manager and Registrar to the Public Issue shall be responsible to ensure that the basis of allotment is finalized in a fair and proper manner in accordance with the SEBI (ICDR) Regulations.

#### **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 Manager 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 Manager, 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. The Retail Individual Applicants has to apply only through UPI Channel, they have to provide the UPI ID and validate the blocking of the funds and such application forms that do not contain such details are liable to be rejected.
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 person 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 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.

#### **Application by FPIs (including FIIs)**

In terms of the SEBI FPI Regulations, an FII who holds a valid certificate of registration from SEBI shall be deemed to be a registered FPI until the expiry of the block of three years for which fees have been paid as per the SEBI FII Regulations. An FII or sub-account may, subject to payment of conversion fees under the SEBI FPI Regulations participate in the Issue until the expiry of its registration with SEBI as an FII or sub-account, or if it has obtained a certificate of registration as an FPI, whichever is earlier. Accordingly, such FIIs can, subject to the payment of conversion fees under the SEBI FPI Regulations, participate in this Issue in accordance with Schedule 2 of the FEMA Regulations. An FII shall not be eligible to invest as an FII after registering as an FPI under the SEBI FPI Regulations.

In terms of the SEBI FPI Regulations, the purchase of Equity Shares and total holding by a single FPI or an investor group (which means the same set of ultimate beneficial owner(s) investing through multiple entities) must be below 10% of our post-issue Equity Share capital. Further, in terms of the FEMA Regulations, the total holding by each FPI shall be below 10% of the total paid-up Equity Share capital of our Company and the total holdings of all FPIs put together shall not exceed 24% of the paid-up Equity Share capital of our Company. The aggregate limit of 24% may be increased up to the sectoral cap by way of a resolution passed by the Board of Directors followed by a special resolution passed by the Shareholders of our Company and subject to prior intimation to RBI. In terms of the FEMA Regulations, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs as well as holding of FIIs (being deemed FPIs) shall be included.

FPIs are permitted to participate in the Issue subject to compliance with conditions and restrictions which may be specified by the Government from time to time.

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 22 of the SEBI FPI Regulations, an FPI, other than Category III foreign portfolio investor and unregulated broad based funds, which are classified as Category II foreign portfolio investor by virtue of their investment manager being appropriately regulated, may issue, subscribe to or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by a FPI against securities held by it that are listed or proposed to be listed on any recognised stock exchange in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only to persons who are regulated by an appropriate regulatory authority; and (ii) such offshore derivative instruments are issued after compliance with 'know your client' norms. Further, pursuant to a Circular dated November 24, 2014 issued by the SEBI, FPIs are permitted to issue offshore derivative instruments only to subscribers that (i) meet the eligibility criteria set forth in Regulation 4 of the SEBI FPI Regulations; and (ii) do not have opaque structures, as defined under the SEBI FPI Regulations. An FPI is also required to ensure that no further issue or transfer of any offshore derivative instrument is made by or on behalf of it to any persons that are not regulated by an appropriate foreign regulatory authority. Further, where an investor has investments as FPI and also holds positions as an overseas direct investment subscriber, investment restrictions under the SEBI FPI Regulations shall apply on the aggregate of FPI investments and overseas direct investment positions held in the underlying Indian company.

#### **Application by SEBI registered Alternative Investment Fund (AIF), Venture Capital Funds and Foreign Venture Capital Investors**

The SEBI (Venture Capital) Regulations, 1996 and the SEBI (Foreign Venture Capital Investor) Regulations, 2000 prescribe investment restrictions on venture capital funds and foreign venture capital investors registered with SEBI. As per the current regulations, the following restrictions are applicable for SEBI registered venture capital funds and foreign venture capital investors: Accordingly, the holding by any individual venture capital fund registered with SEBI in one Company should not exceed 25% of the corpus of the venture capital fund; a Foreign Venture Capital Investor can invest its entire funds committed for investments into India in one Company. Further, Venture Capital Funds and Foreign Venture Capital investor can invest only up to 33.33% of the funds available for investment by way of subscription to an Initial Public Offer. The SEBI (Alternative Investment funds) Regulations, 2012 prescribes investment restrictions for various categories of AIF's. The category I and II AIFs cannot invest more than 25% of the corpus in one investee Company. A category III AIF cannot invest more than 10% of the corpus in one Investee Company. A Venture capital fund registered as a category I AIF, as defined in the SEBI Regulations, cannot invest more than 1/3rd of its corpus by way of subscription to an initial public offering of a venture capital undertaking. Additionally, the VCFs which have



not re-registered as an AIF under the SEBI Regulations shall continue to be regulated by the VCF Regulations.

### **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 belong 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 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 Prospectus.

#### **Applications by Banking Companies**

In case of Applications made by banking companies registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, and (ii) the approval of such banking company's investment committee are required to be attached to the Application Form, failing which our Company reserve the right to reject any Application without assigning any reason. The investment limit for banking companies in non-financial services Companies as per the Banking Regulation Act, 1949, and the Master Direction – Reserve Bank of India (Financial Services provided by Banks) Directions, 2016, is 10% of the paid-up share capital of the investee company or 10% of the banks' own paid-up share capital and reserves, whichever is less. Further, the aggregate investment in subsidiaries and other entities engaged in financial and non-financial services company cannot exceed 20% of the bank's paid-up share capital and reserves. A banking company may hold up to 30% of the paid-up share capital of the investee company with the prior approval of the RBI provided that the investee company is engaged in non-financial activities in which banking companies are permitted to engage under the Banking Regulation Act.

#### **Applications by Systemically Important Non-Banking Financial Companies**

In case of Applications made by Systemically Important Non-Banking Financial Companies registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, (ii) certified copy of its last audited financial statements on a standalone basis and a net worth certificate from its statutory auditor, and (iii) such other approval as may be required by the Systemically Important Non-Banking Financial Companies, are required to be attached to the Application Form. Failing this, our Company in consultation with the LM, reserves the right to reject any Bid without assigning any reason thereof. Systematically Important NBFCs participating in the Issue shall comply with all applicable regulations, guidelines and circulars issued by RBI from time to time.



The investment limit for Systemically Important NBFCs shall be as prescribed by RBI from time to time.

**Applications by SCSBs**

SCSBs participating in the Offer are required to comply with the terms of the SEBI circulars dated September 13, 2012 and January 2, 2013. Such SCSBs are required to ensure that for making applications on their own account using ASBA, they should have a separate account in their own name with any other SEBI registered SCSBs. Further, such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account for such applications.

**Issue Procedure for Application Supported by Blocked Account (ASBA) Applicants**

In accordance with the SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 all the Applicants have to compulsorily apply through the ASBA Process. Our Company and the Lead Manager are not liable for any amendments, modifications, or changes in applicable laws or regulations, which may occur after the date of this Prospectus. ASBA Applicants are advised to make their independent investigations and to ensure that the ASBA Application Form is correctly filled up, as described in this section.

The lists of banks that have been notified by SEBI to act as SCSB (Self Certified Syndicate Banks) for the ASBA Process are provided on <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>. For details on designated branches of SCSB collecting the Application Form, please refer the above mentioned SEBI link.

**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.

<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 Designated 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.

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 withdraw/ 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 Rs.18 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, in terms of SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 and the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, all the investors applying in a public Offer shall use only Application Supported by Blocked Amount (ASBA) process for application providing details of the bank account which will be blocked by the Self-Certified Syndicate Banks (SCSBs) for the same. Further, pursuant to SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 01, 2018, Retail Individual Investors applying in public offer have to use UPI as a payment mechanism with Application Supported by Blocked Amount for making application.

#### **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 Manager nor our Company nor the Registrar to the Issue, shall be responsible for any acts, mistakes or errors or omission and commissions in relation to,
  - (i) The 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 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 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 2,00,000 Equity Shares shall be reserved for Market Maker and atleast 18,24,000 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 Manager 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**

- 1) Our company has entered into an Underwriting Agreement dated January 16, 2020 and addendum dated February 1, 2020 between our Company, Lead Manager and Underwriter.
- 2) A copy of Prospectus will be filed 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) On the basis of approved Basis of Allotment, the Issuer shall pass necessary corporate action to facilitate the allotment and credit of equity shares. Applicants are advised to instruct their Depository Participants to accept the Equity Shares that may be allotted to them pursuant to the issue.

The Lead Manager 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.

- 3) Issuer will make the allotment of the Equity Shares and initiate corporate action for credit of shares to the successful applicants Depository Account within 4 working days of the Issue Closing date. The Issuer also ensures the credit of shares to the successful Applicants Depository Account is completed within one working Day from the date of allotment, after the funds are transferred from ASBA Public Issue Account to Public Issue account of the issuer.

### **Designated Date:**

On the Designated date, the SCSBs shall transfers the funds represented by allocations of the Equity Shares into Public Issue Account with the Bankers to the Issue.

The Company will issue and dispatch letters of allotment/ or letters of regret along with refund order or credit the allotted securities to the respective beneficiary accounts, if any within a period of 4 working days of the Issue Closing Date. The Company will intimate the details of allotment of securities to Depository immediately on allotment of securities under relevant provisions of the Companies Act, 2013 or other applicable provisions, if any

### **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;
- Applicant shall use only his / her own bank account or only his / her own bank account linked UPI ID to make an application.
- 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 or UPI ID linked Bank Account maintained with the SCSB before submitting the Application Form under the ASBA process the SCSBs where the Applicant has a bank

- account or a UPI ID linked Bank Account, the Registered Broker (at the Broker Centre's), the RTA (at the Designated RTA Locations) or CDP (at the Designated CDP Locations);
- Instruct your respective Banks to release the funds blocked in the ASBA Account/UPI ID linked Bank 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 and in case of Retail Individual Applicants applying through UPI Channel, ensure that you have mentioned the correct UPI ID;
  - 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;
  - Ensure that you have correctly signed the authorization/ undertaking box in the Application Form, or have otherwise provided an authorization to the SCSB via the electronic mode, for blocking funds in the ASBA Account/ UPI ID linked Bank Account, as the case may be, equivalent to the Application Amount mentioned in the Application Form;
  - Ensure that you receive an acknowledgement from the concerned Designated Intermediary, for the submission of your Application Form; 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 use third party bank account or third-party UPI ID linked Bank Account for making the Application;
- Do not apply on another Application Form after you have submitted an application to the Designated Intermediary;
- Do not pay the Application Price in cash, cheque, 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 colour 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.

**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. Applications made using a third-party bank account or using third party UPI ID linked bank account 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 from the Depository the demographic details including address, Applicants bank account details, MICR code and occupation (hereinafter referred to as 'Demographic Details'). These Demographic Details would be used for all correspondence with the Applicants including mailing of the 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 BSE 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. Giving of Instructions for refund by unblocking of amount via ASBA not later than 4(four) working days of the Issue Closing Date, would be ensured; and
3. If such money is not repaid within prescribed time from the date our Company becomes liable to repay it, then our Company and every officer in default shall, on and from expiry of prescribed time, be liable to repay such application money, with interest as prescribed under SEBI (ICDR) Regulations, the Companies Act, 2013 and applicable law. Further, in accordance with Section 40 of the Companies Act, 2013, the Company and each officer in default may be punishable with fine and/or imprisonment in such a case.



### **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 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;
- 7) That funds required for making refunds to unsuccessful applicants as per the mode(s) disclosed shall be made available to the Registrar to the Issue by us;
- 8) That where refunds (to the extent applicable) are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within the specified period of closure of the Issue giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;
- 9) That Company shall not have recourse to the Issue proceeds until the approval for trading of the Equity Shares from the Stock Exchange where listing is sought has been received;
- 10) Adequate arrangements shall be made to collect all Application Forms from the Applicants;
- 11) That the certificates of the securities/refund orders to Eligible NRIs shall be dispatched within specified time; and
- 12) That none of the promoters or directors of the company is willful defaulter under Section 5(c) of SEBI (ICDR) Regulations, 2018.

### **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 January 10, 2020 between NSDL, the Company and the Registrar to the Issue;
- b) Agreement dated January 15, 2020 between CDSL, the Company and the Registrar to the Issue;

The Company's equity shares bear an ISIN No. INE0C4I01011

## 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 Foreign Exchange Management Act, 1999 ("FEMA"). While the Industrial Policy, 1991 prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Under the Industrial Policy, unless specifically restricted, foreign investment is freely permitted in all sectors of Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. The government bodies responsible for granting foreign investment approvals are the Reserve Bank of India ("RBI") and Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India ("DIPP").

The Government of India, from time to time, has made policy pronouncements on Foreign Direct Investment ("FDI") through press notes and press releases. The DIPP, has issued consolidated FDI Policy Circular of 2017 ("FDI Policy 2017"), with effect from August 28, 2017, which consolidates and supersedes all previous press notes, press releases and clarifications on FDI Policy issued by the DIPP that were in force. The Government proposes to update the consolidated circular on FDI policy once every year and therefore, FDI Policy 2017 will be valid until the DIPP issues an updated circular.

The RBI also issues Master Circular on Foreign Investment in India every year. Presently, FDI in India is being governed by Master Circular on Foreign Investment dated July 01, 2015 as updated from time to time by RBI. In terms of the Master Circular, an Indian company may issue fresh shares to people resident outside India (who is eligible to make investments in India, for which eligibility criteria are as prescribed). Such fresh issue of shares shall be subject to inter-alia, the pricing guidelines prescribed under the Master Circular. The Indian company making such fresh issue of shares would be subject to the reporting requirements, inter-alia with respect to consideration for issue of shares and also subject to making certain filings including filing of Form FC-GPR.

In case of investment in sectors through Government Route, approval from competent authority as mentioned in Chapter 4 of the FDI Policy 2017 has to be obtained.

The transfer of shares between an Indian resident to a non-resident does not require the prior approval of the RBI, subject to fulfillment of certain conditions as specified by DIPP/RBI, from time to time. Such conditions include:

- 1) where the transfer of shares requires the prior approval of the Government as per the extant FDI policy provided that:
  - a. the requisite approval of the Government has been obtained; and
  - b. the transfer of shares adheres with the pricing guidelines and documentation requirements as specified by the Reserve Bank of India from time to time.;
- 2) where the transfer of shares attract SEBI (SAST) Regulations subject to the adherence with the pricing guidelines and documentation requirements as specified by Reserve Bank of India from time to time;
- 3) where the transfer of shares does not meet the pricing guidelines under the FEMA, 1999 provided that:
  - a. The resultant FDI is in compliance with the extant FDI policy and FEMA regulations in terms of sectoral caps, conditionality's (such as minimum capitalization, etc.), reporting requirements, documentation etc.;
  - b. The pricing for the transaction is compliant with the specific/explicit, extant and relevant SEBI regulations/guidelines (such as IPO, Book building, block deals, delisting, exit, open offer/substantial acquisition/SEBI SAST); and Chartered Accountants Certificate to the effect that compliance with the relevant SEBI regulations/guidelines as indicated above is attached to the form FC-TRS to be filed with the AD bank; and
- 4) where the investee company is in the financial sector provided that:
  - a. Any fit and proper/due diligence requirements as regards the non-resident investor as stipulated by the respective financial sector regulator, from time to time, have been complied with; and
  - b. The FDI policy and FEMA regulations in terms of sectoral caps, conditionalities (such as minimum capitalization, pricing, etc.), reporting requirements, documentation etc., are complied with.

As per the existing policy of the Government of India, OCBs cannot participate in this Issue and in accordance with the extant FDI guidelines on sectoral caps, pricing guidelines etc. as amended by Reserve bank of India, from time to time. Investors are advised to confirm their eligibility under the relevant laws before investing and / or subsequent purchase or sale transaction in the Equity Shares of our Company. Investors 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. Our Company, the Underwriters and their respective directors, officers, agents, affiliates and representatives, as applicable, accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire Equity Shares of our Company.

#### **Investment conditions/restrictions for overseas entities**

Under the current FDI Policy 2017, the maximum amount of Investment (sectoral cap) by foreign investor in an issuing entity is composite unless it is explicitly provided otherwise including all types of foreign investments, direct and indirect, regardless of whether it has been made for FDI, FPI, NRI/OCI, LLPs, FVCI, Investment Vehicles and DRs under Schedule 1, 2, 3, 6, 7, 8, 9, 10 and 11 of FEMA (Transfer or Issue of Security by Persons Resident outside India) Regulations, 2017. Any equity holding by a person resident outside India resulting from conversion of any debt instrument under any arrangement shall be reckoned as foreign investment under the composite cap.

Portfolio Investment upto aggregate foreign investment level of 49% or sectoral/statutory cap, whichever is lower, will not be subject to either Government approval or compliance of sectoral conditions, if such investment does not result in transfer of ownership and/or control of Indian entities from resident Indian citizens to non-resident entities. Other foreign investments will be subject to conditions of Government approval and compliance of sectoral conditions as per FDI Policy. The total foreign investment, direct and indirect, in the issuing entity will not exceed the sectoral/statutory cap.

#### **Investment by FPIs under Portfolio Investment Scheme (PIS)**

With regards to purchase/sale of capital instruments of an Indian company by an FPI under PIS the total holding by each FPI or an investor group as referred in SEBI (FPI) Regulations, 2014 shall not exceed 10% of the total paid-up equity capital on a fully diluted basis or less than 10% of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all FPIs put together shall not exceed 24% of paid-up equity capital on fully diluted basis or paid-up value of each series of debentures or preference shares or share warrants. The said limit of 10% and 24% will be called the individual and aggregate limit, respectively. However, this limit of 24 % may be increased up to sectoral cap/statutory ceiling, as applicable, by the Indian company concerned by passing a resolution by its Board of Directors followed by passing of a special resolution to that effect by its general body.

#### **Investment by NRI or OCI on repatriation basis:**

The purchase/sale of equity shares, debentures, preference shares and share warrants issued by an Indian company (hereinafter referred to as "Capital Instruments") of a listed Indian company on a recognised stock exchange in India by Non-Resident Indian (NRI) or Overseas Citizen of India (OCI) on repatriation basis is allowed subject to certain conditions under Schedule 3 of the FEMA (Transfer or Issue of security by a person resident outside India) Regulations, 2017.

The total holding by any individual NRI or OCI shall not exceed 5% of the total paid-up equity capital on a fully diluted basis or should not exceed 5% of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all NRIs and OCIs put together shall not exceed 10% of the total paid-up equity capital on a fully diluted basis or shall not exceed 10% of the paid-up value of each series of debentures or preference shares or share warrants; provided that the aggregate ceiling of 10% may be raised to 24% if a special resolution to that effect is passed by the general body of the Indian company.

#### **Investment by NRI or OCI on non-repatriation basis**

As per current FDI Policy 2017, schedule 4 of FEMA (Transfer or Issue of Security by Persons Resident outside India) Regulations – Purchase/ sale of Capital Instruments or convertible notes or units or contribution to the capital of an LLP by a NRI or OCI on non- repatriation basis – will be deemed to be domestic investment at par with the investment made by residents. This is further subject to remittance channel restrictions.



The Equity Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended ("US Securities Act") or any other state securities laws in the United States of America and may not be sold or offered within the United States of America, or to, or for the account or benefit of "US Persons" as defined in Regulation S of the U.S. Securities Act, except pursuant to exemption from, or in a transaction not subject to, the registration requirements of US Securities Act and applicable state securities laws.

Accordingly, the equity shares are being offered and sold only outside the United States of America in an offshore transaction in reliance upon Regulation S under the US Securities Act and the applicable laws of the jurisdiction where those offers and sale occur.

Further, no offer to the public (as defined under Directive 2003/71/EC, together with any amendments) and implementing measures thereto, (the "Prospectus Directive") has been or will be made in respect of the Issue in any member State of the European Economic Area which has implemented the Prospectus Directive except for any such offer made under exemptions available under the Prospectus Directive, provided that no such offer shall result in a requirement to publish or supplement a prospectus pursuant to the Prospectus Directive, in respect of the Issue.

Any forwarding, distribution or reproduction of this document in whole or in part may be unauthorised. Failure to comply with this directive may result in a violation of the Securities Act or the applicable laws of other jurisdictions. Any investment decision should be made on the basis of the final terms and conditions and the information contained in this Prospectus.

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 Lead Manager are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Prospectus. Applicants are advised to make their independent investigations and ensure that the Applications are not in violation of laws or regulations applicable to them and do not exceed the applicable limits under the laws and regulations.

## SECTION IX - MAIN PROVISIONS OF ARTICLES OF ASSOCIATION OF OUR COMPANY

Pursuant to Schedule I of the Companies Act, and the SEBI (ICDR) Regulations, 2018, the Main provisions of the Articles of Association relating to voting rights, dividend, lien, forfeiture, restrictions on transfer and Transmission of equity shares or debentures, their consolidation or splitting are as provided below. Each provision below is numbered as per the corresponding article number in the articles of association and defined terms herein have the meaning given to them in the Articles of Association.

Article No.	Interpretation	Heading
1.	No regulation contained in Table F in the First Schedule to the Companies Act, 2013 shall apply to this Company, but the regulation 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 with reference to the repeal or alterations of, or addition thereto, by Special Resolution as prescribed by the said Act, be as such as are contained in these Articles.	<b>Preliminary</b>
2.	In these Articles unless there be something in the subject matter or context inconsistent therewith:	<b>Interpretation</b>
	“ <b>The Company</b> ” or “ <b>this Company</b> ” means SM Auto Stamping Limited	<b>The Company or this Company</b>
	“ <b>The Act</b> ” means the Companies Act, 2013, or any statutory modification or re-enactment, clarifications and notification thereof for the time being in force and the term shall be deemed to refer to the applicable section thereof which is relatable to the relevant Article in which the said term appears in these Articles and any previous Company law, so far as may be applicable.	<b>The Act</b>
	“ <b>Annual General Meeting</b> ” means a general meeting of the members held as such, in accordance with the provisions of the Act.	<b>Annual General Meeting</b>
	“ <b>Beneficial Owner</b> ” means a person as defined by section 2(1)(a) of the Depositories Act, 1996.	<b>Beneficial Owner</b>
	“ <b>The Board</b> ” or the “ <b>Board of Directors</b> ” means the collective body of the Directors of the Company.	<b>The Board or the Board of Directors</b>
	“ <b>Capital</b> ” means the Share capital, for the time being, raised or authorised to be raised, for purposes of the Company.	<b>Capital</b>
	“ <b>Debenture</b> ” includes debenture stock, bonds or any other instrument of the Company evidencing the debts whether constituting the charge on the assets of the Company or not.	<b>Debenture</b>
	“ <b>Depositories Act 1996</b> ” means The Depositories Act, 1996 and includes any statutory modification or re-enactment thereof for the time being in force.	<b>Depositories Act 1996</b>
	“ <b>Depository</b> ” means and includes a Company as defined in section 2(1) (e) of “The Depositories Act, 1996.	
	“ <b>Directors</b> ” means a director appointed to the Board of the Company.	<b>Directors</b>
	“ <b>Dividend</b> ” includes interim dividend.	<b>Dividend</b>
	“ <b>Extra-ordinary General Meeting</b> ” means an extraordinary general meeting of the members, duly called and constituted, and any adjourned holding thereof.	<b>Extra-ordinary General Meeting</b>
	“ <b>In writing</b> ” or “ <b>written</b> ” include printing, lithography and other modes of representing or reproducing words in a visible form.	<b>In writing or written</b>
	“ <b>Member</b> ” means member as defined under section 2(55) of the Companies Act, 2013	<b>Member</b>
	“ <b>Office</b> ” means the registered office, for the time being, of the Company.	<b>Office</b>
	“ <b>Ordinary resolution</b> ” and “ <b>special resolution</b> ” shall have the same meaning assigned thereto by the Act.	<b>Ordinary resolution and special resolution</b>
	“ <b>Paid-up</b> ” means paid up capital as defined under section 2(64) of the Companies Act, 2013.	<b>Paid-up</b>
	“ <b>Participant</b> ” means individual / institutions as defined under Section 2(1)(g) of the Depositories Act, 1996.	
	“ <b>Persons</b> ” include corporations and firms as well as individuals.	<b>Participant</b>
	“Register of Members” means the Register of Members to be kept pursuant to the Act, and includes index of beneficial owners mentioned by a Depository.	<b>Register of Members</b>
	“ <b>The Registrar</b> ” means, Registrar as defined under section 2(75) of the Companies Act, 2013.	<b>The Registrar</b>
	“ <b>Secretary</b> ” means a Company Secretary, within the meaning of clause (c) of sub section (1) of	<b>Secretary</b>

	section 2 of Company Secretaries Act, 1980, who is appointed by the Company to perform the functions of the Company Secretary under this Act	
	“Seal” means the common seal, for the time being, of the Company.	<b>Seal</b>
	“Share” means a Share in the capital of the Company, and includes stock, except where a distinction between Stock and Shares is express or implied.	<b>Share</b>
	“Year” means a calendar year and “financial year” shall have the same meaning as assigned thereto by or under the Companies Act, 2013.	<b>Year</b>
	<p>Words importing the singular number include, where the context admits or requires, the plural number and vice versa.</p> <p>Words importing the masculine gender also include the feminine gender.</p> <p>The margin notes, if used or incorporated, or, after being used, removed, at any time thereafter, in these Articles shall not affect the construction hereof.</p> <p>Save as aforesaid, any words or expressions defined in the Act shall, if not inconsistent with the subject or context, bear the same meaning so far as these Articles are concerned.</p> <p>The Section number, with relation to the Act, referred to anywhere in these presents, may be deemed to have been replaced by such other number or numbers, as may, after the amendments or modifications effected in the Act or repeal of the Act and introduction of the new Act as such in its place, contain the relevant provisions, in the context or circumstances of that respective Article, as may be proper and justifiable and shall be interpreted in its true intention.</p>	
3.	Where the Act requires that the company cannot undertake any act or exercise any rights or powers, unless expressly authorized by its articles, these articles shall in relation to the Company, be deemed to confer such right, authority or power.	<b>General Authority</b>
4.	The Authorized Share Capital of the Company is such amount, as stated, for the time being, or may be varied, from time to time, under the provisions of the Act, in the Clause 5 of the Memorandum of Association of the Company, divided into such number, classes and descriptions of Shares and into such denominations, as stated therein, and further with such powers to increase the same or otherwise as stated therein.	<b>Capital And Increase And Reduction Thereof</b>
5.	The Company, in general meeting, may, from time to time, increase the capital by the creation of new shares. Such increase in the capital shall be of such aggregate amount and to be divided into such number of Shares of such respective amounts, as the resolution, so passed in that respect, shall prescribe. Subject to the provisions of the Act, any Shares of the original or increased capital shall be issued upon such terms and conditions and with such rights and privileges annexed thereto as the general meeting, resolving upon the creation thereof, shall direct, and, if no direction be given, as the Directors shall determine, and, in particular, such Shares may be issued with a preferential, restricted or qualified right to dividends, and in the distribution of assets of the Company, on winding up, and with or without a right of voting at general meetings of the Company, in conformity with and only in the manner prescribed by the provisions of the Act. Whenever capital of the Company has been increased under the provisions of this Article, the Directors shall comply with the applicable provisions of the Act.	
6.	Except so far as otherwise provided by the conditions of issue or by these presents, any capital raised by the creation of new shares shall be considered as part of the existing capital and shall be subject to the provisions contained herein with reference to the payment of calls and installments, forfeiture, lien, surrender, transfer and transmission, voting or otherwise.	
7.	Subject to the provisions of Section 55 of the Act and the rules made thereunder, the Company shall have the power to issue preference shares, which are liable to be redeemed and the resolution authorizing such issue shall prescribe the manner, terms and conditions of redemption.	



8.	<p>On the issue of Redeemable Preference Shares under the provisions of the preceding Article, the following provisions shall take effect:-</p> <ul style="list-style-type: none"> <li>i. 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 purpose of the redemption.</li> <li>ii. No such shares shall be redeemed unless they are fully paid;</li> <li>iii. The premium, if any, payable on redemption, must have been provided for, out of the profits of the Company or the Share Premium Account of the Company before, the Shares are redeemed; and</li> <li>iv. Where any such Shares are redeemed otherwise than out of the proceeds of a fresh issue, there shall, out of profits which would otherwise have been available for dividend, be transferred to a reserve fund to be called “Capital Redemption Reserve Account”, a sum equal to the nominal amount of the Shares redeemed and the provisions of the Act, relating to the reduction of the Share Capital of the Company, shall, except as provided in Section 80 of the Act, apply as if “Capital Redemption Reserve Account” were paid up Share capital of the Company.</li> </ul>	
9.	<p>Subject to Section 66 of the Companies Act, 2013, the Company may by special resolution, reduce its capital and any Capital Redemption Reserve Account or Other Premium Account, for the time being, in any manner, authorized by law, and, in particular, without prejudice to the generality of the foregoing powers, the capital may be paid off on the footing that it may be called up again or otherwise. This Article is not to derogate from any power, the Company would have, if it were omitted.</p>	
10.	<p>Subject to the applicable provisions of the Act, the Company, in general meeting, may, from time to time, sub-divide, reclassify or consolidate its Shares or any of them, and the resolution whereby any Share is sub-divided, may determine that, as between the holders of the Shares resulting from such sub-division, one or more of such Shares shall have some preference or special advantage as regards dividend, capital or otherwise over or as compared with the other or others. Subject as aforesaid, the Company, in general meeting, may also cancel shares, which have not been taken or agreed to be taken by any person, and diminish the amount of its Share capital by the amount of the Shares so cancelled.</p>	
11.	<p>Whenever the capital, by reason of the issue of Preference Shares or otherwise, is divided into different classes of shares, all or any of the rights and privileges attached to each class may, subject to the applicable provisions of the Act, be modified, commuted, affected or abrogated, or dealt with by an 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 that class and all the provisions hereinafter contained as to general meetings, shall, mutatis mutandis, apply to every such meeting.</p>	
12.	<p>The Company shall keep or cause to be kept a Register and Index of Members, in accordance with the applicable Sections of the Act. The Company shall be entitled to keep, in any State or Country outside India, a Branch Register of Members, in respect of those residents in that State or Country.</p>	<b>Shares And Certificates</b>
13.	<p>The Shares, in the capital, shall be numbered progressively according to their several classes and denominations, and, except in the manner hereinabove mentioned, no Share shall be sub-divided. Every forfeited or surrendered Share may continue to bear the number by which the same was originally distinguished with, or as may be otherwise, as may be decided by the Board of Directors or required by any other authority, as may be, for the time being, in force.</p>	
14.	<ul style="list-style-type: none"> <li>i. Where at the time, it is proposed to increase the subscribed capital of the Company by allotment of further Shares either out of the unissued or out of the increased Share capital</li> </ul>	



	<p>then:</p> <ul style="list-style-type: none"> <li>a. Such further Shares shall be offered to the persons who at the date of the offer, are holders of the Equity Shares of the Company, in proportion, as near as circumstances admit, to the capital paid up on those Shares at that date.</li> <li>b. Such offer shall be made by a notice specifying the number of Shares offered and limiting a time not less than fifteen days and not exceeding thirty days from the date of the offer within which the offer if not accepted, will be deemed to have been declined.</li> <li>c. The offer aforesaid shall be deemed to include a right exercisable by the person concerned to renounce the Shares offered to him in favour of any other person and the notice referred to in sub-clause (b) hereof shall contain a statement of this right provided that the Directors may decline, without assigning any reason to allot any Shares to any person in whose favour any member may, renounce the Shares offered to him.</li> <li>d. After expiry of the time specified in the aforesaid notice 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 of them in such manner as they think most beneficial to the Company.</li> </ul> <ul style="list-style-type: none"> <li>ii. Notwithstanding anything contained in sub-clause (i) thereof, the further Shares aforesaid may be offered to any persons (whether or not those persons include the persons referred to in clause (a) of sub-clause (i) hereof) in any manner 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 prescribed in the rules made thereunder.</li> <li>iii. Nothing in sub-clause (c) of (i) hereof shall be deemed: <ul style="list-style-type: none"> <li>a. To extend the time within the offer should be accepted; or</li> <li>b. To authorize any person to exercise the right of renunciation for a second time, on the ground that the person in whose favor the remuneration was first made has declined to take the Shares comprised in the renunciation.</li> </ul> </li> <li>iv. Nothing in this Article shall apply to the increase of the subscribed capital of the Company caused by the exercise of an option attached to the Debenture issued or loans raised by the Company to convert such Debenture or loans into Shares in the Company. Provided that the terms of issue of such Debentures or the terms of such loans 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.</li> </ul>	
15.	<p>Subject to the provisions of Section 62 of the Companies Act, 2013 and the rules made thereunder and these Articles of the Company for the time being shares shall be under the control of the Directors who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at part 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 any person or persons the option or right to call for any Shares either at par or premium during such time and for such consideration as the Directors think fit, and may issue and allot Shares in the capital of the Company on payment in full or part of any property sold and transferred or for any services rendered to the Company in the conduct of its business and any Shares which may so be allotted may be issued as fully paid up Shares and if so issued, shall be deemed to be fully paid Shares. Provided that option or right to call of Shares shall not be given to any person or persons without the sanction of the Company in the General Meeting. The Board shall cause to be filed the returns as to allotment as may be prescribed from time to time.</p>	
16.	<p>In addition to and without derogating from the powers for that purpose conferred on the Board under the preceding two Articles, the Company, in general meeting, may determine that any Shares, whether forming part of the original capital or of any increased capital of the Company, shall be offered to such persons, whether or not the members of the Company, in such proportion and on such terms and conditions and, subject to compliance with the provisions of applicable</p>	

	provisions of the Act, either at a premium or at par, as such general meeting shall determine and with full power to give any person, whether a member or not, the option to call for or be allotted Shares of any class of the Company either, subject to compliance with the applicable provision of the Act, at a premium or at par, such option being exercisable at such times and for such consideration as may be directed by such general meeting, or the Company in general meeting may make any other provision whatsoever for the issue, allotment or disposal of any Shares.
17.	Any application signed by or on behalf of an applicant for subscription for Shares in the Company, followed by an allotment of any Shares therein, shall be an acceptance of Shares within the meaning of these Articles, and every person, who, thus or otherwise, accepts any Shares and whose name is entered on the Registered shall, for the purpose of these Articles, be a member.
18.	The money, if any, which the Board shall, on the allotment of any shares being made by them, require or direct to be paid by way of deposit, call or otherwise, in respect of any Shares allotted by them, shall immediately on the insertion of the name of the allottee in the Register of Members as the name of the holder of such Shares, become a debt due to and recoverable by the Company from the allottee thereof, and shall be paid by him accordingly, in the manner prescribed by the Board.
19.	Every member or his heirs, executors or administrators, shall pay to the Company the portion of the capital represented by his Share or Shares which may, for the time being, remain unpaid thereon, in such amounts, at such time or times, and in such manner as the Board shall, from time to time, in accordance with the Regulations of the Company, require or fix for the payment thereof.
20.	<p>i. 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 two (2) months from the date of allotment, unless the conditions of issue thereof otherwise provide, or within one (1) 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 of Shares to one of several joint holders shall be sufficient delivery to all Shareholders. Every such certificate shall be issued under the seal of the Company, which shall be affixed in the presence of two Directors or persons acting on behalf of the Directors under a power of attorney and the Secretary or some other person appointed by the Board for the purpose, and such two Directors or their attorneys, and the Secretary or other person shall sign the Share Certificates, provided that, if the composition of the Board permits, provided that, of it, at least one of the aforesaid two Directors shall be a person other than Managing Director or a Wholetime Director. Particulars of every Share certificates issued shall be entered in the Register of Members against the name of the person, to whom it has been issued, indicating the date of issue.</p> <p>ii. Any two or more joint allottees, in respect of a Share, shall, for the purpose of this Article, be treated as a single member, and the certificate of any Share, which may be subject of joint ownership, may be delivered to the person named first in the order or otherwise even to any one of such joint owners, on behalf of all of them. For any further certificate, the Board shall be entitled but shall not be bound to prescribe a charge not exceeding Rupee 50(fifty) per such certificate. In this respect, the Company shall comply with the applicable provisions, for the time being, in force, of the Act.</p> <p>iii. A director may sign a Share certificate by affixing his signature thereon by means of any machine, equipment or other mechanical means, such as engraving in metal or</p>

	<p>lithography, but not by means of a rubber stamp provided that the Directors shall be responsible for the safe custody of such machine, equipment or other material used for the purpose.</p>	
<p>21.</p>	<p>i. The Directors may, if they think fit, subject to the provisions of Section 50 of the Act, agree to receive from any member willing to advance the same, all or any part of the amount of his Shares beyond the sums actually called up and upon the monies so paid in advance or upon so much thereof as from time to time exceeds the amount of the calls then made upon the Shares in respect of which such advances has been made, the Company may pay interest at such rate, 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.</p> <p>The member 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.</p> <p>The Provisions of these Articles shall mutatis mutandis apply to the calls on Debentures of the Company.</p> <p>ii. When a new Share certificate has been issued in pursuance of the preceding clause of this Article, it shall state on the face of it and against the stub or counterfoil to the effect that it is “Issued in lieu of Share Certificate No..... sub-divided/replaced/on consolidation of Shares”.</p> <p>iii. 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, and 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. 50/- (Fifty) for each certificate) as the Directors shall prescribe. Provided that no fee shall be charged for issue of new certificates in replacement of those which are old, defaced or worn out or where there is no further space on the back thereof for endorsement of transfer.</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>iv. When a new Share certificate has been issued in pursuance of the preceding clause of this Article, it shall state on the face of it and against the stub or counterfoil to the effect that it is “DUPLICATE. Issued in lieu of Share Certificate No. ....” The word “DUPLICATE” shall be stamped or punched in bold letters across the face of the Share certificate.</p> <p>v. Where a new Share certificate has been issued in pursuance of clause (i) or clause (iii) of this Article, particulars of every such Share certificate shall be entered in a Register of Renewed and Duplicate Share Certificates, indicating against the names of the person or persons to whom the certificate is issued, the number and date of issue of the Share certificate, in lieu of which the new certificate is issued, and the necessary changes</p>	

	<p>indicated in the Register of Members by suitable cross reference in the “Remarks” column.</p> <p>vi. All blank forms to be issued for issue of Share certificates shall be printed and the printing shall be done only on the authority of a resolution of the Board. The blank forms shall be consecutively numbered, whether by machine, hand or otherwise, and the forms and the blocks, engravings, facsimiles and hues relating to the printing of such forms shall be kept in the custody of the Secretary, where there is no Secretary, the Managing Director or Whole time Director, and where there is no such director, the Chairman of the Board, for the time being, or otherwise of such other person, as the Board may appoint for the purpose, and the Secretary, such director, Chairman or such other person shall be responsible for rendering an account of these forms to the Board.</p> <p>vii. The Managing Director of the Company, for the time being, or, if the Company has no Managing Director, every director of the Company shall be severally responsible for the maintenance, preservation and safe custody of all books and documents relating to the issue of Share certificates except the blank forms of Share certificates referred to in Clause (vi) of this Article.</p> <p>viii. All books referred to in clause (vii) of this Article shall be preserved in good order permanently, or for such period as may be prescribed by the Act or the Rules made thereunder.</p>	
22.	<p>If any Share stands in the names of two or more persons, the person first named, in the Register, shall, as regards receipt of dividends or bonus or service of notices and all or any matter connected with the Company, except voting at meetings and the transfer of the Shares, be deemed the sole holder thereof but the joint holders of a Share shall be severally as well as jointly liable for the payment of all installments of calls due in respect of such Share and for all incidents otherwise.</p>	
23.	<p>Except as ordered by a Court of competent jurisdiction or as by law required, the Company shall not be bound to recognize any equitable, contingent, future or partial interest in any Share, or, except only as is, by these presents, otherwise expressly provided, any right in respect of a Share other than an absolute right thereto, in accordance with these Articles, in the person, from time to time, registered as the holder thereof, but the Board shall be, at liberty, at their sole discretion, to register any Share in the joint names of any two or more persons or the survivor or survivors of them.</p>	
24.	<p>Subject to the provisions of Sections 68 to 70 of the Act 2013 and the rules thereunder, the Company may purchase its own Shares or other specified securities out of free reserves, the securities premium account or the proceeds of issue of any Share or specified securities.</p>	
25.	<p>Subject to the provisions contained in sections 68 to 70 and all applicable provisions of the Act and subject to such approvals, permissions, consents and sanctions from the concerned authorities and departments, including the Securities and Exchange Board of India and the Reserve Bank of India, if any, the Company may, by passing a special resolution at a general meeting, purchase its own Shares or other specified securities (hereinafter referred to as ‘buy-back’) from its existing Shareholders on a proportionate basis and/or from the open market and/or from the lots smaller than market lots of the securities (odd lots), and/or the securities issued to the employees of the Company pursuant to a scheme of stock options or sweat Equity, from out of its free reserves or out of the securities premium account of the Company or out of the proceeds of any issue made by the Company specifically for the purpose, on such terms, conditions and in such manner as may be prescribed by law from time to time; provided that the aggregate of the securities so bought back shall not exceed such number as may be prescribed under the Act or Rules made</p>	

	from time to time.	
26.	Subject to the provisions of Section 40 of the Act 2013 and the rules thereof, the Company may, at any time, pay a commission to any person in consideration of his subscribing or agreeing to subscribe, whether absolutely or conditionally, for any Shares in or Debentures of the Company or procuring or agreeing to procure the subscribers, whether absolutely or conditional, for any Shares in or Debentures of the Company, but so that the commission shall not exceed, in the case of Shares, five per cent of the price at which the Shares are issued and, in the case of Debentures two and half per cent of the price at which the Debentures are issued, and such commission may be satisfied in any such manner, including the allotment of the Shares or Debentures, as the case may be, as the Board thinks fit and proper.	<b>Commission And Brokerage</b>
27.	Subject to the provisions of the Act, the Company may pay a reasonable sum for brokerage.	
28.	The Board may, from time to time, subject to the terms on which any Shares may have been issued and subject to the conditions of allotment, by a resolution passed only at a duly constituted meeting of the Board, make such call, as it thinks fit, upon the members in respect of all moneys unpaid on the Shares held by them respectively and each member shall pay the amount of every call so made on him to the person or persons and at the times and places appointed by the Board. A call may be made payable by installments.	<b>Calls</b>
29.	At least fifteen days' notice, in writing, of any call, shall be given by the Company specifying the time and place of payment, and the person or persons to whom such call be paid.	
30.	A call shall be deemed to have been made at the time when the resolution authorizing such call was passed at a meeting of the Board.	
31.	The Board may, from time to time, at its discretion, extend the time fixed for the payment of any call, and may extend such time as to all or any of the members whom owing to their residence at a distance or other cause, the Board may deem fairly entitled to such extension, but no member shall be entitled to such extension, save as a matter of grace and favor.	
32.	A call may be revoked or postponed at the discretion of Board.	
33.	The joint holders of a Share shall be jointly and severally liable to pay all calls in respect thereof.	
34.	If any members fails to pay any call due from him on the day appointed for payment thereof, or any such extension thereof as aforesaid, he shall be liable to pay interest on the same from the day appointed for the payment thereof to the time of actual payment at such rate as shall, from time to time, be fixed by the Board, but nothing in this Article shall render it obligatory for the Board to demand or recover any interest from any such member.	
35.	Any sum, which, by the terms of issue of a Share, becomes payable on allotment or at any fixed date, whether on account of the nominal value of the Share or by way of premium, shall, for the purposes of these Articles, be deemed to be a call duly made and payable on the date on which, by the terms of issue, the same becomes payable, and, in the case of non-payment, all the relevant provisions of these Articles as to payment of interest and expenses, forfeiture or otherwise, shall apply, as if such sum had become payable by virtue of a call duly made and notified.	
36.	On the trial or hearing of any action or suit brought by the Company against any member or his representative for the recovery of any 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 or is entered on the Register of Members as the holder, at or subsequent to the date at which the money is sought to be recovered, is alleged to have become due on the Shares in respect of which money is sought to be recovered, and that the	

	<p>resolution making the call is duly recorded in the minute book, and that notice, of which call, was duly given to the member or his representatives and used in pursuance of these Articles, and it shall not be necessary to prove the appointment of the Directors who made such call, and not that a quorum of Directors was present at the meeting of the Board at which any call was made, and nor that the meeting, at which any call was made, has duly been convened or constituted nor any other matter whatsoever, but the proof of the matters aforesaid shall be conclusive of the debt.</p>	
37.	<p>Neither the receipt by the Company of a portion of any money which shall, from time to time, be due from any member to the Company in respect of his Shares, either by way of principal or interest, nor any indulgence granted by the Company in respect of the payment of any such money, shall preclude the Company from thereafter proceeding to enforce a forfeiture of such Shares as hereinafter provided.</p>	
38.	<p>i. The Board may, if it thinks fit, agree to and receive from any member willing to advance the same all or any part of the amounts of his respective Shares beyond the sums actually called up and upon the moneys so paid in advance, or upon so much thereof, from time to time, and, at any time thereafter, as exceeds the amount of the calls then made upon and due in respect of the Shares on account of which such advances are made, the Board may pay or allow interest at such rate, as the member paying the sum in advance and the Board agrees upon, subject to the provisions of the Act. The Board may agree to repay, at any time, any amount so advanced or may, at any time, repay the same upon giving to the member 3 (Three) months' notice, in writing, provided that moneys paid, in advance of calls, on any Shares may carry interest but shall not confer a right to dividend or to participate in profits.</p> <p>ii. No member paying any such sum in advance shall be entitled to voting rights in respect of the moneys so paid by him, until the same would, but for such payment, become presently payable.</p>	
39.	<p>i. 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 Shares 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 all respect of such Shares/Debentures. Unless otherwise agreed, the registration of a transfer of Shares/Debentures shall operate as a waiver of the Company's lien, if any, on such Shares/ Debentures. The Directors may at any time declare any Shares/Debentures wholly or in part to be exempt from the provisions of this clause.</p> <p>ii. Every fully paid shares shall be free from all lien and that in the case of partly paid shares the Issuer's lien shall be restricted to moneys called or payable at a fixed time in respect of such shares</p>	<b>Lien</b>
40.	<p>For the purpose of enforcing such lien, the Board may sell the Shares, subject thereto, in such manner, as it shall think fit, and, for that purpose, may cause to be issued a duplicate certificate in respect of such Shares, and may authorize one of their members to execute a transfer thereof, on behalf of and in the name of such manner. No sale shall be made until such period, as aforesaid, shall have arrived and until notice, in writing, of the intention to sell, shall have been served on such member or his representatives and the default, whether express or implied, shall have been made by him or them in payment, fulfillment or discharge of such debts, liabilities or engagements, for such further days allowed, after the service of such notice, and stated therein.</p>	
41.	<p>The net proceeds of any such sale shall be received by the Company and applied in or towards payment of such part of the amount, in respect of which the lien exists, as is presently payable, and the residue, if any, shall, subject to a like lien for sums not presently payable as existed upon</p>	





	the Shares before the sale, be paid to the persons entitled to the Shares at the date of the sale.	
42.	If any member fails to pay any call or installment of a call on or before the day appointed for the payment of the same or any such extension thereof as aforesaid, the Board may, at any time thereafter, during such time as the call or installment remains unpaid, give notice to him 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>Forfeiture Of Shares</b>
43.	The notice shall name a day, not being less than 14 (Fourteen) days from the date of the notice, and a place or places on and at which such call or installment and such interest and expenses as aforesaid are to be paid. The notice shall also state, that, in the event of the non-payment at or before the time and at the place appointed, the Shares, in respect of which the call was made or installment is payable, will be liable to be forfeited.	
44.	If the requirements of any such notice, as aforesaid, shall not be complied with, every or any Share, in respect of which such notice has been given, may, at any time thereafter, before payment of all calls or installments, interest and expenses, as may be due in respect thereof, be forfeited by a resolution of the Board to that effect. Subject to the provisions of the Act, such forfeiture shall include all dividends declared or any other moneys payable in respect of the forfeited Shares and not actually paid before the forfeiture.	
45.	When any Share shall have been so forfeited, notice of the forfeiture shall be given to the member, in whose name it stood immediately prior to the forfeiture and an entry of the forfeiture with the date thereof, shall, forthwith, be made in the Register of Members. But no forfeiture shall be, in any manner, invalidated by any omission or neglect to give such notice or to make any such entry as aforesaid.	
46.	Any Share, so forfeited, shall be deemed to be the property of the Company, and may be sold, reallocated or otherwise disposed off, either to the original holder thereof or to any other person, upon such terms and in such manner as the Board shall think fit.	
47.	Any member, whose Shares have been forfeited, shall, notwithstanding the forfeiture, be liable to pay and shall forthwith pay to the Company, on demand, all calls, installments, interest and expenses owing upon or in respect of such Shares at the time of the forfeiture together with interest thereof, until payment, at such rate, as the Board may determine, and the Board may enforce the payment thereof, if it thinks fit.	
48.	The forfeiture of a Share shall involve extinction, at the time of the forfeiture, of all interests in and all claims and demands against the Company, in respect of such Share and all other rights, incidental to the Share, except only such of those rights as by these presents are expressly saved.	
49.	A declaration, in writing, that the declarant is a director or Secretary of the Company and that a Share in the Company has duly been forfeited in accordance with these Articles, on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the Shares.	
50.	Upon any sale after forfeiture or for enforcing a lien in purported exercise of the powers hereinbefore given, the Board may appoint some person to execute an instrument of transfer of the Shares sold, and cause the purchaser's name to be entered in the Register, in respect of the Shares sold, and the purchaser shall not be bound to see to the regularity of the proceedings or to the application of the purchase money, and, after his name has been entered in the Register, 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 exclusively against the Company and no one else.	



51.	Upon any sale, allotment or other disposal under the provisions of the preceding Article, the certificate or certificates originally issued, in respect of the relative Shares, shall, unless the same shall, on demand by the Company, have been previously surrendered to it by the defaulting member, stand cancelled and become null and void and of no effect, and the Directors shall be entitled to issue a duplicate certificate or certificates, in respect of the said Shares, to the person or persons entitled thereto.	
52.	The Company shall keep the "Register of Transfers" and therein shall fairly and distinctly enter particulars of every transfer or transmission of any Share.	<b>Transfer And Transmission of Shares</b>
53.	No transfer shall be registered, unless a proper instrument of transfer has been delivered to the Company. Every instrument of transfer shall be duly stamped, under the relevant provisions of the Law, for the time being, in force, and shall be signed by or on behalf of the transferor and the transferee, and in the case of a Share held by two or more holders or to be transferred to the joint names of two or more transferees by all such joint holders or by all such joint transferees, as the case may be, and the transferor or the transferors, as the case may be, shall be deemed to remain the holder or holders of such Share, until the name or names of the transferee or the transferees, as the case may be, is or are entered in the Register of Members in respect thereof. Several executors or administrators of a deceased member, proposing to transfer the Share registered in the name of such deceased member, or the nominee or nominees earlier appointed by the said deceased holder of Shares, in pursuance of the Article 73, shall also sign the instrument of transfer in respect of the Share, as if they were the joint holders of the Share.	
54.	Shares in the Company may be transferred by an instrument, in writing, in the form, as shall, from time to time, be approved by the Directors provided that, if so required by the provisions of the Act, such instrument of Transfer shall be in the form prescribed thereunder, and shall be duly stamped and delivered to the Company within the prescribed period. All the provisions of Section 56 of the Act, 2013 shall be duly complied with in respect of all transfers of Shares and registration thereof. Subject to the provisions hereinafter contained, shares in the company shall be transferable by written instrument in the prescribed form signed by or on behalf of both, the transferor and the transferee, and transferor shall be deemed to remain the holder of the shares until the name of the transferee is entered on the Register of members in respect thereof.	
55.	The Board shall have power, on giving 7 (Seven) days' previous notice, by advertisement in some newspaper circulating in the district in which the Registered Office of the Company is, for the time being, situated, to close the transfer books, the Register of Members or Register of Debenture holders, at such time or times and for such periods, not exceeding thirty days at a time and not exceeding in the aggregate forty-five days in each year, as it may seem expedient.	
56.	Subject to the provisions of Section 58 and 59 of the Companies Act 2013, these Articles Section 22A of the Securities Contract (Regulation) Act, 1956 and any 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 Board 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 the Company, send to the transferee and transferor or to the person giving intimation of such transmission, as the case may be, notice of the refusal to register such transfer, giving reasons for such refusal provided that registration of transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever except when the Company has a lien on the Shares. Transfer of Shares/ Debentures in whatever lot shall not be refused.	
57.	An application for the registration of a transfer of Shares in the Company may be made either by the transferor or the transferee. Where such application is made by a transferor and relates to	

	partly paid Shares, the Company shall give notice of the application to the transferee. The transferee may, within two weeks from the date of the receipt of the notice and not later, object to the proposed transfer. The notice to the transferee shall be deemed to have been duly given, if dispatched by prepaid registered post to the transferee at the address given in the instrument of transfer and shall be deemed to have been delivered at the time when it would have been delivered in the ordinary course of post.	
58.	In the case of the death of any one or more of the persons named in the Register of Members as the joint holders of any Share, the survivor or survivors shall be the only persons recognized by the Company as having any title to or interest in such Share, but 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.	
59.	Subject to the provisions of Article 72 hereunder, the executors or administrators or holders of a such Succession Certificate or the legal representative of a deceased member, not being one of two or more joint holders, shall be the only persons recognized by the Company as having any title to the Shares registered in the name of such member, and the Company shall not be bound to recognize such executors or administrators or holders of a Succession Certificate or the legal representatives, unless such executors or administrators or legal representatives shall have first obtained Probate or Letters of Administration or Succession Certificate, as the case may be, from a duly constituted Court in the Union of India, provided that, in cases, the Board may dispense with production of probate or letters of Administration or Succession Certificate upon such terms as to indemnify or otherwise, as the Board, in its absolute discretion, may think necessary, in the circumstances thereof, and, in pursuance of the Article 61 hereunder, register the name of any person, who claims to be absolutely entitled to the Shares standing in the name of a deceased member, as a member.	
60.	No Share shall, in any circumstances, be transferred to any infant, insolvent or person of unsound mind, and that no Share, partly paid up, be issued, allotted or transferred to any minor, whether alone or along with other transferees or allottees, as the case may be.	
61.	So long as the director having unlimited liability has not discharged all liabilities, whether present or future, in respect of the period for which he is and continues to be, so long, liable, he shall not be entitled to transfer the Shares held by him or cease to be a member of the Stock Exchange(s) to the end and intent that he shall continue to hold such minimum number of Shares as were held by him prior to his becoming a director with unlimited liability.	
62.	Subject to the provisions of Articles 57, 58 and 72 hereof, any person becoming entitled to Shares in consequences of the death, lunacy, bankruptcy or insolvency of any member, or the marriage of any female 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 that he sustains the character in respect of which he proposes to act under the Article or of his title, as the Board thinks 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 person, provided, nevertheless, that if such person shall elect to have his nominee registered, he shall testify the election by executing in favor of his nominee an instrument of transfer in accordance with the provisions herein to in these Articles as “The Transmission Article”.	
63.	Subject to the provisions of the Act, a person entitled to a Share by transmission shall, subject to the right of the Directors to retain such dividend or money as hereinafter provided, be entitled to receive and may be given a discharge for, any dividends or other moneys payable in respect of the Share.	
64.	No fees 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 document.	
65.	<p>The Company shall incur no liability or responsibility whatever in consequence of its registering or giving effect to any transfer of Shares made or purporting to be made by any apparent legal owner thereof, as shown or appearing in the Register 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 of such transfer, and may have entered such notice, referred thereto, in any book of the Company, and the Company shall not be bound or required to regard or attend or give effect any notice which may be given to it of any equitable right, title or interest, or be under any liability whatsoever refusing or neglecting so to do, though it may have been entered or referred to in some book of the Company, but the Company shall nevertheless be at liberty to regard and attend to any such notice, and give effect thereto if the Board shall so think fit.</p> <p>65A. Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialize its Securities and to offer Securities in a dematerialized form pursuant to the Depositories Act, 1996.</p> <p>65B. Every holder of or subscriber to Securities of the Company shall have the option to receive Security certificates or to hold the securities with a depository. Such a person who is the beneficial owner of the Securities can at any time opt out of a Depository, if permitted by law, in respect of any Security in the manner provided by the Depositories Act, 1996 and the Company shall in the manner and within the time prescribed, issued to the beneficial owner the required Certificates for the Securities. If a person opts to hold its Security with a Depository, the Company shall intimate such Depository the details of allotment of the Security.</p> <p>64C. All Securities of the Company held by the Depository shall be dematerialized and be in fungible form. Nothing contained in Sections 89 and 186 of the Act 2013 shall apply to a Depository in respect of the Securities of the Company held by it on behalf of the beneficial owners.</p> <p>64D.</p> <ol style="list-style-type: none"> <li>i. Notwithstanding anything to the contrary contained in the Act, a Depository shall be deemed to be the registered owner for the purpose of effecting transfer of ownership of Security of the Company on behalf of the beneficial owner.</li> <li>ii. Save as otherwise provided in (i) 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.</li> <li>iii. Every person holding Securities of the Company and whose name is entered as the beneficial owner in the record 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 his Securities which are held by a Depository.</li> </ol>	
66.	<p>The Company, by resolution in general meeting, may convert any paid up Shares into stock, or may, at any time, reconvert any stock into paid up Shares of any denomination. When any Shares shall have been converted into stock, the several holders of such stock may thenceforth transfer their respective interests therein, or any part of such interest, in the same manner and, subject to the same regulations as to which Shares in the Company may be transferred or as near thereto as circumstances will admit. But the Directors may, from time to time, if they think fit, fix the minimum amount of stock transferable, and restrict or forbid the transfer of fractions of that minimum, but with full power nevertheless, at their discretion, to waive such rules in any particular case. The notice of such conversion of Shares into stock or reconversion of stock into Shares shall be filed with the Registrar of Companies as provided in the Act.</p>	<p><b>Conversion of Shares into Stock and Reconversion</b></p>



67.	The Stock shall confer on the holders thereof respectively the same privileges and advantages, as regards participation in 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 no such privilege or advantage, except the participation in profits of the Company, or in the assets of the Company on a winding up, shall be conferred by any such aliquot part or, consolidated stock as would not, if existing in Shares, have conferred such privileges or advantages. No such conversion shall affect or prejudice any preference or other special privilege 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 and the words “Share” and “Shareholder” in these presents shall include “stock” and “stock-holder”.	
68.	<p>The Company may issue Share warrants in the manner provided by the said Act and accordingly the Directors may, in their discretion, with respect to any fully paid up Share or stock, on application, in writing, signed by the person or all persons registered as holder or holders of the Share or stock, and authenticated by such evidence, if any, as the Directors may, from time to time, require as to the identity of the person or persons signing the application, and on receiving the certificate, if any, of the Share or stock and the amount of the stamp duty on the warrant and such fee as the Directors may, from time to time, prescribe, issue, under the Seal of the Company, a warrant, duly stamped, stating that the bearer of the warrant is entitled to the Shares or stock therein specified, and may provide by coupons or otherwise for the payment of future dividends, or other moneys, on the Shares or stock included in the warrant. On the issue of a Share warrant the names of the persons then entered in the Register of Members as the holder of the Shares or stock specified in the warrant shall be struck off the Register of Members and the following particulars shall be entered therein.</p> <ul style="list-style-type: none"> <li>i. fact of the issue of the warrant.</li> <li>ii. a statement of the Shares or stock included in the warrant distinguishing each Share by its number, and</li> <li>iii. the date of the issue of the warrant.</li> </ul>	
69.	A Share warrant shall entitle the bearer to the Shares or stock included in it, and, notwithstanding anything contained in these articles, the Shares or stock shall be transferred by the delivery of the Share-warrant, and the provisions of the regulations of the Company with respect to transfer and transmission of Shares shall not apply thereto.	
70.	The bearer of a Share-warrant shall, on surrender of the warrant to the Company for cancellation, and on payment of such fees, as the Directors may, from time to time, prescribe, be entitled, subject to the discretion of the Directors, to have his name entered as a member in the Register of Members in respect of the Shares or stock included in the warrant.	
71.	The bearer of a Share-warrant shall not be considered to be a member of the Company and accordingly save as herein otherwise expressly provided, no person shall, as the bearer of Share-warrant, sign a requisition for calling a meeting of the Company, or attend or vote or exercise any other privileges of a member at a meeting of the Company, or be entitled to receive any notice from the Company of meetings or otherwise, or qualified in respect of the Shares or stock specified in the warrant for being a director of the Company, or have or exercise any other rights of a member of the Company.	
72.	The Directors may, from time to time, make rules as to the terms on which, if they shall think fit, a new Share warrant or coupon may be issued by way of renewal in case of defacement, loss, or destruction.	
73.	<ul style="list-style-type: none"> <li>i. Every holder of Securities in the Company may, at any time, nominate, in the prescribed manner, a person to whom his Securities in the Company, shall vest in the event of his</li> </ul>	<b>Nomination by security holder</b>

	<p>death.</p> <p>ii. Where the Securities in the Company are held by more than one person jointly, the joint-holders may together nominate, in the prescribed manner, a person to whom all the rights in the Securities in the Company shall vest in the event of death of all joint holders.</p> <p>iii. Notwithstanding anything contained in these Articles or any other law, for the time being, in force, or in any disposition, whether testamentary or otherwise, in respect of such Securities in the Company, where a nomination made in the prescribed manner purports to confer on any person the right to vest the Securities in the Company, the nominee shall, on the death of the Shareholders of the Company or, as the case may be, on the death of the joint holders, become entitled to all the rights in the Securities of the Company or, as the case may be, all the joint holders, in relation to such securities in the Company, to the exclusion of all other persons, unless the nomination is varied or cancelled in the prescribed manner.</p> <p>iv. In the case of fully paid up Securities in the Company, where the nominee is a minor, it shall be lawful for the holder of the Securities, to make the nomination to appoint in the prescribed manner any person, being a guardian, to become entitled to Securities in the Company, in the event of his death, during the minority.</p>	
74.	<p>i. Any person who becomes a nominee by virtue of the provisions of the preceding Article, upon the production of such evidence as may be required by the Board and subject as hereinafter provided, elect, either -</p> <p style="padding-left: 20px;">a. to be registered himself as holder of the Share(s); or</p> <p style="padding-left: 20px;">b. to make such transfer of the Share(s) as the deceased Shareholder could have made.</p> <p>ii. If the person being a nominee, so becoming entitled, elects to be registered as holder of the Share(s), himself, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects and such notice shall be accompanied with the death certificate of the deceased shareholder.</p> <p>iii. All the limitations, restrictions and provisions of the Act relating to the right to transfer and the registration of transfers of Securities shall be applicable to any such notice or transfer as aforesaid as if the death of the member had not occurred and the notice or transfer has been signed by that Shareholder. A person, being a nominee, becoming entitled to a Share by reason of the death of the holder, shall be entitled to the same dividends and other advantages which he would be entitled if he were the registered holder of the Share except that he shall not, before being registered a member in respect of his Share be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company:</p> <p>iv. Provided that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the Share(s) and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the Share(s) or until the requirements of the notice have been complied with.</p>	
75.	<p>i. The Company shall, in each year, hold a general meeting as its Annual General Meeting. Any meeting, other than Annual General Meeting, shall be called Extra-ordinary General Meeting.</p> <p>ii. Not more than 15 (Fifteen) months or such other period, as may be pre-scribed, from time to time, under the Act, shall lapse between the date of one Annual General Meeting and that of the next. Nothing contained in the foregoing provisions shall be taken as affecting the right conferred upon the Registrar under the provisions of the Act to extend time within which any Annual General Meeting may be held.</p> <p>iii. Every Annual General Meeting shall be called for a time during business hours i.e., between 9 a.m. and 6 p.m., on a day that is not a National Holiday, and shall be held at the Office of the Company or at some other place within the city, in which the Office of</p>	Meeting of Members

	<p>the Company is situated, as the Board may think fit and determine and the notices calling the Meeting shall specify it as the Annual General Meeting.</p> <p>iv. Every member of the Company shall be entitled to attend, either in person or by proxy, and by way of a postal ballot whenever and in the manner as may permitted or prescribed under the provisions of the Act, and the Auditors to the Company, who shall have a right to attend and to be heard, at any general meeting which he attends, on any part of the business, which concerns him as the Auditors to the Company, further, the Directors, for the time being, of the Company shall have a right to attend and to be heard, at any general meeting, on any part of the business, which concerns them as the Directors of the Company or generally the management of the Company.</p> <p>v. At every Annual General Meeting of the Company, there shall be laid, on the table, the Directors' Report and Audited Statements of Account, Auditors' Report, the proxy Register with forms of proxies, as received by the Company, and the Register of Directors' Share holdings, which Register shall remain open and accessible during the continuance of the meeting, and therefore in terms of the provisions of Section 96 of the Act, the Annual General Meeting shall be held within six months after the expiry of such financial year. The Board of Directors shall prepare the Annual List of Members, Summary of the Share Capital, Balance Sheet and Profit and Loss Account and forward the same to the Registrar in accordance with the applicable provisions of the Act.</p>	
76.	<p>The Board may, whenever it thinks fit, call an Extra-ordinary General Meeting and it shall do so upon a requisition, in writing, by any member or members holding, in aggregate not less than one-tenth or such other proportion or value, as may be prescribed, from time to time, under the Act, of such of the paid-up capital as at that date carries the right of voting in regard to the matter, in respect of which the requisition has been made.</p>	
77.	<p>Any valid requisition so made by the members must state the object or objects of the meeting proposed to be called, and must be signed by the requisitionists and be deposited at the office, provided that such requisition may consist of several documents, in like form, each of which has been signed by one or more requisitionists.</p>	
78.	<p>Upon receipt of any such requisition, the Board shall forthwith call an Extra-ordinary General Meeting and if they do not proceed within 21 (Twenty-one) days or such other lessor period, as may be prescribed, from time to time, under the Act, from the date of the requisition, being deposited at the office, to cause a meeting to be called on a day not later than 45 (Forty-five) days or such other lessor period, as may be prescribed, from time to time, under the Act, from the date of deposit of the requisition, the requisitionists, or such of their number as represent either a majority in value of the paid up Share capital held by all of them or not less than one-tenth of such of the paid up Share Capital of the Company as is referred to in Section 100(4) of the Act, whichever is less, may themselves call the meeting, but, in either case, any meeting so called shall be held within 3 (Three) months or such other period, as may be prescribed, from time to time, under the Act, from the date of the delivery of the requisition as aforesaid.</p>	
79.	<p>Any meeting called under the foregoing Articles by the requisitionists shall be called in the same manner, as nearly as possible as that in which such meetings are to be called by the Board.</p>	



80.	<p>At least 21 (Twenty-one) days' notice, of every general meeting, Annual or Extra-ordinary, and by whomsoever called, specifying the day, date, place and hour of meeting, and the general nature of the business to be transacted there at, shall be given in the manner hereinafter provided, to such persons as are under these Articles entitled to receive notice from the Company, provided that in the case of an General Meeting, with the consent of members holding not less than 95 per cent of such part of the paid up Share Capital of the Company as gives a right to vote at the meeting, a meeting may be convened by a shorter notice. In the case of an Annual General Meeting of the Shareholders of the Company, if any business other than</p> <ul style="list-style-type: none"> <li>i. the consideration of the Accounts, Balance Sheet and Reports of the Board and the Auditors thereon,</li> <li>ii. the declaration of dividend,</li> <li>iii. appointment of directors in place of those retiring,</li> <li>iv. the appointment of, and fixing the remuneration of, the Auditors,</li> </ul> <p>is to be transacted, and in the case of any other meeting, in respect of any item of business, a statement setting out all material facts concerning each such item of business, including, in particular, the nature and extent of the interest, if any, therein of every director and manager, if any, where any such item of special business relates to, or affects any other company, the extent of shareholding interest in that other company or every director and manager, if any, of the Company shall also be set out in the statement if the extent of such Share-holding interest is not less than such percent, as may be prescribed, from time to time, under the Act, of the paid-up Share Capital of that other Company.</p> <p>Where any item of business consists of the according of approval of the members to any document at the meeting, the time and place, where such document can be inspected, shall be specified in the statement aforesaid.</p>	
81.	<p>The accidental omission to give any such notice as aforesaid to any of the members, or the non-receipt thereof shall not invalidate any resolution passed at any such meeting.</p>	
82.	<p>No general meeting, whether Annual or Extra-ordinary, shall be competent to enter upon, discuss or transact any business which has not been mentioned in the notice or notices upon which it was convened.</p>	
83.	<p>Subject to the provisions of the Act and these Articles, five(5) shareholders shall constitute quorum in Shareholder's Meetings of the Company if number of shareholders as on date of meeting is not more than One Thousand; Fifteen (15) shareholders shall constitute quorum in Shareholder's Meetings of the Company if number of shareholders as on date of meeting is more than One Thousand but not more than Five Thousand; Thirty (30) shareholders shall constitute quorum in Shareholders' Meetings of the Company if number of shareholders as on date of meeting exceeds five thousand.</p>	
84.	<p>A body corporate, being a member, shall be deemed to be personally present, if it is represented in accordance with and in the manner as may be prescribed by, the applicable provisions of the Act.</p>	
85.	<p>If, at the expiration of half an hour from the time appointed for holding a meeting of the Company, a quorum shall not be present, then the meeting, if convened by or upon the requisition of members, shall stand dissolved, but in any other case, it shall stand adjourned to such time on the following day or such other day and to such place, as the Board may determine, and, if no such time and place be determined, to the same day in the next week, at the same time and place in the city or town in which the office of the Company is, for the time being, situate, as the Board may determine, and, if at such adjourned meeting also, a quorum is not present, at the expiration</p>	



	of half an hour from the time appointed for holding the meeting, the members present shall be a quorum, and may transact the business for which the meeting was called.	
86.	The Chairman of the Board of Directors shall be entitled to take the chair at every general meeting, whether Annual or Extra-ordinary. If there be no such Chairman, or, if, at any meeting, he shall not be present within 15 (Fifteen) minutes of the time appointed for holding such meeting, then the members present shall elect another director as the Chairman of that meeting, and, if no director be present, or if all the Directors present decline to take the Chair, then the members present shall elect one among them to be the Chairman.	
87.	No business shall be discussed at any general meeting, except the election of a Chairman, whilst the Chair is vacant.	
88.	The Chairman, with the consent of the meeting, may adjourn any meeting, from time to time, and from place to place, in the city or town, in which the office of the Company is, for the time being, situate, 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.	
89.	At any general meeting, a resolution put to the vote of the meeting shall be decided on a show of hands, unless a poll is demanded, before or on the declaration of the result of the show of hands, by any member or members present in person or by proxy and holding Shares in the Company, which confer a power to vote on the resolution not being less than one-tenth or such other proportion as may statutorily be prescribed, from time to time, under the Act, of the total voting power, in respect of the resolution or on which an aggregate sum of not less than Rs. 500,000/- or such other sum as may statutorily be prescribed, from time to time, under the Act, has been paid up, and unless a poll is demanded, a declaration by the Chairman that a resolution has, on a show of hands, been carried unanimously or by a particular majority, or has been lost and an entry to that effect in the minutes book of the Company shall be conclusive evidence of the fact, without proof of the number or proportion of the votes recorded in favour of or against that resolution.	
90.	In the case of an equality of votes, the Chairman shall, both on a show of hands and at a poll, if any, have a casting vote in addition to the vote of votes, if any, to which he may be entitled as a member, if he is.	
91.	If a poll is demanded as aforesaid, the same shall, subject to Article 93 hereinafter, be taken at place of meeting or, if not desired, then at such other place as may be decided by the Board, at such time not later than 48 (Forty-eight) hours from the time when the demand was made and place in the city or town in which the office of the Company is, for the time being, situate, and, either by open voting or by ballot, as the Chairman shall direct, and either at once or after an interval or adjournment, or otherwise, and the result of the poll shall be deemed to be resolution of the meeting at which the poll was demanded. The demand for a poll may be withdrawn at any time by the persons, who made the demand.	
92.	Where a poll is to be taken, the Chairman of the meeting shall appoint one or, at his discretion, two scrutineers, who may or may not be members of the Company to scrutinise the votes given on the poll and to report thereon to him, subject to that one of the scrutineers so appointed shall always be a member, not being an officer or employee of the Company, present at the meeting, provided that such a member is available and willing to be appointed. The Chairman shall have power, at any time, before the result of the poll is declared, to remove a scrutineer from office and fill the vacancy so caused in the office of a scrutineer arising from such removal or from any other cause.	
93.	Any poll duly demanded on the election of a Chairman of a meeting or on any question of adjournment of the meeting shall be taken forthwith at the same meeting.	

94.	The demand for a poll, except on questions of the election of the Chairman and of an adjournment thereof, shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll has been demanded.	
95.	No member shall be entitled to vote either personally or by proxy at any general meeting or meeting of a class of Shareholders either upon a show of hands or upon a poll 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, or has exercised, any right of lien.	<b>Votes of Members</b>
96.	Subject to the provisions of these Articles and without prejudice to any special privileges or restrictions so to voting, for the time being, attached to any class of Shares, for the time being, forming part of the capital of the Company, every member, not disqualified by the last preceding Article shall be entitled to be present, speak and vote at such meeting, and, on a show of hands, every member, present in person, shall have one vote and, upon a poll, the voting right of every member present in person or by proxy shall be in proportion to his Share of the paid-up Equity Share Capital of the Company. Provided, however, if any preference Shareholder be present at any meeting of the Company, subject to the provision of section 47, he shall have a right to vote only on resolutions, placed before the meeting, which directly affect the rights attached to his Preference Shares.	
97.	On a poll taken at a meeting of the Company, a member entitled to more than one vote, or his proxy or other person entitled to vote for him, as the case may be, need not, if he votes, use all his votes or cast in the same way all the votes, he uses.	
98.	A member of unsound mind or in respect of whom an order has been made by a court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee or other legal guardian; and any such committee or guardian may, on a poll, vote by proxy. If any member be a minor, the vote, in respect of his Share or Shares, be used by his guardian, or any one of his guardians, if more than one, to be selected, in the case of dispute, by the Chairman of the meeting.	
99.	If there be joint registered holders of any Shares, any one of such persons may vote at any meeting or may appoint another person, whether a member or not, as his proxy, in respect of such Shares, as if he were solely entitled thereto, but the proxy so appointed shall not have any right to speak at the meeting and, if more than one of such joint holders be present at any meeting, then one of the said persons so present, whose name stands higher on the Register, shall alone be entitled to speak and to vote in respect of such Shares, but the other of the joint holders shall be entitled to be present at the meeting. Several executors or administrators of a deceased member in whose name Shares stand shall, for the purpose of these Articles, be deemed joint holders thereof.	
100.	Subject to the provisions of these Articles, votes may be given either personally or by proxy. A body corporate, being a member, may vote either by a proxy or by a representative, duly authorised, in accordance with the applicable provisions, if any, of the Act, and such representative shall be entitled to exercise the same rights and powers, including the right to vote by proxy, on behalf of the body corporate, which he represents, as that body corporate could exercise, if it were an individual member.	
101.	Any person entitled, under the Article 61 hereinabove, to transfer any Share, may vote, at any general meeting, in respect thereof, in the same manner, as if he were the registered holder of such Shares provided that forty-eight hours at least before the time of holding the meeting or adjourned meeting, as the case may be, at which he proposes to vote, he shall satisfy the Directors of his right to transfer such Shares and give such indemnity, if any, as the Directors may require or the Directors shall have provisionally admitted his right to vote at such meeting in respect thereof.	
102.	Every proxy, whether a member or not, shall be appointed, in writing, under the hand of the	

	<p>appointer or his attorney, or if such appointer is a body corporate under the common seal of such corporate, or be signed by an officer or officers or any attorney duly authorised by it or them, and, for a member of unsound mind or in respect of whom an order has been made by a court having jurisdiction in lunacy, any committee or guardian may appoint such proxy. The proxy so appointed shall not have a right to speak on any matter at the meeting.</p>
103.	<p>An instrument of Proxy may state the appointment of a proxy either for the purpose of a particular meeting specified in the instrument and any adjournment thereof or it may appoint for the purpose of every meeting of the Company or of every meeting to be held before a date specified in the instrument and every adjournment of any such meeting.</p>
104.	<p>A member, present by proxy, shall be entitled to vote only on a poll.</p>
105.	<p>The instrument appointing a proxy and a Power of Attorney or other authority, if any, under which it is signed or a notarially certified copy of that power of authority, shall be deposited at the Office not later than 48 (Forty-eight) hours before the time for holding the 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 appointing a proxy shall be a valid after the expiration of 12 (Twelve) months or such other period as may be prescribed under the Laws, for the time being, in force, or if there shall be no law, then as may be decided by the Directors, from the date of its execution.</p>
106.	<p>Every Instrument of proxy, whether for a specified meeting or otherwise, shall, as nearly as circumstances thereto will admit, be in any of the forms as may be prescribed from time to time.</p>
107.	<p>A vote, given in accordance with the terms of an Instrument of Proxy, shall be valid notwithstanding the previous death of insanity of the principal, or revocation of the proxy or of any power of Attorney under which such proxy was signed or the transfer of the Share in respect of which the vote is given, provided that no intimation, in writing, of the death or insanity, revocation or transfer shall have been received at the Office before the meeting.</p>
108.	<p>No objections shall be made to the validity of any vote, except at any meeting or poll at which such vote shall be tendered, and every vote, whether given personally or by proxy, or not disallowed at such meeting or on a poll, shall be deemed as valid for all purposes of such meeting or a poll whatsoever.</p>
109.	<p>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.</p>
110.	<ol style="list-style-type: none"> <li>i. The Company shall cause minutes of all proceeding of every general meeting to be kept by making, within 30 (Thirty) days of the conclusion of every such meeting concerned, entries thereof in books kept, whether manually in the registers or by way of loose leaves bound together, as may be decided by the Board of Directors, for that purpose with their pages consecutively numbered.</li> <li>ii. Each page of every such book shall be initialled or signed and the last page of the record of proceedings of each meeting in such book shall be dated and signed 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 authorised by the Board for that purpose.</li> <li>iii. In no case the minutes of proceedings of a meeting shall be attached to any such book as aforesaid by pasting or otherwise.</li> <li>iv. The minutes of each meeting shall contain a fair and correct summary of the proceedings there at.</li> <li>v. All appointments made at any meeting aforesaid shall be included in the minutes of the meeting.</li> </ol>

	<ul style="list-style-type: none"> <li>vi. Nothing herein contained shall require or to be deemed to require the inclusion, in any such minutes, of any matter, which, in the opinion of the Chairman of the meeting, (i) is or could reasonably be regarded as, defamatory of any person, or (ii) is irrelevant or immaterial to the proceedings, or (iii) is detrimental to the interests of the Company. The Chairman of the meeting shall exercise an absolute discretion in regard to the inclusion or non-inclusion of any matter in the minutes on the aforesaid grounds.</li> <li>vii. Any such minutes shall be conclusive evidence of the proceedings recorded therein.</li> <li>viii. The book containing the minutes of proceedings of general meetings shall be kept at the Office of the Company and shall be open, during business hours, for such periods not being less in the aggregate than 2 (Two) hours, in each day, as the Directors determine, to the inspection of any member without charge.</li> </ul>	
<p>111.</p>	<p>Until otherwise determined by a general meeting of the Company and, subject to the applicable provisions of the Act, the number of Directors) shall not be less than three nor more than fifteen.</p> <p>The First Directors of the Company are:</p> <ul style="list-style-type: none"> <li>i. Mr. Mukund Narayan Kulkarni</li> <li>ii. Mr. Suresh GunwantFegde</li> </ul>	<p><b>Directors</b></p>
<p>112.</p>	<ul style="list-style-type: none"> <li>i. Whenever, Directors enter into a contract with any Government, whether central, state or local, bank or financial institution or any person or persons (hereinafter referred to as “the appointer”) for borrowing any money or for providing any guarantee or security or for technical collaboration or assistance or for underwriting or enter into any other arrangement whatsoever or in case of Promoters of the Company (hereinafter referred as “Promoters”), the Directors shall have, subject to the provisions of Section 152 and other applicable provisions, if any, of the Act, the power to agree that such appointer or Promoters shall have the right to appoint or nominate by a notice, in writing, addressed to the Company, one or more Directors on the Board (hereinafter referred to as “Special Director”) for such period and upon such terms and conditions, as may be mentioned in the agreement if any, and that such Director or Directors may or may not be liable to retire by rotation, nor be required to hold any qualification Shares. The Directors may also agree that any such Director or Directors may be removed, from time to time, by the appointer or Promoter, entitled to appoint or nominate them and the appointer or Promoter may appoint another or others in his or their place and also fill in vacancy, which may occur as a result of any such director or directors ceasing to hold that office for any reasons whatsoever. The directors, appointed or nominated under this Article, shall be entitled to exercise and enjoy all or any of the rights and privileges exercised and enjoyed by the directors of the Company including payment of remuneration, sitting fees and travelling expenses to such director or directors, as may be agreed by the Company with the appointer.</li> <li>ii. The Special Directors, appointed under the preceding Article, shall be entitled to hold Office until required by the Government, person, firm, body corporate promoters or financial institution/s who may have appointed them. A Special Director shall not be required to hold any qualification Share(s) in the Company. As and when a Special Director vacates Office, whether upon request as aforesaid or by death, resignation or otherwise, the Government, person, firm or body corporate promoters or financial institution, who appointed such Special Director, may appoint another director in his place. Every nomination, appointment or removal of a Special Director or other notification, under this Article, shall be in writing and shall, in the case of the Government, be under the hand of a Secretary or some other responsible and authorised official to such Government, and in the case of a company or financial institution, under the hand of director of such company or institution duly authorised in that behalf by a resolution of the Board of Directors. Subject as aforesaid, a Special Director shall be entitled to the same rights and privileges and be subject to the same of obligations as any other director of the Company.</li> </ul>	

113.	<p>If it is provided by the Trust Deed, securing or otherwise, in connection with any issue of Debentures of the Company, that any person or persons shall have power to nominate a director of the Company, then in the case of any and every such issue of Debentures, the person or persons having such power may exercise such power, from time to time, and appoint a director accordingly. Any director so appointed is hereinafter referred to as “the Debenture Director”. A Debenture Director may be removed from Office, at any time, by the person or persons in whom, for the time being, is vested the power, under which he was appointed, and another director may be appointed in his place. A Debenture Director shall not be required to hold any qualification Share(s) in the Company.</p>	
114.	<p>Subject to the provisions of section 161(2) of the Act, 2013, The Board may appoint an alternate director to act for a director (hereinafter called “the Original Director”) during his absence for a period of not less than 3 (Three) months or such other period as may be, from time to time, prescribed under the Act, from the India, in which the meetings of Board are ordinarily held. An alternate director appointed, under this Article, shall not hold Office for a period longer than that permissible to the Original Director in whose place he has been appointed and shall vacate Office, if and when the Original Director returns to that State. If the term of Office of the Original Director is determined before he so returns to that State, any provisions in the Act or in these Articles for the automatic re-appointment of a retiring director, in default of another appointment, shall apply to the original director and not to the alternate director.</p>	
115.	<p>Subject to the provisions of section 161(1) of the Act, 2013, the Board shall have power, at any time and from time to time, to appoint any other qualified person to be an Additional Director, but so that the total number of Directors shall not, at any time, exceed the maximum fixed under these Articles. Any such Additional Director shall hold Office only upto the date of the next Annual General Meeting.</p>	
116.	<p>Subject to the provisions of section 152 and 162 of the Act, 2013, the Board shall have power, at any time and from time to time, to appoint any other qualified person to be a director to fill a casual vacancy. Any person so appointed shall hold Office only upto the date, upto which the director in whose place he is appointed would have held Office if it had not been vacated by him.</p>	
117.	<p>A director shall not be required to hold any qualification Share(s) in the Company.</p>	
118.	<ul style="list-style-type: none"> <li>i. Subject to the provisions of section 196, 197 and read with schedule V of the Companies Act, 2013, a Managing Director or 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, or in any other manner, as may be, from time to time, permitted under the Act or as may be thought fit and proper by the Board or, if prescribed under the Act, by the Company in general meeting.</li> <li>ii. Subject generally to the provisions of the Act, and, in the case of the Managing Director, subject to the provisions of the Articles herein below, as may be applicable, the Board shall have power to pay such remuneration to a director for his services, Whole-time or otherwise, rendered to the Company or for services of professional or other nature rendered by him, as may be determined by the Board. If any director, being willing, shall be called upon to perform extra services or make any special exception in going to or residing at a place other than the place where the director usually resides, or otherwise in or for the Company’s business or for any of the purpose of the Company, then, subject to the provisions of the Act, the Board shall have power to pay to such director such remuneration, as may be determined by the Board.</li> <li>iii. Subject to the provisions of the Act, a director, who is neither in the Whole-time employment nor a Managing Director, may be paid remuneration either; <ul style="list-style-type: none"> <li>a. by way of monthly, quarterly or annual payment with the approval of the</li> </ul> </li> </ul>	

	<p>Central Government; or</p> <p>b. by way of commission, if the Company, by a special resolution, authorizes such payment.</p> <p>iv. The fee payable to a director, excluding a Managing or Whole time Director, if any, for attending a meeting of the Board or Committee thereof shall be such sum, as the Board may, from time to time, determine, but within and subject to the limit prescribed by the Central Government pursuant to the provisions, for the time being, under the Act.</p>	
119.	The Board may allow and pay to any director such sum, as the Board may consider fair compensation, for travelling, 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 for the Company's business, he shall be entitled to be repaid and reimbursed of any travelling or other expenses incurred in connection with business of the Company. The Board may also permit the use of the Company's car or other vehicle, telephone(s) or any such other facility, by the director, only for the business of the Company.	
120.	The continuing Directors may act, notwithstanding, any vacancy in their body but if, and so long as their number is not reduced below the minimum number fixed by Article 111 hereof. the continuing Directors, not being less than two, may only act, for the purpose of increasing the number of Directors to that prescribed minimum number or of summoning a general meeting but for no other purpose.	
121.	The office of director shall be vacated, pursuant to the provisions of section 164 and section 167 of the Companies Act, 2013. Further, the Director may resign his office by giving notice to the Company pursuant to section 168 of the Companies Act, 2013	
122.	The Company shall keep a Register, in accordance with Section 189(1) of the Act, and within the time as may be prescribed, enter therein such of the particulars, as may be relevant having regard to the application thereto of Section 184 or Section 188 of the Act, as the case may be. The Register aforesaid shall also specify, in relation to each director of the Company, names of the bodies corporate and firms of which notice has been given by him, under the preceding two Articles. The Register shall be kept at the Office of the Company and shall be open to inspection at such Office, and the extracts may be taken there from and copies thereof may be required by any member of the Company to the same extent, in the same manner, and on payment of the same fee as in the case of the Register of Members of the Company and the provisions of Section 189(3) of the Act shall apply accordingly.	
123.	A director may be or become a director of any other 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 benefits received as director or Shareholder of such Company except in so far as the provisions of the Act may be applicable.	
124.	<p>i. At every Annual General Meeting of the Company, one-third of such of the Directors, for the time being, as are liable to retire by rotation or if their number is not three or a multiple of three, the number nearest to one-third shall retire from Office. The Independent, Nominee, Special and Debenture Directors, if any, shall not be subject to retirement under this clause and shall not be taken into account in determining the rotation of retirement or the number of directors to retire, subject to Section 152 and other applicable provisions, if any, of the Act.</p> <p>ii. Subject to Section 152 of the Act, the directors, liable 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 the persons, who became Directors on the same day, and those who are liable to retire by rotation, shall, in default of and subject to any agreement among themselves, be determined by lot.</p>	



125.	A retiring director shall be eligible for re-election and shall act as a director throughout the meeting at which he retires.	
126.	Subject to Section 152 of the Act, the Company, at the general meeting at which a director retires in manner aforesaid, may fill up the vacated Office by electing a person thereto.	
127.	<ul style="list-style-type: none"> <li>i. If the place of retiring director is not so filled up and further 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 public holiday, till the next succeeding day, which is not a public holiday, at the same time and place.</li> <li>ii. If at the adjourned meeting also, the place 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 meetings, unless:- <ul style="list-style-type: none"> <li>a. at that meeting or at the previous meeting, resolution for the re-appointment of such director has been put to the meeting and lost;</li> <li>b. the retiring director has, by a notice, in writing, addressed to the Company or its Board, expressed his unwillingness to be so re-appointed;</li> <li>c. he is not qualified, or is disqualified, for appointment.</li> <li>d. a resolution, whether special or ordinary, is required for the appointment or re-appointment by virtue of any provisions of the Act; or</li> <li>e. Section 162 of the Act is applicable to the case.</li> </ul> </li> </ul>	
128.	Subject to the provisions of Section 149 of the Act, the Company may, by special resolution, from time to time, increase or reduce the number of directors, and may alter their qualifications and the Company may, subject to the provisions of Section 169 of the Act, remove any director before the expiration of his period of Office and appoint another qualified person in his stead. The person so appointed shall hold Office during such time as the director, in whose place he is appointed, would have held, had he not been removed.	
129.	<ul style="list-style-type: none"> <li>i. No person, not being a retiring director, shall be eligible for appointment to the office of director at any general meeting unless he or some member, intending to propose him, has, not less than 14 (Fourteen) days or such other period, as may be prescribed, from time to time, under the Act, before the meeting, left at the Office of the Company, a notice, in writing, under his hand, signifying his candidature for the Office of director or an intention of such member to propose him as a candidate for that office, along with a deposit of Rupees One lakh or such other amount as may be prescribed, from time to time, under the Act,, which shall be refunded to such person or, as the case may be, to such member, if the person succeeds in getting elected 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.</li> <li>ii. Every person, other than a director retiring by rotation or otherwise or a person who has left at the Office of the Company a notice under Section 160 of the Act signifying his candidature for the Office of a director, proposed as a candidate for the Office of a director shall sign and file with the Company, the consent, in writing, to act as a director, if appointed.</li> <li>iii. A person, other than a director re-appointed after retirement by rotation immediately on the expiry of his term of Office, or an Additional or Alternate Director, or a person filling a casual vacancy in the Office of a director under Section 161 of the Act, appointed as a director or reappointed as a director immediately on the expiry of his term of Office, shall not act as a director of the Company, unless he has, within thirty days of his appointment, signed and filed with the Registrar his consent, in writing, to act as such director.</li> </ul>	



130.	The Company shall keep at its Office a Register containing the particulars of its directors and key managerial personnel and their shareholding as mentioned in Section 170 of the Act, and shall otherwise comply with the provisions of the said Section in all respects.	
131.	Every director and Key Managerial Personnel within a period of thirty days of his appointment, or relinquishment of his office, as the case may be, disclose to the company the particulars specified in sub-section (1) of section 184 relating to his concern or interest in any company or companies or bodies corporate (including shareholding interest), firms or other association which are required to be included in the register under that section 189 of the Companies Act, 2013.	
132.	<ul style="list-style-type: none"> <li>i. Subject to the provisions of the Act and of these Articles, the Board shall have power to appoint, from time to time, any of its member as a Managing Director or Managing Directors of the Company for a fixed term, not exceeding 5 (Five) years at a time, and upon such terms and conditions as the Board thinks fit, and subject to the provisions of the succeeding Article hereof, the Board may, by resolution, vest in such Managing Director or Managing Directors such of the powers hereby vested in the Board generally, as it thinks fit, and such powers may be made exercisable for such period or periods; and upon such conditions and subject to such restrictions, as it may determine. The remuneration of a Managing Director may be by way of salary and/or allowances, commission or participation in profits or perquisites of any kind, nature or description, or by any or all of these modes, or by any other mode(s) not expressly prohibited by the Act or the Rules made thereunder, or any notification or circular issued under the Act.</li> <li>ii. The Board shall have power to appoint an individual as the Chairperson of the Company as well as the Managing Director or Chief Executive Officer of the Company at the same time.</li> </ul>	<b>Managing Director</b>
133.	Subject to the superintendence, directions and control of the Board, the Managing Director or Managing Directors shall exercise the powers, except to the extent mentioned in the matters, in respect of which resolutions are required to be passed only at the meeting of the Board, under Section 179 of the Act and the rules made thereunder	
134.	<p>Subject also to the other applicable provisions, if any, of the Act, the Company shall not appoint or employ, or continue the appointment or employment of, a person as its Managing or Whole-time Director who :-</p> <ul style="list-style-type: none"> <li>i. is below the age of twenty-one years or has attained the age of seventy years</li> <li>ii. is an undischarged insolvent, or has any time been adjudged an insolvent;</li> <li>iii. suspends, or has at any time suspended, payment to his creditors, or makes or has, at any time, made, a composition with them; or</li> <li>iv. is or has, at any time, been convicted by a Court and sentenced for a period of more than six months.</li> </ul>	
135.	Unless decided by the Board to the contrary, depending upon the circumstances of the case, a Managing Director shall not, while he continues to hold that office, be subject to retirement by rotation, in accordance with the Article 124 hereof. If he ceases to hold the office of director, he shall ipso-facto and forthwith ceases to hold the office of Managing Director.	<b>Proceedings of The Board of Directors</b>
136.	The Directors may meet together as a Board for the despatch of business, from time to time, and shall so meet at least once in every 3 (Three) months and at least 4 (Four) such meetings shall be held in every year in such a manner that not more than one hundred and twenty days (120) days shall intervene between two consecutive meetings of the Board. The Directors may adjourn and otherwise regulate their meetings as they think fit, subject to the provisions of the Act. The Board of directors may participates in a meeting of the Board either in person or through video conferencing or other audio visual means, as may be prescribed, 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 subject to the rules as may be prescribed.	

137.	Not less than seven (7) days Notice of every meeting of the Board may be given, in writing, 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. Subject to the provisions of section 173(3) meeting may be called at shorter notice.	
138.	Subject to Section 174 of the Act, the quorum for a meeting of the Board shall be one-third of its total strength, excluding Directors, if any, whose places may be vacant at the time and any fraction contained in that one-third being rounded off as one, or two directors, whichever is higher, provided that where, at any time, the number of interested directors exceeds or is equal to two-thirds of the total strength the number of the remaining directors, that is to say, the number of directors who are not interested, present at the meeting, being not less than two, shall be the quorum, during such time.	
139.	If a meeting of the Board could not be held for want of quorum, then the meeting shall automatically stand adjourned for 30 minutes in the same day and at same place.	
140.	A director may, at any time, or Secretary shall, as and when directed by the any of the Directors to do so, convene a meeting of the Board, by giving a notice, in writing, to every other director.	
141.	The Board may, from time to time, elect one of their member to be the Chairman of the Board and determine the period for which he is to hold the office. If at any meeting of the Board, the Chairman is not present at a time appointed for holding the same, the directors present shall choose one of them, being present, to be the Chairman of such meeting.	
142.	Subject to the restrictive provisions of any agreement or understanding as entered into by the Company with any other person(s) such as the collaborators, financial institutions, etc., the questions arising at any meeting of the Board shall be decided by a majority of the votes of the directors present there at and, also subject to the foregoing, in the case of an equality of votes, the Chairman shall have a second or casting vote.	
143.	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 of the Company, are, for the time being, vested in or exercisable by the Board generally.	
144.	Subject to the restrictions contained in Section 179 of the Act 2013 and the rules made thereunder, the Board may delegate any of their powers to the committee of the Board, consisting of such number of its body, as it thinks fit, and it may, from time to time, revoke and discharge any such committee of the Board, either wholly or in part and either as to persons or purposes, but every committee of the Board, so formed, shall, in the exercise of the powers so delegated, conform to any regulations that may, from time to time, be imposed on it by the Board. All acts done by any such committee of the Board, in conformity with such regulations, and in fulfilment of the purposes of their appointment but not otherwise, shall have the like force and effect as if were done by the Board.	
145.	The meetings and proceedings of any meeting of such Committee of the Board, consisting of two or more members, shall be governed by the provisions contained herein for regulating the meetings and proceedings of the meetings of the directors, so far as the same are applicable thereto and are not superseded by any regulations made by the Directors under the last preceding Article.	
146.	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 to all the members of the Committee, then in India, not being less in number than the quorum fixed for a meeting of the Board or Committee, as the case may	

	<p>be, and to all the directors or to all the members of the Committee, at their usual addresses in India and has been approved, in writing, by such of the directors or members of the Committee as are then in India, or by a majority of such of them, as are entitled to vote on the resolution.</p>	
147.	<p>All acts done by any meeting of the Board or by a Committee of the Board, or by any person acting as a director shall notwithstanding that it shall, afterwards, be discovered that there was some defect in the appointment of such director or persons acting as aforesaid or that they or any of them were or was, as the case may be, disqualified or had vacated office or that the appointment of any of them was disqualified or had vacated office or that the appointment of any of them had been terminated by virtue of any provisions contained in the Act or in these Articles, be as valid as if every such person had duly been appointed and was qualified to be a director and had not vacated his office or his appointed had not been terminated, provided that nothing in this Article shall be deemed to give validity to any act or acts done by a director or directors after his or their appointment(s) has or have been shown to the Company to be invalid or to have terminated.</p>	
148.	<ul style="list-style-type: none"> <li>i. The Company shall cause minutes of all proceedings of every meeting of the Board and the Committee thereof to be kept by making, within 30 (Thirty) days of the conclusion of each such meeting, entries thereof in books kept, whether manually in the registers or by way of loose leaves bound together, as may be decided by the Board of Directors, for that purpose with their pages consecutively numbered.</li> <li>ii. Each page of every such book shall be initialled or signed and the last page of the record of proceedings of each meeting in such book shall be dated and signed by the Chairman of the said meeting or the Chairman of the next succeeding meeting.</li> <li>iii. In no case, the minutes of proceedings of a meeting shall be attached to any such book as aforesaid by pasting or otherwise.</li> <li>iv. The minutes of each meeting shall contain a fair and correct summary of the proceedings thereat.</li> <li>v. All appointment made at any of the meetings aforesaid shall be included in the minutes of the meeting.</li> <li>vi. The minutes shall also contain:- <ul style="list-style-type: none"> <li>a. the names of the Directors present at the meeting; and</li> <li>b. in the case of each resolution passed at the meeting, the names of the directors, if any dissenting from or not concurring in the resolution.</li> </ul> </li> <li>vii. Nothing contained in sub-clauses (i) to (vii) shall be deemed to require the inclusion in any such minutes of any matter which, in the opinion of the Chairman of the meeting - <ul style="list-style-type: none"> <li>a. is, or could reasonably be regarded as, defamatory of any person;</li> <li>b. is irrelevant or immaterial to the proceedings; or</li> <li>c. is detrimental to the interests of the Company;.</li> </ul> <p>and that the Chairman shall exercise an absolute discretion with regard to the inclusion or non-inclusion of any matter in the minutes on the ground specified in this sub-clause.</p> </li> <li>viii. Minutes of the meetings kept in accordance with the aforesaid provisions shall be an evidence of the proceedings recorded therein.</li> </ul>	
149.	<p>Without prejudice to the general powers as well as those under the Act, and so as not in any way to limit or restrict those powers, and without prejudice to the other powers conferred by these Articles or otherwise, it is hereby declared that the Directors shall have, inter alia, the following powers, that is to say, power -</p> <ul style="list-style-type: none"> <li>i. to pay the costs, charges and expenses, preliminary and incidental to the promotion, formation, establishment and registration of the Company;</li> <li>ii. to pay and charge, to the account of the Company, any commission or interest lawfully payable thereon under the provision of the Act;</li> <li>iii. subject to the provisions of the Act, to purchase or otherwise acquire for the Company any property, rights or privileges, which the Company is authorised to acquire, at or for such price or consideration and generally on such terms and conditions as they may think</li> </ul>	

	<p>fit and being in the interests of the Company, and in any such purchase or other acquisition to accept such title or to obtain such right as the directors may believe or may be advised to be reasonably satisfactory;</p> <p>iv. at their discretion and subject to the provisions of the Act, to pay for any property, right or 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, with such amount credited as paid up thereon, as may be agreed upon, and any such bonds, Debentures, mortgages or other securities may either be specifically charged upon all or any part of the properties of the Company and its uncalled capital or not so charged;</p> <p>v. to secure the fulfilment of any contracts or engagement entered into by the Company or, in the interests or for the purposes of this Company, by, with or against any other Company, firm or person, by mortgage or charge of all or any of the properties of the Company and its uncalled capital, for the time being, or in such manner and to such extent as they may think fit;</p> <p>vi. to accept from any member, as far as may be permissible by law, a surrender of his Shares or any part thereof, whether under buy-back or otherwise, on such terms and conditions as shall be agreed mutually, and as may be permitted, from time to time, under the Act or any other Law or the Regulations, for the time being, in force,</p> <p>vii. to appoint any person to accept and hold in trust, for the Company, any property belonging to the Company, in which it is interested, or for any other purposes, and execute and do all such deeds and things as may be required in relation to any trust, and to provide for the remuneration of such trustee or trustees;</p> <p>viii. 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 and of any differences to arbitration and observe and perform any awards made thereon;</p> <p>ix. to act on behalf of the Company in all matters relating to bankruptcy and insolvents;</p> <p>x. to make and give receipts, releases and other discharges for moneys payable to the Company and for the claims and demands of the Company;</p> <p>xi. subject to the applicable provisions of the Act, to invest and deal with any moneys of the Company not immediately required for the purposes thereof upon such security, not being Shares of this Company, or without security and in such manner, as they may think fit, and from time to time, to vary or realise such investments, save as provided in Section 49 of the Act, all investments shall be made and held in the Company's own name;</p> <p>xii. to execute, in the name and on behalf of the Company, in favour of any director or other person, who may incur or be about to incur any personal liability whether as principal or surety, for the benefit or purposes of the Company, such mortgages of the Company's property, present and future, as they may think fit, and any such mortgage may contain a power of sale and such other powers, provisions, covenants and agreements as shall be agreed upon;</p> <p>xiii. to determine from time to time, who shall be entitled to sign, on behalf of the Company, bills, invoices, notes, receipts, acceptances, endorsements, cheques, dividend warrants, releases, contracts and or any other document or documents and to give the necessary authority for such purpose, and further to operate the banking or any other kinds of accounts, maintained in the name of and for the business of the Company;</p> <p>xiv. to distribute, by way of bonus, incentive or otherwise, amongst the employees of the Company, a Share or Shares in the profits of the Company, and to give to any staff, officer or others employed by the Company a commission on the profits of any particular business or transaction, and to charge any such bonus, incentive or commission paid by the Company as a part of the operational expenditure of the Company;</p> <p>xv. to provide for the welfare of directors or ex-directors, Shareholders, for the time being, or employees or ex-employees of the Company and their wives, widows and families or the dependents or connections of such persons, by building or contributing to the building of houses or dwellings, or grants of moneys, whether as a gift or otherwise,</p>	
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	<p>pension, gratuities, allowances, bonus, loyalty bonuses or other payments, also whether by way of monetary payments or otherwise, or by creating and from time to time, subscribing or contributing to provident and other association, institutions, funds or trusts and by providing or subscribing or contributing towards places of worship, instructions and recreation, hospitals and dispensaries, medical and other attendance and other assistance, as the Board shall think fit, and to subscribe or contribute or otherwise to assist or to guarantee money to charitable, benevolent, religious, scientific, national or other institutions or objects, which shall have any moral or other claim to support or aid by the Company, either by reason of locality or place of operations, or of public and general utility or otherwise;</p> <p>xvi. before recommending any dividend, to set aside out of the profits of the Company such sums, as the Board may think proper, for depreciation or to a Depreciation Fund, or to an Insurance Fund, a Reserve Fund, Capital Redemption Fund, Dividend Equalisation Fund, Sinking Fund or any Special Fund to meet contingencies or to repay debentures or debenture-stock, or for special dividends or for equalising 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 preceding clause, as the Board may, in their absolute discretion, think conducive to the interests of the Company and, subject to the provisions of the Act, to invest the several sums so set aside or so much thereof, as required to be invested, upon such investments, other than shares of the Company, as they may think fit, and from time to time, to deal with and vary such investments and dispose off and apply and expend all or any part thereof for the benefit of the Company, in such manner and for such purposes, as the Board, in their absolute discretion, think conducive to the interests of the Company, notwithstanding, that the matter, to which the Board apply or upon which they expend 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 Reserve Fund into such special funds, as the Board may think fit, with full power to transfer the whole or any portion of a Reserve Fund or divisions of a Reserve Fund and with full powers to employ the assets constituting all or any of the above funds, including the Depreciation Fund, in the business of the Company or in the purchase of or repayment of debentures or debenture stock and 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 at their discretion to pay or allow to the credit of such funds interest at such rate as the Board may think proper, subject to the provisions of the applicable laws, for the time being, in force.</p> <p>xvii. to appoint and at their discretion, remove or suspend such general managers, secretaries, assistants, supervisors, clerks, agents and servants or other employees, in or for permanent, temporary or special services, as they may, from time to time, think fit, and to determine their powers and duties and to fix their salaries, emoluments or remuneration of such amount, as they may think fit.</p> <p>xviii. to comply with the requirements of any local laws, Rules or Regulations, which, in their opinion, it shall, in the interests of the Company, be necessary or expedient to comply with.</p> <p>xix. at any time, and from time to time, by power of attorney, under the Seal of the Company, to appoint any person or persons to be the attorney or attorneys of the Company, for such purposes and with such powers, authorities and discretions, not exceeding those vested in or exercisable by the Board under these presents and excluding the powers to make calls and excluding also except in their limits authorised by the Board the power to make loans and borrow moneys, and for such period and subject to such conditions as the Board may, from time to time, think fit, and any such appointment may, if the Board thinks fit, be made in favour of the members or in favour of any Company, or the Shareholders, directors, nominees, or managers of any Company or firm or otherwise in favour of any fluctuating body of persons whether nominated directly or indirectly by the Board and any such Power of Attorney may contain such powers for the protection of convenience of person dealing with such Attorneys, as the Board may think fit, and may</p>	
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	<p>contain powers enabling any such delegates all or any of the powers, authorities and discretions, for the time being, vested in them;</p> <p>xx. Subject to the provisions of the Act, for or in relation to any of the matters, aforesaid or otherwise, for the purposes of the Company, to enter into all such negotiations and contracts and rescind and vary all such contracts, and execute and do 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>xxi. from time to time, make, vary and repeal bylaws for the regulation of the business of the Company, its Officers and Servants.</p>	
150.	<p>The Company shall not appoint or employ, at the same time, more than one of the following categories of managerial personnel, namely</p> <ol style="list-style-type: none"> <li>i. Managing Director, and</li> <li>ii. Manager</li> </ol>	<b>Management</b>
151.	<p>Subject to the provisions of the Act,—</p> <ol style="list-style-type: none"> <li>i. A chief executive officer, manager, company secretary, chief financial officer may be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit; and any chief executive officer, manager, company secretary, chief financial officer so appointed may be removed by means of a resolution of the Board;</li> <li>ii. A director may be appointed as chief executive officer, manager, company secretary, chief financial officer.</li> </ol>	<b>Chief Executive Officer, Manager, Company Secretary or Chief Financial Officer</b>
152.	<p>A provision of the Act or these regulations requiring or authorising a thing to be done by or to a director and chief executive officer, manager, company secretary, chief financial officer shall not be satisfied by its being done by or to the same person acting both as director and as, or in place of, chief executive officer, manager, company secretary, chief financial officer.</p>	
153.	<p>Copies of the Memorandum and Articles of Association of the Company and other documents, referred to in Section 17 of the Act, shall be sent by the Company to every member, at his request, within 7 (Seven) days of the request, on payment, if required by the Board, of the sum of Re.1/- (Rupee One Only) or such other higher sum, as may be prescribed, from time to time, under the Act and further decided, from time to time, by the Board, for each such copy.</p>	<b>Copies of Memorandum and Articles to be sent to Members</b>
154.	<ol style="list-style-type: none"> <li>i. The Board shall provide a Common Seal for the purposes of the Company, and shall have power, from time to time, to destroy the same and substitute a new Seal in lieu thereof, and the Board shall provide for the safe custody of the Seal, for the time being, and that the Seal shall never be used except by the authority of the Board or a Committee of the Board previously given. The Common Seal of the Company shall be kept at its office or at such other place, in India, as the Board thinks fit.</li> <li>ii. The Common Seal of the Company shall be used by or under the authority of the Directors or by a Committee of the Board of Directors authorised by it in that behalf in the presence of at least one director, or Secretary or any other responsible officer of the Company as may be expressly authorised by the Board by way of a resolution passed at their duly constituted meeting, who shall sign every instrument to which the seal is affixed. Such instruments may also be counter-signed by other officer or officers, if any, appointed for the purpose. However, the certificates, relating to Shares or Debentures in or of the Company, shall be signed in such manner as may be prescribed in the Act and/or any Rules thereunder.</li> </ol>	<b>Seal</b>
155.	<p>The profits of the Company, subject to any special rights relating thereto created or authorised to be created by these Articles, and further subject to the provisions of these Articles, shall be divisible among the members in proportion to the amount of capital paid up or credited as paid up to the Shares held by them respectively.</p>	<b>Dividend</b>



156.	The Company, in general meeting, may declare that dividends be paid to the members according to their respective rights, but no dividends shall exceed the amount recommended by the Board, but the Company may, in general meeting, declare a smaller dividend than was recommended by the Board.	
157	<p>Subject to the applicable provisions of the Act, no dividend shall be declared or paid otherwise than out of profits of the financial year arrived at after providing for depreciation in accordance with the provisions of the Act or out of the profits of the Company for any previous financial year or years arrived at after providing for depreciation in accordance with these provisions and remaining undistributed or out of both provided that :-</p> <ul style="list-style-type: none"> <li>i. if the Company has not provided for any previous financial year or years it shall, before declaring or paying a dividend for any financial year, provide for such depreciation out of the profits of the financial year or out of the profits of any other previous financial year or years;</li> <li>ii. if the Company has incurred any loss in any previous financial year or years the amount of loss or an amount which is equal to the amount provided for depreciation for that year or those years whichever is less, shall be set off against the profits of the Company for the year for which the dividend is proposed to be declared or paid as against the profits of the Company for any financial year or years arrived at in both cases after providing for depreciation in accordance with the provisions of schedule II of the Act</li> </ul>	
158.	The Board may, from time to time, pay to the members such interim dividend, as in their judgement, the position of the Company justifies.	
159.	Where capital is paid in advance of calls, such capital may carry interest as may be decided, from time to time, by the Board, but shall not, in respect thereof, confer a right to dividend or to participate in profits.	
160.	All dividends shall be apportioned and paid proportionately to the amounts paid up on the shares during which any portion or portions of the period in respect of which the dividend is paid up; but if any Share is issued on the terms providing that it shall rank for dividend as from a particular date or on such preferred rights, such Share shall rank for dividend accordingly.	
161.	The Board may retain the dividends payable upon Shares in respect of which any person is, under the Article 61 hereinabove, entitled to become a member, or 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 and until such transfer of Shares has been registered by the Company, notwithstanding anything contained in any other provision of the Act or these Articles, the provisions of Section 206A of the Act or the corresponding section of Act, 2013 as and when notified shall apply.	
162.	Any one of several persons, who are registered as joint holders of any Share, may give effectual receipts for all dividends or bonus and payments on account of dividends or bonus or other moneys payable in respect of such Shares.	
163.	No member shall be entitled to receive payment of any interest or dividend in respect of his Share or Shares, whilst any money may be due or owing from him to the Company in respect of such Share or Shares or otherwise howsoever, either alone or jointly with any other person or persons, and the Board may deduct, from the interest or dividend payable to any member, all sums of money so due from him to the Company.	
164.	Subject to the applicable provisions, if any, of the Act, a transfer of Shares shall not pass the right to any dividend declared thereon and made effective from the date prior to the registration of the transfer.	



165.	<p>Unless otherwise directed, any dividend may be paid up by cheque or warrant or by a pay-slip sent through the post to the registered address of the member or person entitled, or, in the case of joint holders, to that one of them first named in the Register in respect of the joint holdings. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent. The Company shall not be liable or responsible for any cheque or warrant or pay-slip lost in transmission or for any dividend lost to the member or person entitled thereto due to or by the forged endorsement of any cheque or warrant or the fraudulent recovery of the dividend by any other means.</p>	
166.	<p>i. If the Company has declared a dividend but which has not been paid or claimed within 30 (Thirty) days from the date of declaration the Company shall transfer the total amount of dividend which remains unpaid or unclaimed within the said period of 30 (Thirty) days a special account to be opened by the Company in that behalf in any scheduled Bank called “the Unpaid Dividend Account of..... Limited”. The Company shall within a period of ninety days of making any transfer of an amount 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 and also on any other website approved by the Central Government, for this purpose.No unclaimed or unpaid dividend shall be forfeited by the Board before the claim becomes barred by law.</p> <p>ii. Any money transferred to the unpaid dividend account of the Company which remains unpaid or unclaimed for a period of 7 (Seven) years, from the date of such transfer shall be transferred by the Company to the Fund know as the Investor Education and Protection Fund established under Section 125 of the Act 2013.</p>	
167.	<p>Subject to the provisions of the Act, no unpaid dividend shall bear interest as against the Company.</p>	
168.	<p>Any general meeting declaring a dividend may, on the recommendation of the Directors, make a call on the members of such amount as the meeting decides, but so that the call on each member shall not exceed the dividend payable to him and so that the call be made payable at the same time as the dividend and the dividend may, if so arranged between the Company and the members, be set off against the calls.</p>	
169.	<p>i. The Company, in general meeting, may resolve that any moneys, investments or other assets forming part of the undivided profits of the Company standing to the credit of the Reserve Fund, or any Capital Redemption Reserve Account or in the 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 capitalised 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 proportion on the footing that they become entitled thereto as capital, and that all or any part of such capitalised fund be applied, on behalf of such Shareholders, in paying up in full 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 distributed accordingly on in or towards payment of the uncalled liability on any issued Shares or Debentures, stock and that such distribution or payment shall be accepted by such Shareholders in full satisfaction of their interest in the said capitalised sum, provided that a Share Premium Account and a Capital Redemption Reserve Account may, for the purposes of this Article, only be applied for the paying of any unissued Shares to be issued to members of the Company as, fully paid up, bonus Shares.</p> <p>ii. A general meeting may resolve that any surplus moneys arising from the realisation 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</p>	<p><b>Capitalisation</b></p>

	<p>distributed among the members on the footing that they receive the same as capital.</p> <p>iii. For the purpose of giving effect to any resolution under the preceding paragraphs of this Article, the Board may settle any difficulty, which may arise, in regard to the distribution, as it thinks expedient, and, in particular, may issue fractional certificates and may fix the value for distribution of any specific assets, and may determine that such cash payments shall be made to any members upon the footing of the value so fixed or that fraction of value less than Rs.10/- (Rupees Ten Only) may be disregarded in order to adjust the rights of all parties, and may vest any such cash or specific assets in trustees upon such trusts for the person entitled to the dividend or capitalized funds, as may seem expedient to the Board. Where requisite, a proper contract shall be delivered to the Registrar for registration in accordance with Section 75 of the Act 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.</p>	
<p>170.</p>	<p>The Company shall keep at the Office or at such other place in India, as the Board thinks fit and proper, books of account, in accordance with the provisions of the Act with respect to :-</p> <ul style="list-style-type: none"> <li>i. all sums of money received and expended by the Company and the matters in respect of which the receipt and expenditure take place;</li> <li>ii. all sales and purchases of goods by the Company;</li> <li>iii. the assets and liabilities of the Company;</li> <li>iv. such particulars, if applicable to this Company, relating to utilization of material and/or labour or to other items of cost, as may be prescribed by the Central Government.</li> </ul> <p>Where the Board decides to keep all or any of the books of account at any place, other than the Office of the Company, the Company shall, within 7 (Seven) days, or such other period, as may be fixed, from time to time, by the Act, of the decision, file with the Registrar, a notice, in writing, giving the full address of that other place.</p> <p>The Company shall preserve, in good order, the books of account, relating to the period of not less than 8 (Eight) years or such other period, as may be prescribed, from time to time, under the Act, preceding the current year, together with the vouchers relevant to any entry in such books.</p> <p>Where the Company has a branch office, whether in or outside India, the Company shall be deemed to have complied with this Article, if proper books of account, relating to the transaction effected at the branch office, are kept at the branch office, and the proper summarized returns, made up to day at intervals of not more than 3 (Three) months or such other period, as may be prescribed, from time to time, by the Act, are sent by the branch office to the Company at its Office or other place in India, at which the books of account of the Company are kept as aforesaid.</p> <p>The books of account shall give a true and fair view of the state of affairs of the Company or branch office, as the case may be, and explain the transactions represented by it. The books of account and other books and papers shall be open to inspection by any director, during business hours, on a working day, after a prior notice, in writing, is given to the Accounts or Finance department of the Company.</p>	<p><b>Accounts</b></p>
<p>171.</p>	<p>The Board shall, from time to time, determine, whether, and to what extent, and at what times and places, and under what conditions or regulations, the accounts and books of the Company or any</p>	

	of them shall be open to the inspection of members, not being the directors, and no member, not being a director, shall have any right of inspecting any account or books or document of the Company, except as conferred by law or authorised by the Board.	
172.	The 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 Annual General Meeting of the Shareholders of the Company, such Balance Sheets, Profit and Loss Accounts, if any, and the Reports as are required by those Sections of the Act.	
173.	A copy of every such Profit & Loss Accounts and Balance Sheets, including the Directors' Report, the Auditors' Report and every other document(s) required by law to be annexed or attached to the Balance Sheet, shall at least 21 (Twenty-one) days, before the meeting, at which the same are to be laid before the members, be sent to the members of the Company, to every trustee for the holders of any Debentures issued by the Company, whether such member or trustee is or is not entitled to have notices of general meetings of the Company sent to him, and to all persons other than such member or trustees being persons so entitled.	
174.	The Auditors, whether statutory, branch or internal, shall be appointed and their rights and duties shall be regulated in accordance with the provisions of the Act and the Rules made thereunder.	
175.	<ul style="list-style-type: none"> <li>i. A document or notice may be served or given by the Company on any member either personally or by sending it, by post or by such other means such as fax, e-mail, if permitted under the Act, to him at his registered address or, if he has no registered address in India, to the address, if any, in India, supplied by him to the Company for serving documents or notices on him.</li> <li>ii. Where a document or notice is sent by post, service of the document or notice shall be deemed to be effected by properly addressing, pre-paying, wherever required, and posting a letter containing the document or notice, provided that where a member has intimated to the Company, in advance, that documents or notices should be sent to him under a certificate of posting or by registered post, with or without the acknowledgement due, and has deposited with the Company a sum sufficient to defray the expenses of doing so, service of the document or notice shall not be deemed to be effected unless it is sent in the manner and, such service shall be deemed to have been effected, in the case of a notice of a meeting, at the expiration of forty-eight hours after the letter containing the document or notice is posted, and in any other case, at the time at which the letter would be delivered in the ordinary course of post.</li> </ul>	<b>Documents and Notices</b>
176.	A document or notice, whether in brief or otherwise, advertised, if thought fit by the Board, in a newspaper circulating in the neighbourhood of the Office shall be deemed to be duly served or sent on the day, on which the advertisement appears, on or to every member who has no registered address in India and has not supplied to the Company an address within India for the serving of documents on or the sending of notices to him.	
177.	A document or notice may be served or given by the Company on or to the joint holders of a Share by serving or giving the document or notice on or to the joint holder named first in the Register of Members in respect of the Share.	
178.	A document or notice may be served or given by the Company on or to the person entitled to a Share, including the person nominated in the manner prescribed hereinabove, in consequence of the death or insolvency of a member by sending it through the post as a prepaid letter addressed to them by name or by the title or representatives of the deceased, or assigned of the insolvent or by any like description, at the address, if any, in India, supplied for the purpose by the persons claiming to be entitled, or, until such an address has been so supplied, by serving the document or notice, in any manner in which the same might have been given, if the death or insolvency had not occurred.	

179.	Documents or notices of every general meeting shall be served or given in some manner hereinafter authorised on or to (i) every member, (ii) every person entitled to a Share in consequence of the death or insolvency of member, (iii) the Auditor or Auditors of the Company, and (iv) the directors of the Company.	
180.	Every person who, by operation of law, transfer or by other means whatsoever, shall become entitled to any Share, shall be bound by every document or notice in respect of such Share, which, previously to his name and address being entered on the Register of Members, shall have duly served on or given to the person from whom he derives his title to such Shares.	
181.	Any document or notice to be served or given by the Company may be signed by a director or some person duly authorised by the Board for such purpose and the signature thereto may be written, printed or lithographed.	
182.	All documents or notices to be served or given by members on or to the Company or any Officer thereof shall be served or given by sending it to the Company or Officer at the Office by post, under a certificate of posting or by registered post, or by leaving it at the Office, or by such other means such as fax, e-mail, if permitted under the Act.	
183.	The Liquidator, on any winding up, whether voluntary or under supervision or compulsory, may, with the sanction of a special resolution, but subject to the rights attached to any Preference Share Capital, divide among the contributories, in specie, 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, as the liquidators, with the like sanction, shall think fit.	<b>Winding Up</b>
184.	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 favor or in which he is acquitted or in which relief is granted to him by the court or the Tribunal.	<b>Indemnity and Responsibility</b>
185.	<ul style="list-style-type: none"> <li>i. Every director, manager, auditor, treasurer, trustee, member of a committee, officer, servant, agent, accountant or other person employed in the business of the Company shall, if so required by the Directors, before entering upon his duties, sign a declaration pledging himself to observe strict secrecy respecting all transactions and affairs of the Company with the customers and the state of the accounts with the individuals 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 Directors or by Law or by the person to whom such matters relate and except so far as may be necessary in order to comply with any of the provisions contained in these presents or the Memorandum of Association of the Company.</li> <li>ii. No member shall be entitled to visit or inspect any works of the Company, without the permission of the Directors, or to require discovery of or any information respecting any details of the Company's trading or business or any matter which is or may be in the nature of a trade secret, mystery of trade, secret or patented process or any other matter, which may relate to the conduct of the business of the Company and, which in the opinion of the Directors, it would be inexpedient in the interests of the Company to disclose.</li> </ul>	<b>Secrecy</b>

## 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 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 Office between 10 a.m. and 5 p.m. on all Working Days from the date of this Prospectus until the Issue Closing Date.

#### Material Contracts

1. Agreement dated December 23, 2019 executed between our Company and Hem Securities Limited as Lead Manager to the Issue.
2. Agreement dated December 23, 2019 executed between our Company and the Registrar to the Issue (Bigshare Service Pvt. Ltd.)
3. Banker to the Issue Agreement dated February 05, 2020 among our Company, Lead Manager, Banker to the Issue and the Registrar to the Issue.
4. Market Making Agreement dated January 16, 2020 and addendum dated February 1, 2020 between our Company, Lead Manager and Market Maker.
5. Underwriting Agreement dated January 16, 2020 and addendum dated February 1, 2020 between our Company, Lead Manager and Underwriter.
6. Tripartite Agreement dated January 15, 2020 among CDSL, the Company and the Registrar to the Issue.
7. Tripartite Agreement dated January 10, 2020 among NSDL, the Company and the Registrar to the Issue.

#### Material Documents

8. Certified copies of the Memorandum and Articles of Association of the Company as amended.
9. Certificate of Incorporation dated August 14, 2006 issued by the Registrar of Companies, Mumbai.
10. Fresh Certificate of Incorporation dated December 19, 2019 issued by the Registrar of Companies, Mumbai consequent upon Conversion of the Company to Public Company.
11. Copy of the Board Resolution dated December 20, 2019 authorizing the Issue and other related matters.
12. Copy of Shareholder's Resolution dated December 21, 2019 authorizing the Issue and other related matters.
13. Copy of Standalone & Consolidated Audited Financial Statements of our Company for the period ended September 30, 2019 and for the years ended March 31, 2019, 2018 & 2017.
14. Statutory Auditors Report dated February 08, 2020 on Proforma Financial Statements of our Company for the period ended September 30, 2019 and year ended March 31, 2019.
15. Examination Report of the Statutory Auditors dated February 08, 2020 on Restated Consolidated Financial Statements of our Company for the period ended September 30, 2019 and for the years ended March 31, 2019, 2018 & 2017.
16. Copy of the Statement of Tax Benefits dated December 28, 2019 from the Statutory Auditor.
17. Consents of the Lead Manager, Legal Advisor to the Issue, Registrar to the Issue, Market Maker, Underwriter, Banker to the Issue & Sponsor Bank, Statutory Auditor of the Company, 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.
18. Board Resolution dated December 31, 2019 for approval of Draft Prospectus, and dated February 25, 2020 for approval of Prospectus.
19. Due Diligence Certificate from Lead Manager dated December 31, 2019.
20. Approval from BSE vide letter dated January 31, 2020 to use the name of BSE in the Prospectus for listing of Equity Shares on the SME Platform of the BSE.

Any of the contracts or documents mentioned in this Prospectus may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without reference to the Shareholders subject to compliance of the provisions contained in the Companies Act and other relevant statutes.



**DECLARATION**

I certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, or the regulations or guidelines issued by the Government of India or the regulations or guidelines issued by SEBI, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Prospectus is contrary to the provisions of the Companies Act, the Securities Contracts (Regulation) Act, 1956, as amended, the Securities and Exchange Board of India Act, 1992, as amended or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements in this Prospectus are true and correct.

**SIGNED BY THE BOARD OF DIRECTORS OF OUR COMPANY:**

<b>Name and Designation</b>	<b>Signature</b>
Mr. Mukund Narayan Kulkarni Chairman & Managing Director DIN: 00248797	Sd/-

Date: February 25, 2020

Place: Nashik



**DECLARATION**

I certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, or the regulations or guidelines issued by the Government of India or the regulations or guidelines issued by SEBI, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Prospectus is contrary to the provisions of the Companies Act, the Securities Contracts (Regulation) Act, 1956, as amended, the Securities and Exchange Board of India Act, 1992, as amended or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements in this Prospectus are true and correct.

**SIGNED BY THE BOARD OF DIRECTORS OF OUR COMPANY:**

<b>Name and Designation</b>	<b>Signature</b>
Mr. Suresh Gunwant Fegde Whole Time Director DIN: 00248850	Sd/-

Date: February 25, 2020

Place: Nashik



**DECLARATION**

I certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, or the regulations or guidelines issued by the Government of India or the regulations or guidelines issued by SEBI, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Prospectus is contrary to the provisions of the Companies Act, the Securities Contracts (Regulation) Act, 1956, as amended, the Securities and Exchange Board of India Act, 1992, as amended or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements in this Prospectus are true and correct.

**SIGNED BY THE BOARD OF DIRECTORS OF OUR COMPANY:**

<b>Name and Designation</b>	<b>Signature</b>
Mrs. Alka Mukund Kulkarni Non-Executive Director DIN: 06896902	Sd/-

Date: February 25, 2020

Place: Nashik



**DECLARATION**

I certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, or the regulations or guidelines issued by the Government of India or the regulations or guidelines issued by SEBI, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Prospectus is contrary to the provisions of the Companies Act, the Securities Contracts (Regulation) Act, 1956, as amended, the Securities and Exchange Board of India Act, 1992, as amended or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements in this Prospectus are true and correct.

**SIGNED BY THE BOARD OF DIRECTORS OF OUR COMPANY:**

<b>Name and Designation</b>	<b>Signature</b>
Mr. Aditya Mukund Kulkarni Non-Executive Director DIN: 07092586	Sd/-

Date: February 25, 2020

Place: Nashik



**DECLARATION**

I certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, or the regulations or guidelines issued by the Government of India or the regulations or guidelines issued by SEBI, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Prospectus is contrary to the provisions of the Companies Act, the Securities Contracts (Regulation) Act, 1956, as amended, the Securities and Exchange Board of India Act, 1992, as amended or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements in this Prospectus are true and correct.

**SIGNED BY THE BOARD OF DIRECTORS OF OUR COMPANY:**

<b>Name and Designation</b>	<b>Signature</b>
Mr.Sunilkumar Satyanarayan Dayama Independent Director DIN: 08492339	Sd/-

Date: February 25, 2020

Place: Nashik



**DECLARATION**

I certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, or the regulations or guidelines issued by the Government of India or the regulations or guidelines issued by SEBI, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Prospectus is contrary to the provisions of the Companies Act, the Securities Contracts (Regulation) Act, 1956, as amended, the Securities and Exchange Board of India Act, 1992, as amended or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements in this Prospectus are true and correct.

**SIGNED BY THE BOARD OF DIRECTORS OF OUR COMPANY:**

<b>Name and Designation</b>	<b>Signature</b>
Mr.Prakash Gangadhar Pathak Independent Director DIN: 07538918	Sd/-

Date: February 25, 2020

Place: Nashik

**DECLARATION**

I certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, or the regulations or guidelines issued by the Government of India or the regulations or guidelines issued by SEBI, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Prospectus is contrary to the provisions of the Companies Act, the Securities Contracts (Regulation) Act, 1956, as amended, the Securities and Exchange Board of India Act, 1992, as amended or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements in this Prospectus are true and correct.

**SIGNED BY THE CHIEF FINANCIAL OFFICER OF OUR COMPANY:**

<b>Name and Designation</b>	<b>Signature</b>
Mr.Suresh Govind Jagdale Chief Financial officer DIN: 07538918	Sd/-

Date: February 25, 2020

Place: Nashik



**DECLARATION**

I certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, or the regulations or guidelines issued by the Government of India or the regulations or guidelines issued by SEBI, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Prospectus is contrary to the provisions of the Companies Act, the Securities Contracts (Regulation) Act, 1956, as amended, the Securities and Exchange Board of India Act, 1992, as amended or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements in this Prospectus are true and correct.

**SIGNED BY THE COMPANY SECRETARY OF OUR COMPANY:**

<b>Name and Designation</b>	<b>Signature</b>
Mrs.PriyaAnuj Khadilkar Company Secretary & Compliance Officer (M. No. A59078)	Sd/-

Date: February 25, 2020

Place: Nashik