



## BENARA BEARINGS AND PISTONS LIMITED

Our Company was originally incorporated as “Benara Automotives Private Limited” at Kanpur, as a Private Limited company under the provisions of the Companies Act, 1956 vide Certificate of Incorporation dated November 26, 1990 bearing registration number 20-12518 issued by the Registrar of Companies, Uttar Pradesh, Kanpur. Subsequently, pursuant to a special resolution passed on February 20, 1993, our Company was converted into a public limited company following which our name was changed to “PHB Engineering Limited” and a fresh Certificate of Incorporation dated April 27, 1993 consequent upon conversion of our Company from private limited to public limited and change of name was issued to our Company by the Registrar of Companies, Uttar Pradesh, Kanpur. Further, pursuant to a special resolution dated July 29, 1993, the name of our Company was changed to “PHB Engineering Limited” from “PHB Engineering Limited” and a fresh Certificate of Incorporation dated October 6, 1993 consequent upon the change of name was issued by the Registrar of Companies, Uttar Pradesh, Kanpur. Later, pursuant to a special resolution dated March 15, 2002, the name of our Company was changed to “Benara Bearings and Pistons Limited” from PHB Engineering Limited and a fresh Certificate of Incorporation dated March 28, 2002 consequent upon the change of name was issued to our Company by the Assistant Registrar of Companies, Uttar Pradesh, Kanpur. The Corporate Identification Number of our Company is U50300UP1990PLC012518. For details of incorporation, change of registered office of our Company, please refer chapter titled “Our History and Certain other Corporate Matters” beginning on page 195 of this Prospectus.

**Registered Office:** A-3 & 4, Site B, Industrial Area, Sikandra, Agra, Uttar Pradesh, 282007, India.

**Tel. No./Fax No.:** +91 562 2970158

**Contact Person:** Artee Sahu, Company Secretary and Compliance Officer

**Email:** [investorgrievance@benara-phb.com](mailto:investorgrievance@benara-phb.com); **Website:** [www.benara-phb.com](http://www.benara-phb.com)

**PROMOTERS OF OUR COMPANY:** PANNA LAL JAIN & VIVEK BENARA

THE ISSUE	
<p><b>INITIAL PUBLIC OFFER CONSISTING OF FRESH ISSUE OF 53,16,000 EQUITY SHARES OF FACE VALUE OF RS. 10/- EACH FULLY PAID FOR CASH AT A PRICE OF RS. 63 PER EQUITY SHARE (THE “ISSUE PRICE”) (INCLUDING A SHARE PREMIUM OF RS. 53 PER EQUITY SHARE) AGGREGATING TO RS. 3349.08* LAKHS (THE “ISSUE”), OF WHICH 2,72,000 EQUITY SHARES OF FACE VALUE OF RS. 10/- EACH FOR CASH AT A PRICE OF RS. 63/- PER EQUITY SHARE, AGGREGATING RS. 171.36 LAKHS WAS RESERVED FOR SUBSCRIPTION BY THE MARKET MAKER TO THE ISSUE (THE “MARKET MAKER RESERVATION PORTION”) AND 76,000 EQUITY SHARES OF RS. 10/- EACH FOR CASH AT PRICE OF RS. 63 PER EQUITY SHARE AGGREGATING RS. 47.88 LAKHS WAS RESERVED FOR SUBSCRIPTION BY ELIGIBLE EMPLOYEES (THE “EMPLOYEES RESERVATION PORTION”). THE ISSUE LESS MARKET MAKER RESERVATION PORTION AND EMPLOYEES RESERVATION PORTION I.E. ISSUE OF 49,68,000 EQUITY SHARES OF FACE VALUE OF RS. 10/- EACH FOR CASH AT A PRICE OF RS. 63/- PER EQUITY SHARE, AGGREGATING RS. 3129.84 LAKHS IS HEREINAFTER REFERRED TO AS THE “NET ISSUE”. THE ISSUE AND THE NET ISSUE WILL CONSTITUTE 30.02% AND 28.06% RESPECTIVELY OF THE FULLY DILUTED POST ISSUE PAID UP EQUITY SHARE CAPITAL OF OUR COMPANY.</b></p> <p>THE FACE VALUE OF THE EQUITY SHARES IS RS. 10 EACH. THE PRICE BAND HAVE BEEN DECIDED BY OUR COMPANY IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGER (“BRLM”) AND HAVE BEEN ADVERTISED ALONG WITH LOT SIZE IN ALL EDITIONS OF ENGLISH NEWSPAPER BUSINESS STANDARD, ALL EDITIONS OF HINDI NEWSPAPER BUSINESS STANDARD AND WIDELY CIRCULATED SWARAJYA TIMES HINDI NEWSPAPER, EACH WITH WIDE CIRCULATION, AT LEAST 5 (FIVE) WORKING DAYS PRIOR TO THE BID/ISSUE OPENING DATE WITH THE RELEVANT FINANCIAL RATIOS CALCULATED AT THE FLOOR PRICE AND THE CAP PRICE AND SHALL BE MADE AVAILABLE TO THE SME PLATFORM OF BSE LIMITED (“BSE SME”, REFERRED TO AS THE “STOCK EXCHANGE”) FOR THE PURPOSE OF UPLOADING ON THEIR WEBSITE.</p> <p><b>In terms of SEBI Circular No. CIR/CFD/POLICYCELL/11/2015, all potential investors shall participate in the Issue only through an Application Supported by Blocked Amount (“ASBA”) process providing details about the bank account which will be blocked by the Self Certified Syndicate Banks (“SCSBs”) for the same. For details in this regard, specific attention is invited to the chapter titled “Issue Procedure” beginning on page 367 of this Prospectus. A copy of Red Herring Prospectus and Prospectus has been delivered for registration to the Registrar of Companies as required under Section 32 and 26 of the Companies Act, 2013, respectively.</b></p> <p><b>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. THE ISSUE IS BEING MADE IN ACCORDANCE WITH CHAPTER XB OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, AS AMENDED FROM TIME TO TIME (“SEBI (ICDR) REGULATIONS”). For further details please refer the section titled ‘Issue Information’ beginning on page 356 of this Prospectus.</b></p>	
RISKS IN RELATION TO FIRST ISSUE	
<p>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. The Floor Price is 6.00 times the face value and the Cap Price is 6.30 times the face value. The Issue Price (determined and justified by our Company in consultation with the BRLM as stated in “Basis for Issue Price” on page 129 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.</p>	
GENERAL RISKS	
<p>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 21 of this Prospectus.</p>	
ISSUER’S ABSOLUTE RESPONSIBILITY	
<p>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.</p>	
LISTING	
<p>The Equity Shares of our Company issued through this Prospectus are proposed to be listed on the SME Platform of BSE Limited (“BSE SME”), in terms of the Chapter XB of the SEBI (ICDR) Regulations, 2009 as amended from time to time. Our Company has received an In-Principal approval letter dated February 22, 2018 from BSE Limited for using its name in the Issue document for listing of our shares on the SME Platform of BSE Limited. For the purpose of this Issue, SME Platform of the BSE Limited shall be the Designated Stock Exchange.</p>	
BOOK RUNNING LEAD MANAGER	REGISTRAR TO THE ISSUE
 <p><b>PANTOMATH CAPITAL ADVISORS PRIVATE LIMITED</b> 406-408, Keshva Premises, Behind Family Court, Bandra Kurla Complex, Bandra (East), Mumbai – 400051, Maharashtra, India Tel: +91-22 6194 6700 Fax: +91-22 2659 8690 <b>Website:</b> <a href="http://www.pantomathgroup.com">www.pantomathgroup.com</a> <b>Email:</b> <a href="mailto:ipo@pantomathgroup.com">ipo@pantomathgroup.com</a> <b>Investor Grievance Id:</b> <a href="mailto:ipo@pantomathgroup.com">ipo@pantomathgroup.com</a> <b>Contact Person:</b> Unmesh Zagade <b>SEBI Registration No:</b> INM000012110</p>	 <p><b>BIGSHARE SERVICES PRIVATE LIMITED</b> 1<sup>st</sup> Floor, Bharat Tin Works Building, Opp. Vasant Oasis, Makwana Road, Marol, Andheri East, Mumbai-400059 Tel: +91 22 6263 8200 Fax: +91 22 6263 8299 <b>Email:</b> <a href="mailto:ipo@bigshareonline.com">ipo@bigshareonline.com</a> <b>Website:</b> <a href="http://www.bigshareonline.com">www.bigshareonline.com</a> <b>Contact Person:</b> Srinivas Dornala <b>SEBI Registration No:</b> INR000001385</p>
ISSUE PROGRAMME	
<b>ISSUE OPENED ON: TUESDAY, MARCH 20, 2018</b>	<b>ISSUE CLOSED ON: THURSDAY, MARCH 22, 2018</b>

\*Subject to finalisation of basis of Allotment

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The Equity Shares have not been and will not be registered under the U.S Securities Act of 1933, as amended (“U.S. Securities Act”) or any state securities laws in the United States of America 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), except pursuant to exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities laws. Accordingly the Equity Shares are being offered and sold only outside the United States in offshore transaction in reliance on Regulation S under the U.S Securities Act and the applicable laws of the jurisdiction where those offers and sale occur.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and application may not be made by persons in any such jurisdiction, except in accordance with the applicable laws of such jurisdiction.

## SECTION I – GENERAL DEFINITION AND ABBREVIATION

In this Prospectus, unless the context otherwise requires, the terms and abbreviations stated hereunder shall have the meanings as assigned therewith.

Term	Description
“Benara Bearings and Pistons Limited” or “BBPL” or “the Company” ,or “our Company” or “we”, “us”, “our”, or “Issuer” or the “Issuer Company”	Benara Bearings and Pistons Limited, a Public Limited Company incorporated under the Companies Act, 1956.
AOA or Articles or Articles of Association	The Articles of Association of our Company, 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.
Auditor or Statutory Auditor	The statutory auditor of our Company, being Agrawal Jain & Gupta, Chartered Accountants
Bankers to the Company	Such banks which are disclosed as bankers to our Company in the chapter titled “ <i>General Information</i> ” on page 81 of this Prospectus.
Board of Directors/ the Board / our Board	The Board of Directors of our Company, as duly constituted from time to time, including Committee(s) thereof.
Company Secretary and Compliance Officer	The Company Secretary & Compliance Officer of our Company being Artee Sahu.
Director(s)	Director(s) of our Company , unless otherwise specified
Equity Shareholders	Persons/ Entities holding Equity Shares of our Company
Equity Shares	Equity Shares of our Company of face value of Rs. 10 each fully paid up.
Group Companies	Such Companies as are included in the chapter titled ‘ <i>Our Group Companies</i> ’ beginning on page 227 of this Prospectus
ISIN	International Securities Identification Number. In this case being INE495Z01011
MOA / Memorandum of Association	The Memorandum of Association of our Company, as amended from time to time.
Peer Reviewed Auditor	Independent Auditor having a valid Peer Review Certificate in our case being Agrawal Jain & Gupta, Chartered Accountants.
Promoter Group	Includes such persons and entities constituting our promoter group in terms of Regulation 2(1)(zb) of the SEBI (ICDR) Regulations and as enlisted in the chapter titled “ <i>Our Promoter and Promoter Group</i> ” beginning on page 221 of this Prospectus.
Promoter, Promoters or our Promoters	Promoters of our Company being PannaLal Jain and Vivek Benara
Registered Office	A-3 & 4, Site B, Industrial Area, Sikandra, Agra – 282007
Roc / Registrar of Companies	Registrar of Companies, Uttar Pradesh, Kanpurat 37/17, WestcotttBuidling, The Mall, Kanpur-208001
Shareholders	Shareholders of our Company
you, your or yours	Prospective investors in this Issue



## ISSUE RELATED TERMS

Term	Description
Acknowledgement Slip	The slip or document issued by the Designated Intermediary to a Bidder as proof of registration of the Bid
Allotment/ Allot/ Allotted	Issue and allotment of Equity Shares of our Company pursuant to the Issue of the Equity Shares to successful Bidders
Allottee(s)	Successful Bidders(s) to whom Equity Shares have been allotted/transferred.
Allotment Advice	Note or advice or intimation of Allotment sent to the successful Bidders who have been or are to be Allotted the Equity Shares after the Basis of Allotment has been approved by the Designated Stock Exchange.
ASBA / Application Supported by Blocked Amount	An application, whether physical or electronic, used by Bidders, to make a Bid authorising an SCSB to block the Bid Amount in the ASBA Account
ASBA Account	An account maintained with an SCSB and specified in the Bid cum Application Form submitted by Bidders for blocking the Bid Amount mentioned in the Bid cum Application Form
ASBA form	An application form, whether physical or electronic, used by Bidders which will be considered as the application for Allotment in terms of this Prospectus.
ASBA Application Location(s) / Specified Cities	Locations at which ASBA Applications can be uploaded by the SCSBs, namely Mumbai, New Delhi, Chennai, Kolkata, and Agra.
ASBA Bidder	Any Bidder
ASBA form/ Bid Cum Application	An application form, whether physical or electronic, used by Bidders which will be considered as the application for Allotment in terms of this Prospectus
Banker(s) to the Issue/ Public Issue Bank(s)	The banks which are clearing members and registered with SEBI as Banker to an Issue with whom the Public Issue Account will be opened and in this case being ICICI Bank Limited.
Basis of Allotment	The basis on which Equity Shares will be Allotted to the successful Bidders under the Issue and which is described under chapter titled “ <i>Issue Procedure</i> ” beginning on page 367 of this Prospectus.
Bid	An indication to make an issue during the Bid/Issue Period Bidder, pursuant to submission of the Bid cum Application Form, to subscribe to or purchase the Equity Shares at a price within the Price Band, including all revisions and modifications thereto
Bid Amount	The highest value of optional Bids indicated in the Bid cum Application Form and in the case of Retail Individual Bidders Bidding at Cut Off Price, the Cap Price multiplied by the number of Equity Shares Bid for by such Retail Individual Bidder and mentioned in the Bid cum Application Form and payable by the Retail Individual Bidder or blocked in the ASBA Account upon submission of the Bid in the Issue. Eligible Employees applying in the Employee Reservation Portion the Bid Amount shall be Cap Price multiplied by the

<b>Term</b>	<b>Description</b>
	number of Equity Shares Bid for by such Eligible Employees mentioned in the Bid cum Application Form net of Employee Discount
Bid cum Application form	The form used by a Bidder, to make a Bid and which will be considered as the application for Allotment in terms of the Prospectus
Bid Cum Application Collecting Intermediaries	<ol style="list-style-type: none"> <li>1. a SCSB with whom the bank account to be blocked, is maintained</li> <li>2. a syndicate member (or sub-syndicate member) If any</li> <li>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') if any</li> <li>4. a depository participant ('DP') (whose name is mentioned on the website of the stock exchange as eligible for this activity)</li> <li>5. a registrar to an issue and share transfer agent ('RTA') (whose name is mentioned on the website of the stock exchange as eligible for this activity)</li> </ol>
Bid Lot	2,000 Equity shares and in multiples of 2,000 Equity Shares thereafter
Bid/ Issue Closing Date	The date after which the Syndicate, the Designated Branches and the Registered Brokers will not accept any Bids, which shall be notified in all editions of English Newspaper Business Standard, all editions of Hindi Newspaper Business Standard and widely circulated Swarajya Times Hindi Newspaper, as Hindi being the regional language of Agra, where our registered office is situated, and in case of any revision, the extended Bid/Issue Opening Date also to be notified on the website and terminals of the Syndicate and SCSBs, as required under the SEBI ICDR Regulations.
Bid/ Issue Opening Date	The date on which the Syndicate, the Designated Branches and the Registered Brokers shall start accepting Bids, which shall be notified in all editions of English Newspaper Business Standard, all editions of Hindi Newspaper Business Standard and widely circulated Swarajya Times Hindi Newspaper, as Hindi being the regional language of Agra, where our registered office is situated, each with wide circulation, and in case of any revision, the extended Bid/Issue Opening Date also to be notified on the website and terminals of the Syndicate and SCSBs, as required under the SEBI ICDR Regulations.
Bid/ Issue Period	The period between the Bid/Issue Opening Date and the Bid/Issue Closing Date, as the case may be (in either case inclusive of such date and the Bid/Issue Opening date) during which Bidders can submit their Bids, including any revisions thereof.
Bidder	Any prospective investor who makes a Bid pursuant to the terms of the Prospectus and unless otherwise stated or implied, includes an ASBA Bidder.
Bidding/collecting Centre	Centres at which the Designated Intermediaries shall accept

Term	Description
	the ASBA Forms, i.e., Designated SCSB Branch for SCSBs, Specified Locations for Syndicate, Broker Centres for Registered Brokers, Designated RTA Locations for RTAs and Designated CDP Locations for CDPs
Book Building Process	Book Building Process, as provided in Schedule XI of the SEBI ICDR Regulations, in terms of which the Issue is being made
Book Running Lead Managers or BRLM	The Book Running Lead Manager to the Issue namely Pantomath capital Advisors Private Limited
Broker Centres	Broker centres notified by the Stock Exchanges, where the Bidders can submit the Bid cum application forms to a Registered Broker. The details of such broker centres, along with the names and contact details of the Registered Brokers, are available on the website of BSE Limited.
BSE	BSE Limited
CAN or Confirmation of Allocation Note	The note or advice or intimation sent to each successful Bidder indicating the Equity Shares which will be Allotted/ transferred, after approval of Basis of Allotment by the Designated Stock Exchange.
Cap Price	The higher end of the Price Band, above which the Issue Price will not be finalised and above which no Bids (or a revision thereof) will be accepted
ClientID	Client Identification Number maintained with one of the Depositories in relation to demat account.
Cut-off Price	Issue Price, which shall be any price within the Price Band finalised by our Company in consultation with the BRLM. Only Retail Individual Bidders are entitled to Bid at the Cut-off Price. QIBs and Non Institutional Bidders are not entitled to Bid at the Cut-off Price.
Collecting Depository Participant or CDP	A depository participant as defined under the Depositories Act, 1996, registered with SEBI and who is eligible to procure Applications at the Designated CDP Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI
Controlling Branch/Designated Branch	Such branch of the SCSBs which coordinate Applications under this Issue by the ASBA Applicants with the Registrar to the Issue and the Stock Exchanges and a list of which is available at <a href="http://www.sebi.gov.in">http://www.sebi.gov.in</a> or at such other website as may be prescribed by SEBI from time to time
Demographic Details	The demographic details of the Bidders/Applicants such as their address, PAN, occupation and bank account details
Depositories	Depositories 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	The date on which the Collection Banks transfer funds from the public issue accounts, and the SCSBs issue instructions for transfer of funds from the ASBA Accounts, to the Public Issue Account or the Refund Account, as appropriate, in terms of

Term	Description
	this Prospectus following which the Board of Directors may Allot Equity Shares to successful Bidders in the Fresh Issue may give delivery instructions for the transfer of the respective Offered Shares.
Designated Intermediary(ies)	Syndicate, Sub-Syndicate Members/agents, SCSBs, Registered Brokers, CDPs and RTAs, who are authorized to collect ASBA Forms from the Bidders, in relation to the Issue
Designated RTA Locations	Such centres of the RTAs where Bidder can submit the Bid cum Application Forms. The details of such Designated RTA Locations, along with the names and contact details of the RTAs are available on the respective websites of the Stock Exchange ( <a href="http://www.bseindia.com">www.bseindia.com</a> ) and updated from time to time
Designated Stock Exchange	SME Platform of BSE Limited
Designated CDP Locations	Such centres of the CDPs where Bidders can submit the Bid Cum Application Forms. The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept Bid cum Application Forms are available on the website of the Stock Exchange ( <a href="http://www.bseindia.com">www.bseindia.com</a> ) and updated from time to time
Draft Red Herring Prospectus or DRHP	This Draft Red Herring Prospectus dated February 2, 2018 issued in accordance with the SEBI ICDR Regulations, which does not contain complete particulars of the price at which the Equity Shares will be Allotted and the size of the Issue
Eligible Employees	<p>All or any of the following:</p> <p>(a) permanent and full time employee of our Company, (excluding such employees who are not eligible to invest in the Issue under applicable laws, rules, regulations and guidelines and the Promoters and their immediate relatives) as of the date of filing of the Prospectus with the RoC and who continues to be an employee of our Company, as the case may be, until the submission of the Bid cum Application Form and is based, working in India as on the date of submission of the Bid cum Application Form; and (b) a Director of our Company, whether a whole time Director or otherwise, (excluding such Directors not eligible to invest in the Issue under applicable laws, rules, regulations and guidelines and the Promoters and their immediate relatives) as of the date of filing the Prospectus with the RoC and who continues to be a Director of our Company until the submission of the Bid cum Application Form and is based in India as on the date of submission of the Bid cum Application Form.</p> <p>(c) An employee of our Company, who is recruited against a regular vacancy but is on probation as on the date of submission of the Bid cum Application Form will also be deemed a permanent and a full time employee. The maximum Bid Amount under the Employee Reservation Portion by an Eligible Employee shall not exceed Rs. 5,00,000.</p>
Employee Reservation Portion	Reservation of 76,000 Equity Shares, available for allocation to Eligible Employees on a proportionate basis aggregating Rs. 47.88 Lakhs

Term	Description
First/sole Bidder	Bidder whose name shall be mentioned in the Bid cum Application Form or the Revision Form and in case of joint Bids, whose name shall also appear as the first holder of the beneficiary account held in joint names
Floor Price	The lower end of the Price Band, subject to any revision thereto, at or above which the Issue Price will be finalised and below which no Bids will be accepted
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.
General Information Document/GID	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 and included in “Issue Procedure” on page 367 of this Prospectus
Issue	The Initial Public Issue of 53,16,000 Equity Shares of face value of Rs.10 each for cash at a price of Rs. 63 each, aggregating to Rs. 3349.08 Lakhs comprising the Fresh Issue
Issue Agreement	The agreement dated December 27, 2017 between our Company and the BRLM, pursuant to which certain arrangements are agreed to in relation to the Issue
Issue Price	The final price at which Equity Shares will be Allotted in terms of the Prospectus. The Issue Price will be decided by our Company in consultation with the BRLM on the Pricing Date in accordance with the Book-Building Process and the Prospectus
Issue Proceeds	The proceeds of the Issue that is available to our Company. For further information about use of Issue Proceeds, see “ <i>Objects of the Issue</i> ” on page 118 of this Prospectus
Listing Agreement	The Equity Listing Agreement to be signed between our Company and the SME Platform of BSE Limited.
Market Making Agreement	Market Making Agreement dated February 7, 2018 between our Company, Book Running Lead Manager and Market Maker.
Market Maker	Market Maker appointed by our Company from time to time, in this case being Pantomath Stock Brokers Private Limited who has agreed to receive or deliver the specified securities in the market making process for a period of three years from the date of listing of our Equity Shares or for any other period as may be notified by SEBI from time to time
Market Maker Reservation Portion	The Reserved Portion of 2,72,000 Equity Shares of face value of Rs. 10 each fully paid for cash at a price of Rs 63 per Equity Share aggregating Rs. 171.36 Lakhs for the Market Maker in this Issue.
Mutual Fund(s)	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 and Employee Reservation) of 49,68,000 Equity Shares of face value of Rs. 10 each fully paid for cash at a price of Rs 63 per Equity Share aggregating Rs. 3,129.84 Lakhs by our

Term	Description
	Company
Net Proceeds	Proceeds of the Fresh Issue less our Company's share of the Issue expenses. For further information about use of the Issue Proceeds and the Issue expenses, see "Objects of the Issue" on page 118 of Prospectus.
NIF	National Investment Fund set up by resolution F. No. 2/3/2005-DD-II dated November 23, 2005 of Government of India published in the Gazette of India
Non Institutional Bidders	All Bidders, including Category III FPIs that are not QIBs or Retail Individual Investors, who have apply for Equity Shares for an amount of more than Rs. 2,00,000 but not including NRIs other than Eligible NRIs
Non-Resident	A person resident outside India, as defined under FEMA and includes FIIs and FPIs
OCB/ Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs, including overseas trusts in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly as defined under the Foreign Exchange Management (Deposit) Regulations, 2000, as amended from time to time. OCBs are not allowed to invest in this Issue
Other Investors	Investors other than Retail Individual Investors. These include individual bidders/applicants other than retail individual investors and other investors including corporate bodies or institutions irrespective of the number of specified securities applied for.
Person/ 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
Price Band	Price band of a minimum price of Rs. 60 per Equity Share (Floor Price) and the maximum price of Rs. 63 per Equity Share (Cap Price) including revisions thereof. The Price Band and the minimum Bid Lot size for the Issue will be decided by our Company in consultation with the BRLM and will be advertised at least five Working Days prior to the Bid/ Issue Opening Date, in all editions of English Newspaper Business Standard, all editions of Hindi Newspaper Business Standard and widely circulated Swarajya Times Hindi Newspaper, as Hindi being the regional language of Agra, where our registered office is situated, each with wide circulation
Pricing date	The date on which our Company in consultation with the BRLM, will finalise the Issue Price
Prospectus	The Prospectus to be filed with the RoC on or after the Pricing Date in accordance with Section 32 of the Companies Act, 2013, and the SEBI (ICDR) Regulations containing, inter alia, the Issue Price, the size of the Issue and certain other information

<b>Term</b>	<b>Description</b>
Public Issue Account	Account opened with the Banker to the Issue i.e. ICICI Bank Limited under Section 40 of the Companies Act, 2013 to receive monies from the SCSBs from the bank accounts of the ASBA Applicants on the Designated Date.
Public Issue Account Agreement/ Banker to the Issue Agreement	Agreement entered on February 7, 2018 amongst our Company, Book Running Lead Manager, the Registrar to the Issue and Public Issue Bank/Banker to the Issue for collection of the Bid Amount on the terms and conditions thereof.
Qualified Institutional Buyers or QIBs	Qualified Institutional Buyers as defined under Regulation 2(1) (zd) of the SEBI (ICDR) Regulations, 2009.
Red Herring Prospectus or RHP	The Red Herring Prospectus to be issued in accordance with Section 32 of the Companies Act, 2013, and the provisions of the SEBI (ICDR) Regulations, which will not have complete particulars of the price at which the Equity Shares will be offered and the size of the Issue, including any addenda or corrigenda thereto. The Red Herring Prospectus will be has been registered with the RoC at least three days before the Bid/ Issue Opening Date and will become the Prospectus upon filing with the RoC on or after the Pricing Date
Refund Account(s)	The account opened with the Refund Bank(s), from which refunds, if any, of the whole or part of the Bid Amount (excluding refund to Bidders) shall be made.
Refund Bank(s) / Refund Banker(s)	Bank which is / are clearing member(s) and registered with the SEBI as Bankers to the Issue at which the Refund Account will be opened, in this case being ICICI Bank Limited.
Refund through electronic transfer of funds	Refunds through NECS, direct credit, RTGS or NEFT, as applicable
Registered Broker	Individuals or companies registered with SEBI as "Trading Members" (except Syndicate/Sub-Syndicate Members) who hold valid membership of either BSE or NSE having right to trade in stocks listed on Stock Exchanges, through which investors can buy or sell securities listed on stock exchanges, a list of which is available on <a href="http://www.bseindia.com/members/MembershipDirectory.aspx">http://www.bseindia.com/members/MembershipDirectory.aspx</a> & <a href="http://www.nseindia.com/membership/dynaContent/find_a_broker.htm">http://www.nseindia.com/membership/dynaContent/find_a_broker.htm</a>
Registrar /Registrar to the Issue	Registrar to the Issue, in this case being Bigshare Services Private Limited
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
Resident Indian	A person resident in India, as defined under FEMA
Retail Individual Bidder(s)/Retail Individual Investor(s)/RII(s)/RIB(s)	Individual Bidders, or minors applying through their natural guardians, including HUFs (applying through their <i>Karta</i> ), who apply for an amount less than or equal to Rs 2,00,000
Revision Form	Form used by the Bidders, to modify the quantity of the Equity Shares or the Bid Amount in any of their Bid cum

Term	Description
Reservation Portion	Application Forms or any previous Revision Form(s) The portion of the Issuer reserved for category of eligible Bidders as provided under the SEBI (ICDR) Regulations, 2009
Reserved Category / Categories	Categories of persons eligible for making Bids under reservation portion.
SCSB/ Self Certified Syndicate Banker	Shall mean a Banker to an Issue registered under SEBI (Bankers to an Issue) Regulations, 1994, as amended from time to time, and which Issue the service of making Bids/Application/s Supported by Blocked Amount including blocking of bank account and a list of which is available on <a href="http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/RecognisedIntermediaries">http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/RecognisedIntermediaries</a> or at such other website as may be prescribed by SEBI from time to time
SEBI Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and includes the agreement to be entered into between our Company and the Stock Exchange in relation to listing of Equity Shares on such Stock Exchange.
SEBI (Foreign Portfolio Investor) Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014.
SME Platform of BSE/ SME Exchange	The SME Platform of BSE, approved by SEBI as an SME Exchange for listing of equity shares offered under Chapter XB of the SEBI (ICDR) Regulations
Specified Locations	Bidding centres where the Syndicate shall accept Bid cum Application Forms from Bidders, a list of which is available on the website of SEBI ( <a href="http://www.sebi.gov.in">www.sebi.gov.in</a> ) and updated from time to time
Syndicate Agreement	Agreement dated February 7, 2018 entered into amongst the BRLM, the Syndicate Members, our Company in relation to the procurement of Bid cum Application Forms by Syndicate
Syndicate Members	Intermediaries registered with SEBI who are permitted to carry out activities as an underwriter, namely, Pantomath Capital Advisors Private Limited and Pantomath Stock Brokers Private Limited
Syndicate or Members of the Syndicate	The BRLM and the Syndicate Members
TRS or Transaction Registration Slip	The slip or document issued by the Syndicate, or the SCSB (only on demand), as the case may be, to the Bidder as proof of registration of the Bid
Underwriter	Pantomath Capital Advisors Private Limited
Underwriting Agreement	The agreement dated February 7, 2018 entered into between the Underwriter and our Company
Working Day	(i) Till Application / Issue closing date: All days other than a Saturday, Sunday or a public holiday in Mumbai, Maharashtra; (ii) Post Application / Issue closing date and till the Listing of Equity Shares: All trading days of stock exchanges excluding Sundays and bank holidays in accordance with the SEBI circular no. SEBI/HO/CFD/DIL/CIR/P/2016/26 dated January 21, 2016



## TECHNICAL AND INDUSTRY TERMS

Term	Description
2W	Two Wheelers
4W	Four Wheeler
ABS	Anti-locking Braking System
ACMA	Automotive Component Manufacturers Association of India
AMP	Auto Mission Plan
AMT	Automated Manual Transmission
AWD	All Wheel Drive
BS	Bharat Stage
CNC	Computer Numerical Control
CRISIL	Credit Rating Information Services of India Limited
CSO	Central Statistics Office
CV	Commercial Vehicles
DIPP	Department of Industrial Policy and Promotion
DFRC	Duty Free Replenishment Certificate
EPFO	Employees' Provident Fund Organisation
ESI	Employee State Insurance
EU	European Union
EV	Electric vehicle
FAME	Faster Adoption & Manufacturing of Electric Hybrid Vehicles
FCNR	Foreign Currency Non-Resident
FDI	Foreign Direct Investment
FIPB	Foreign Investment Promotion Board
FY	Financial Year
GDP	Gross Domestic Product
GST	Goods and Services Tax
GVA	Gross Value Added
HEGO	Heated Exhaust Gas System
IBEF	India Brand Equity Foundation
LCV	Light Commercial Vehicle
LNG	Liquefied Natural Gas
MHCV	Medium and Heavy Commercial Vehicle
MoU	Memorandum Of Understanding
M-SIPS	Modified Special Incentive Package Scheme
NMP	National Manufacturing Policy
NVH	Noise Vibration Harshness
OEM	Original Equipment manufacturers
PMGKY	Pradhan Mantri Garib Kalyan Yojana
PV	Passenger Vehicle
RBI	Reserve Bank of India
SAD	Special Additional Duty
SAIL	Steel Authority of India Ltd
SCV	Small Commercial Vehicles
SED	Strategic Engineering Division
SEZ	Special Economic Zone
SIAM	Society of Indian Automobile Manufacturers
US/ U.S./ USA	United States of America
UV	Utility Vehicle

<b>Term</b>	<b>Description</b>
WPI	Wholesale Price Index

## CONVENTIONAL AND GENERAL TERMS/ABBREVIATIONS

<b>Term</b>	<b>Description</b>
A.Y./AY	Assessment Year
A/C	Account
AGM	Annual General Meeting
AIF	Alternative Investment Fund as defined in and registered with SEBI under the Securities and Exchange Board of India (Alternative Investments Funds) Regulations, 2012
AoA	Articles of Association
AS/Accounting Standard	Accounting Standards as issued by the Institute of Chartered Accountants of India
ASBA	Application Supported by Blocked Amount
BIFR	Board for Industrial and Financial Reconstruction
BRLM	Book Running Lead Manager
BSE	BSE Limited
CAGR	Compounded Annual Growth Rate
Category I Foreign Portfolio Investors	FPIs who are registered as - Category I foreign portfolio investors under the SEBI FPI Regulations
Category II Foreign Portfolio Investors	FPIs who are registered as - Category II foreign portfolio investors under the SEBI FPI Regulations
Category III Foreign Portfolio Investors	FPIs who are registered as - Category III foreign portfolio investors under the SEBI FPI Regulations
CC	Cash Credit
CDSL	Central Depository Services (India) Limited
CENVAT	Central Value Added Tax
CFO	Chief Financial Officer
CIN	Corporate Identification Number
Cm	Centimetre
CMD	Chairman and Managing Director
Companies Act, 1956	Companies Act, 1956 (without reference to the provisions thereof that have ceased to have effect upon notification of the Notified Sections) and the Companies Act, 2013.
Companies Act, 2013	The Companies Act, 2013, to the extent in force pursuant to the notification of the notified sections
CS	Company Secretary
CST	Central Sales Tax
Depositories	NSDL (National Securities Depository Limited) and CDSL (Central Depository Services Limited); Depositories registered with the SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996, as amended from time to time
Depositories Act	The Depositories Act, 1996, as amended from time to time.
DGFT	Directorate General of Foreign Trade
DIN	Director Identification Number
DIPP	Department of Industrial Policy & Promotion
DP	Depository Participant
DP ID	Depository Participant's Identity

<b>Term</b>	<b>Description</b>
EBIDTA	Earnings before interest, depreciation, tax, amortization and extraordinary items
ECS	Electronic Clearing System
EGM	Extraordinary General Meeting
EPFA	The Employees' Provident Funds and Miscellaneous Provisions Act, 1952
EPS	Earnings Per Share
ESIC	Employee State Insurance Corporation
ESOP	Employee Stock Option Plan
ESPS	Employee Stock Purchase Scheme
F.Y./FY	Financial Year
FCNR Account	Foreign Currency Non Resident Account
FDI	Foreign Direct Investment
FEMA	Foreign Exchange Management Act 1999, as amended from time to time and the regulations framed there under
FII Regulations	Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995, as amended from time to time.
FII(s)	Foreign Institutional Investor, as defined under the FII Regulations and registered with the SEBI under applicable laws in India
FIPB	The Foreign Investment Promotion Board, Ministry of Finance, Government of India
FIs	Financial Institutions
FPI(s)	Foreign Portfolio Investor means a person who satisfies the eligibility criteria prescribed under regulation 4 and has been registered under Chapter II of Securities And Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014, which shall be deemed to be an intermediary in terms of the provisions of the SEBI Act, 1992
FV	Face Value
FVCI	Foreign Venture Capital Investor registered under the Securities and Exchange Board of India (Foreign Venture Capital Investor) Regulations, 2000
GAAP	Generally Accepted Accounting Principles
GDP	Gross Domestic Product
GIR Number	General Index Registry number
GoI/ Government	Government of India
HNI	High Networth Individual
HUF	Hindu Undivided Family
I. T. Act	The Income Tax Act, 1961, as amended.
ICAI	Institute of Chartered Accountants of India
ICDR Regulations/ SEBI Regulations/ SEBI (ICDR) Regulations/Regulations	SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended from time to time
IFRS	International Financial Reporting Standards
Indian GAAP	Generally Accepted Accounting Principles in India
INR	Indian National Rupee
IPO	Initial Public Offering
IRDA	Insurance Regulatory and Development Authority
IT Authorities	Income Tax Authorities
IT Rules	The Income Tax Rules, 1962, as amended from time to time
Key Managerial Personnel	The officers declared as a Key Managerial Personnel and as mentioned

Term	Description
/ KMP	in the chapter titled “ <i>Our Management</i> ” beginning on page 202 of this Prospectus
KVA	Kilovolt-ampere
Listing Regulations / SEBI Listing Regulations/ SEBI (LODR) Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
Ltd.	Limited
MD	Managing Director
MICR	Magnetic Ink Character Recognition
Mn	Million
MoA	Memorandum of Association
MoF	Ministry of Finance, Government of India
MoU	Memorandum of Understanding
N/A or N.A.	Not Applicable
NAV	Net Asset Value
NBFC	Non Banking Finance Company
Net Worth	The aggregate of the paid up share capital, share premium account, and reserves and surplus (excluding revaluation reserve) as reduced by the aggregate of miscellaneous expenditure (to the extent not adjusted or written off) and the debit balance of the profit and loss account
NI Act	Negotiable Instruments Act, 1881
NOC	No Objection Certificate
NR	Non Resident
NRE Account	Non Resident (External) Account
NRI	Non Resident Indian, is a person resident outside India, who is a citizen of India or a person of Indian origin and shall have the same meaning as ascribed to such term in the Foreign Exchange Management (Deposit) Regulations, 2000, as amended from time to time
NRO Account	Non Resident (Ordinary) Account
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
OCB	Overseas Corporate Bodies
p.a.	per annum
P/E Ratio	Price Earnings Ratio
PAN	Permanent Account Number
PAT	Profit After Tax
PBT	Profit Before Tax
Pvt.	Private
QIB	Qualified Institutional Buyer
RBI	Reserve Bank of India
RBI Act	The Reserve Bank of India Act, 1934, as amended from time to time
RoC	Registrar of Companies
RoNW	Return on Net Worth
Rs. / INR	Indian Rupees
SCRA	Securities Contracts (Regulation) Act, 1956 as amended from time to time
SCRR	Securities Contracts (Regulation) Rules, 1957
SCSB	Self Certified Syndicate Bank
SEBI	Securities and Exchange Board of India
SEBI Act	Securities and Exchange Board of India Act, 1992, as amended from

Term	Description
	time to time
SEBI AIF Regulations	Securities and Exchange Board of India (Alternative Investments Funds) Regulations, 2012
SEBI FII Regulations	Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014
SEBI FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000
SEBI Insider Trading Regulations	The SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time, including instructions and clarifications issued by SEBI from time to time
SEBI Regulations / Takeover Code	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
SEBI VCF Regulations	Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996 as repealed pursuant to the SEBI AIF Regulations
Sec	Section
SICA	Sick Industrial Companies (Special Provisions) Act, 1985, as amended from time to time
SME	Small Medium Enterprise
SSI Undertaking	Small Scale Industrial Undertaking
Stock Exchange (s)	SME Platform of BSE Limited
STT	Securities Transaction Tax
Sub-Account	Sub-accounts registered with SEBI under the SEBI (Foreign Institutional Investor) Regulations, 1995, other than sub-accounts which are foreign corporate or foreign individuals.
TAN	Tax Deduction Account Number
TIN	Taxpayers Identification Number
TNW	Total Net Worth
TRS	Transaction Registration Slip
U.S. GAAP	Generally accepted accounting principles in the United States of America
u/s	Under Section
UIN	Unique Identification Number
UOI	Union of India
US/ U.S. / USA/ United States	United States of America
USD / US\$ / \$	United States Dollar, the official currency of the United States of America
UV	Ultraviolet
VAT	Value Added Tax
VCF / Venture Capital Fund	Foreign Venture Capital Funds (as defined under the Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996) registered with SEBI under applicable laws in India.
w.e.f.	With effect from
WDV	Written Down Value
WTD	Whole-time Director
YoY	Year over year

*Notwithstanding the following: -*

- i. In the section titled “*Main Provisions of the Articles of Association*” beginning on page 428 of this Prospectus, defined terms shall have the meaning given to such terms in that section;
- ii. In the section titled “Financial Statements” beginning on page 238 of this Prospectus, defined terms shall have the meaning given to such terms in that section;
- iii. In the section titled “Risk Factor” beginning on page 21 of this Prospectus, defined terms shall have the meaning given to such terms in that section;
- iv. In the chapter titled “Statement of Possible Tax Benefits” beginning on page 133 of this Prospectus, defined terms shall have the meaning given to such terms in that chapter; and
- v. In the chapter titled “Management’s Discussion and Analysis of Financial Condition and Results of Operations” beginning on page 308 of this Prospectus, defined terms shall have the meaning given to such terms in that chapter.

## **PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA**

All references to “India” are to the Republic of India and all references to the “Government” are to the Government of India.

### **FINANCIAL DATA**

Unless stated otherwise, the financial data included in this Prospectus are extracted from the restated financial statements of our Company, prepared in accordance with the applicable provisions of the Companies Act, Indian GAAP and restated in accordance with SEBI (ICDR) Regulations, as stated in the report of our Peer Reviewed Auditor, set out in the section titled “*Financial Statements as Restated*” beginning on page 238 this Prospectus. Our restated financial statements are derived from our audited financial statements prepared in accordance with Indian GAAP and the Companies Act, and have been restated in accordance with the SEBI (ICDR) Regulations.

Our fiscal year commences on April 1<sup>st</sup> of each year and ends on March 31<sup>st</sup> of the next year. All references to a particular fiscal year are to the 12 month period ended March 31<sup>st</sup> of that year. In this Prospectus, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding-off. All decimals have been rounded off to two decimal points.

There are significant differences between Indian GAAP, IFRS and US GAAP. The Company has not attempted to quantify their impact on the financial data included herein and urges you to consult your own advisors regarding such differences and their impact on the Company’s financial data. Accordingly to what extent, the financial statements included in this Prospectus will provide meaningful information is entirely dependent on the reader’s level of familiarity with Indian accounting practices / Indian GAAP. Any reliance by persons not familiar with Indian Accounting Practices on the financial disclosures presented in this Prospectus should accordingly be limited.

Any percentage amounts, as set forth in “*Risk Factors*”, “*Our Business*”, “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” and elsewhere in this Prospectus unless otherwise indicated, have been calculated on the basis of the Company’s restated financial statements prepared in accordance with the applicable provisions of the Companies Act, Indian GAAP and restated in accordance with SEBI (ICDR) Regulations, as stated in the report of our Peer Reviewed Auditor, set out in the section titled “*Financial Statements as Restated*” beginning on page 238 of this Prospectus.

### **CURRENCY OF PRESENTATION**

In this Prospectus, references to “Rupees” or “Rs.” or “INR” are to Indian Rupees, the official currency of the Republic of India. All references to “\$”, “US\$”, “USD”, “U.S. \$” or “U.S. Dollars” are to United States Dollars, the official currency of the United States of America.

All references to ‘million’ / ‘Million’ / ‘Mn’ refer to one million, which is equivalent to ‘ten lacs’ or ‘ten lakhs’, the word ‘Lacs / Lakhs / Lac’ means ‘one hundred thousand’ and ‘Crore’ means ‘ten million’ and ‘billion / bn./ Billions’ means ‘one hundred crores’.

### **INDUSTRY AND MARKET DATA**

Unless stated otherwise, Industry and Market data and various forecasts used throughout this Prospectus have been obtained from publically available information, Industry Sources and Government Publications.

Industry Sources as well as Government Publications generally state that the information contained in those publications has been obtained from sources believed to be reliable but their accuracy and completeness and underlying assumptions are not guaranteed and their reliability cannot be assured.

Although we believe that industry data used in this Prospectus is reliable, it has not been independently verified by the Book Running Lead Manager or our Company or any of their affiliates or advisors. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in the section titled “Risk Factors” beginning on page 21 of this Prospectus. Accordingly, investment decisions should not be based solely on such information.

Further, the extent to which the industry and market data presented in this Prospectus is meaningful depends on the reader’s familiarity with and understanding of the methodologies used in compiling such data. There are no standard data gathering methodologies in the industry in which we conduct our business, and methodologies and assumptions may vary widely among different industry sources.



## FORWARD LOOKING STATEMENTS

This Prospectus contains certain “forward-looking statements”. These forward looking statements can generally be identified by words or phrases such as “aim”, “anticipate”, “believe”, “expect”, “estimate”, “intend”, “objective”, “plan”, “project”, “shall”, “will”, “will continue”, “will pursue” or other words or phrases of similar meaning. Similarly, statements that 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 and property valuations to differ materially from those contemplated by the relevant forward looking statement.

Important factors that could cause actual results to differ materially from our expectations include, but are not limited to the following:-

- General economic and business conditions in the markets in which we operate and in the local, regional, national and international economies;
- Changes in laws and regulations relating to the sectors/areas in which we operate;
- Increased competition in the Industry which we operate;
- Factors affecting the Industry in which we operate;
- Our ability to meet our capital expenditure requirements;
- Fluctuations in operating costs;
- Our ability to attract and retain qualified personnel;
- Changes in political and social conditions in India, the monetary and interest rate policies of India and other countries;
- Inflation, deflation, unanticipated turbulence in interest rates, equity prices or other rates or prices;
- The performance of the financial markets in India and globally;
- Any adverse outcome in the legal proceedings in which we are involved;
- Our failure to keep pace with rapid changes in technology;
- The occurrence of natural disasters or calamities;
- Other factors beyond our control;
- Our ability to manage risks that arise from these factors;
- Conflict of Interest with affiliated companies, the promoter group and other related parties; and
- Changes in government policies and regulatory actions that apply to or affect our business.

For a further discussion of factors that could cause our actual results to differ, refer to section titled “Risk Factors” and chapter titled “Management’s Discussion and Analysis of Financial Condition and Results of Operations” beginning on pages 21 and 308 respectively of this 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.

Future looking statements speak only as of the date of this Prospectus. Neither we, our Directors, Book Running Lead Manager, 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, the BRLM and our Company will ensure that investors in India are informed of material developments until the grant of listing and trading permission by the Stock Exchange

## SECTION II – RISK FACTORS

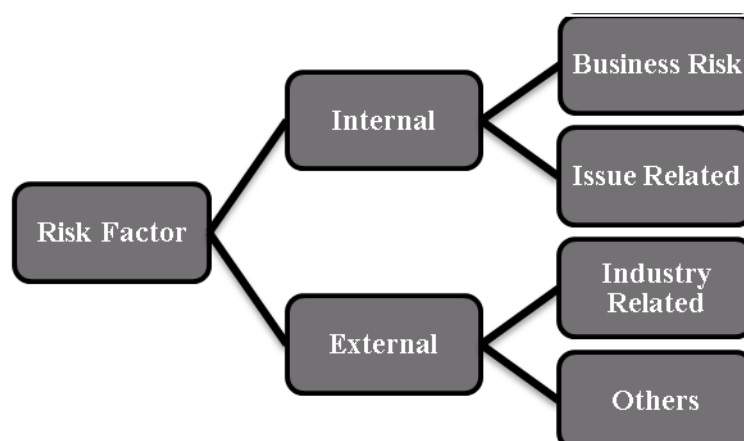
*An investment in Equity Shares involves a high degree of risk. You should carefully consider all the information in this Prospectus, including the risks and uncertainties described below, before making an investment in our Equity Shares. In making an investment decision, prospective investors must rely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

*Unless otherwise stated in the relevant risk factors set forth below, we are not in a position to specify or quantify the financial or other implications of any of the risks mentioned herein. Unless otherwise stated, the financial information of our Company used in this section is derived from our restated financial statements prepared in accordance with Indian GAAP and the Companies Act and restated in accordance with the SEBI ICDR Regulations. To obtain a better understanding, you should read this section in conjunction with the chapters titled “Our Business” beginning on page 163, “Our Industry” beginning on page 136 and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” beginning on page 308 respectively, of this Prospectus as well as other financial information contained herein.*

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

- Some events may not be material individually but may be found material collectively;*
- Some events may have material impact qualitatively instead of quantitatively;*
- Some events may not be material at present but may have material impact in future.*

*The financial and other related implications of risks concerned, wherever quantifiable, have been disclosed in the risk factors mentioned below. However, there are risk factors where the impact may not be quantifiable and hence the same has not been disclosed in such risk factors. Unless otherwise stated, the financial information of the Company used in this section is derived from our financial statements under Indian GAAP, as restated in this Prospectus. Unless otherwise stated, we are not in a position to specify or quantify the financial or other risks mentioned herein. For capitalized terms used but not defined in this chapter, refer to the chapter titled “Definitions and Abbreviation” beginning on page 3 of this Prospectus. The numbering of the risk factors has been done to facilitate ease of reading and reference and does not in any manner indicate the importance of one risk factor over another. The risk factors are classified as under for the sake of better clarity and increased understanding:*



- **Business Specific Risks**

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

There are certain outstanding legal proceedings including tax and certain criminal matters involving our Company, Directors and our Promoters. These legal proceedings are pending at different levels of adjudication before various courts and tribunals. A summary of outstanding litigation in relation to criminal matters, direct tax matters, indirect tax matters and other material pending litigation against our Company and Directors/ Promoters have been set out below.

Entity	No. of cases	Total outstanding demand (In Rs.)
<b><i>Company</i></b>		
<b><i>Litigation against our Company</i></b>		
<b><i>Litigation involving criminal laws</i></b>	Nil	-
<b><i>Litigation Involving Actions by Statutory/Regulatory Authorities</i></b>	Nil	-
<b><i>Litigation involving tax liabilities</i></b>		
<b><i>(i) Direct Tax Liabilities</i></b>	2	33,97,550
<b><i>(ii) Indirect Tax Liabilities</i></b>	4	1,41,07,682
<b><i>Other material pending litigation</i></b>	Nil	-
<b><i>Litigation by our Company</i></b>		
<b><i>Litigation Involving Criminal Laws</i></b>	Nil	-
<b><i>Litigation Involving Actions by Statutory/Regulatory Authorities</i></b>	Nil	-
<b><i>Litigation Involving Tax Liabilities</i></b>		
<b><i>(i) Direct Tax Liabilities</i></b>	Nil	-
<b><i>(ii) Indirect Tax Liabilities</i></b>	Nil	-
<b><i>Other material pending litigation</i></b>		

Entity	No. of cases	Total outstanding demand (In Rs.)
	2	-
<i>Directors/Promoters</i>		
<i>Litigation against our Directors and Promoters</i>		
<i>Litigation involving criminal laws</i>	1	1,94,529
<i>Litigation Involving Actions by Statutory/Regulatory Authorities</i>	Nil	-
<i>Litigation involving tax liabilities</i>		
<i>(i) Direct Tax Liabilities</i>	6	3,73,61,450
<i>(ii) Indirect Tax Liabilities</i>	Nil	-
<i>Other material pending litigation</i>	Nil	-
<i>Litigation by our Directors/Promoters</i>		
<i>Litigation involving criminal laws</i>	3	10,11,044
<i>Litigation Involving Actions by Statutory/Regulatory Authorities</i>	Nil	-
<i>Litigation involving tax liabilities</i>		
<i>(i) Direct Tax Liabilities</i>	Nil	-
<i>(ii) Indirect Tax Liabilities</i>	Nil	-
<i>Other material pending litigation</i>	Nil	-
<i>Subsidiaries/Group Companies</i>		
<i>Litigation against Subsidiaries / Group Companies</i>		
<i>Litigation involving criminal laws</i>	Nil	-
<i>Litigation Involving Actions by Statutory/Regulatory Authorities</i>	Nil	-
<i>Litigation involving tax liabilities</i>		
<i>(i) Direct Tax Liabilities</i>	Nil	-
<i>(ii) Indirect Tax Liabilities</i>	Nil	-
<i>Other material pending litigation</i>	1	USD 5,34,696.20
<i>Litigation by Subsidiaries / Group Companies</i>		
<i>Litigation involving criminal laws</i>	Nil	-
<i>Litigation Involving Actions by Statutory/Regulatory Authorities</i>	Nil	-
<i>Litigation involving tax liabilities</i>		
<i>(i) Direct Tax Liabilities</i>	Nil	-

Entity	No. of cases	Total outstanding demand (In Rs.)
<b>(ii) Indirect Tax Liabilities</b>		
	Nil	
<b>Other material pending litigation</b>		
	Nil	-

The amounts claimed in the proceedings have been disclosed to the extent ascertainable and include amounts claimed jointly and severally. We may incur significant expenses and management time in such legal proceeding. Decisions in any of the aforesaid proceedings adverse to our interests may have an adverse effect on our business, future financial performance and results of operations. If the courts or tribunals rule against our Company or our Directors/Promoters, we may face monetary and/or reputational losses and may have to make provisions in our financial statements, which could increase our expenses and our liabilities and consequently affect the trading price of our Equity Shares. For further details, please refer to the chapter titled "*Outstanding Litigations and Material Developments*" beginning on page 327 of this Prospectus.

2. ***Our revenues have been significantly dependent on a northern regions and our inability to maintain such business may have an adverse effect on our results of operations.***

For the year ended March 31, 2017, sales from the Northern region contributed more than 65% of revenue from operations (excluding Sales of Solar). Our business from this region is dependent on our continued relationship with dealers and distributors, the quality of our products and our ability to deliver their orders in a timely manner. There can be no assurance that such dealers will continue to do business with us in the future on terms acceptable terms or at all. If our dealers do not continue to purchase products from us, or reduce the volume of products purchased from us, our business prospects, results of operations and financial condition may be adversely affected. Significant dependence on them may increase the potential volatility of our results of operations.

3. ***Our Company could not retrieve certain forms filed with the Registrar of Companies.***

Our Company was incorporated as a private limited company in 1990 under the provisions of the Companies Act, 1956. Online filing of ROC documents was initiated in the year 2006 and all forms prior to the said year were physically filed, hence certain forms could not be retrieved from the office of Registrar of Companies, Uttar Pradesh. Further, our Company could not retrieve certain forms filed with ROC and minutes and other statutory records as there was change in ROC office and therefore the records were misplaced. Our Company may not be in a position to attend and / or respond appropriately to any legal or business matter due to lack of lost / destroyed records and to that extent the same could affect our Company adversely. Our Company has taken adequate efforts to search these forms by taking a physical search in the ROC. Delays in filing may in the future render us liable to statutory penalties, which may have consequence of violation of statutory provisions concerned.

4. ***All of our manufacturing facilities are located on leasehold premises.***

Our Company does not own the land on which our manufacturing facilities are located. The land on which our Unit I is located has been leased by us from U.P. State Industrial Development Corporation Limited, Agra, for a period of 99 years. Similarly, our Unit – II is jointly being used by our Company and Vinay Iron Foundry for a period of five years.

Further, the lease is subject to certain terms and conditions and any non-compliance of the

same may lead to the termination of the lease which may have a material adverse effect on our operations and there can be no assurance that the renewal of the lease will be entered into. In the event the lease is not renewed, we may be required to shift our manufacturing facility to a new location and there can be no assurance that the arrangement our Company will enter into in respect of the new manufacturing facilities would be on such terms and conditions as the present one.

5. ***Our cost of production is exposed to fluctuations in the prices of raw materials.***

Our Company is dependent on third party suppliers for procuring raw materials like pig iron, aluminium and alloy steel. We are exposed to fluctuations in the prices of these raw materials as well as its unavailability, particularly as we typically do not enter into any long term supply agreements with our suppliers and our major requirement is met in the spot market. We may be unable to control the factors affecting the price at which we procure the materials. We also face the risks associated with compensating for or passing on such increase in our cost of production on account of such fluctuations in prices to our customers. Upward fluctuations in the prices of raw material may thereby affect our margins and profitability, resulting in a material adverse effect on our business, financial condition and results of operations. Though we enjoy favourable terms from the suppliers both in prices as well as in supplies, our inability to obtain high quality materials in a timely and cost effective manner would cause delays in our production and delivery schedules, which may result in the loss of our customers and revenues.

6. ***Our industry is labour intensive and our business operations may be materially adversely affected by strikes, work stoppages or increased wage demands by our employees or those of our suppliers.***

We believe that the industry in which we operate faces competitive pressures in recruiting and retaining skilled and unskilled labour. Our industry being labour intensive is highly dependent on labour force for carrying out its business operations. Shortage of skilled/unskilled personnel or work stoppages caused by disagreements with employees could have an adverse effect on our business and results of operations. We have not experienced any major disruptions to our business operations due to disputes or other problems with our work force in the past; there can be no assurance that we will not experience such disruptions in the future. Such disruptions may adversely affect our business and results of operations and may also divert the management's attention and result in increased costs.

India has stringent labour legislation that protects the interests of workers, including legislation that sets forth detailed procedures for the establishment of unions, dispute resolution and employee removal and legislation that imposes certain financial obligations on employers upon retrenchment. We are also subject to laws and regulations governing relationships with employees, in such areas as minimum wage and maximum working hours, overtime, working conditions, hiring and terminating of employees and work permits. Although our employees are not currently unionized, there can be no assurance that they will not unionize in the future. If our employees unionize, it may become difficult for us to maintain flexible labour policies, and we may face the threat of labour unrest, work stoppages and diversion of our management's attention due to union intervention, which may have a material adverse impact on our business, results of operations and financial condition.

7. ***Increasing employee compensation in India may erode some of our competitive advantage and may reduce our profit margins.***

The industry we operate in is a labour intensive industry and employee compensation is one of the major components of our manufacturing cost. Wage costs in India have historically been significantly lower than the wage costs in the developed countries. Rapid economic growth in India and increased demand for skilled and semi-skilled workers in India has resulted in the increase of wages for comparable employees in India at a faster rate. Such wage increase in India may prevent us from sustaining this competitive advantage and may negatively affect our profit margins. Further, many of our employees receive salaries that are linked to minimum wage laws in India and any increase in the minimum wage in any state in which we operate could significantly increase our operating costs. The buoyancy in the industry in which we operate with the opening up of global trade may lead to an increase in wage costs, which could result in increased cost for professionals. This could impact our performance and margins and may result in a material adverse effect on our business.

8. ***Our manufacturing facility is currently underutilized.***

Our manufacturing facility is located in Agra and at present we are manufacturing bearings, bushes, pistons, piston pin, piston rings, cylinder liners and sleeves and engine valves. Further, we outsource the manufacturing of products like ball bearings, spark plugs, rocker arms, timing chains, connecting rods, valve guides, valve seals & batteries (Motorcycle/Inverter/E Rickshaws) to the third party manufacturers. Demand in bearing industry is defined majorly by quality, brand, marketing and customer loyalty. Further, our Company is also exploring new marketing channel of opening retail shops to market our products on a wider scale. Company is currently utilising its manufacturing facility at around 35% of its installed capacity. Though our brand is gaining acceptance from consumers, enabling us to experience a positive response in the market along with our Company's efforts to widen its distribution reach, there can be no assurance that we will be able to make optimal utilisation of our manufacturing capacities. Any underutilization of our manufacturing capacities for a longer period, may result in increased fixed costs which may adversely affect our result of operations.

9. ***We do not manufacture some of our products such as ball bearings, spark plugs, rocker arms, timing chains, connecting rods, valve guides, valve seals & batteries (Motorcycle / Inverter / E Rickshaws) in our own capacity but outsource such manufacturing to third party manufacturers.***

Our Company does not manufacture ball bearings, spark plugs, rocker arms, timing chains, connecting rods, valve guides, valve seals and batteries (Motorcycle / Inverter / E Rickshaws) and outsources the manufacturing of these products to third parties. Any decline in the quality of these products, delay in delivery of products by such parties, or rise in job work charges may adversely affect our operations. Further, there can be no assurance that such parties shall continuously provide their services or would not cater to the demand of our competitors. Any withdrawal of services from such manufacturers or supply of services to competitors at better rates may adversely affect our result of operations and future prospects. Further, we are also indirectly exposed to the risks that such third party manufacturers' faces and hence any interruptions in the manufacturing operations of such third parties on account of natural disasters, labour problems, machinery breakdowns, etc. may adversely affect our supply process and profit margins. However, if our third party entities starts marketing of such products, in their own capacity, it may adversely affect our revenue from operations and financial results.

Further, We do not have any long term agreements with our contract manufacturers for certain of our products such as ball bearings, spark plugs, rocker arms, timing chains,

connecting rods, valve guides, valve seals & batteries (Motorcycle / Inverter / E Rickshaws). These products are typically manufactured by third parties on the basis of our requirements and on order basis. Any loss of these third party contract manufacturers, or change in terms of contract manufacturing not beneficial to us may adversely affect our profit margins. Further, there is no assurance that we will be able to replace their services with other contract manufacturers on terms suitable to us or at all. Loss or termination of relationship with our third party contract manufacturers may adversely affect our business, results of operations and financial condition.

10. ***We are dependent on our top 10 suppliers for uninterrupted supply of raw-materials. Any disruption in supply of raw materials from these suppliers will adversely affect our operations.***

We are highly dependent on a few suppliers of raw material for our products. We procure our raw materials from various domestic and international suppliers depending upon the price and quality of raw materials. However, our top 10 suppliers contribute 81.94% of the total procurement of raw materials. While we have not experienced any disruption in the supply of raw materials in the past and our Company believes that we would not face difficulties in finding additional suppliers of raw materials, we cannot assure you that we shall not face disruption in supply of raw materials in the future or shall be able to procure raw materials at terms favourable to us. Should there be any disruption in the supply of raw materials, our business, operations and financial condition may be adversely affected.

11. ***We intend to expand our solar business through our wholly owned subsidiary, Benara Solar Private Limited. Any failure to succeed in this business may have an adverse effect on our financial performance.***

The solar business is highly competitive with companies having a wide variety of products. Further, many of our competitors in the solar business have longer operating histories and greater financial resources than us and have more experience in managing solar businesses. We may be unsuccessful in competing against present and future competitors, ranging from large and established companies to emerging start-ups, both Indian and large, multi-national companies operating in India. We intend to utilize Rs. 500 lakhs of the Net Proceeds of the Issue for margin money for solar business of our wholly owned subsidiary "Benara Solar Private Limited". For details, please refer to the chapter titled "*Objects of the Issue*" beginning on page 118 of this Prospectus. Our Company may not be successful in the solar business and we cannot provide you with any assurances as to the timing and amount of any returns or benefits that we may receive from this business.

12. ***Our manufacturing facilities are located at Agra, Uttar Pradesh. Any delay in production at, or shutdown of, or any interruption for a significant period of time, in these facilities may in turn adversely affect our business, financial condition and results of operations.***

Our Company has its manufacturing facilities located at Agra, Uttar Pradesh. Our success depends on our ability to successfully utilise these manufacturing facilities to its utmost capacities and deliver our products in order to meet our customer demands in a timely manner. Our manufacturing facilities are susceptible to damage or interruption or operating risks, such as human error, power loss, breakdown or failure of equipment, plant and machinery, power supply or processes, performance below expected levels of output or efficiency, obsolescence, terrorist attacks, acts of war, break-ins, natural disasters such as earthquakes and industrial accidents and other similar events beyond our control. Further, our manufacturing facility is also subject to operating risks arising from compliance with the



directives of relevant government authorities. Operating risks may result in personal injury and property damage and in the imposition of civil and criminal penalties. If our Company experiences delays in production or shutdowns due to any reason, including disruptions caused by disputes with its workforce or any external factors, our Company's operations will be significantly affected, which in turn would have a material adverse effect on its business, financial condition and results of operations.

13. ***The operations of our Company are subject to manufacturing risk and may be disrupted by failure in the facilities. These liabilities and costs could have a material adverse effect on our business, results of operations and financial condition.***

Due to the nature of the business we are required to be compliant with requisite safety requirements and standards. Our manufacturing facilities are subject to operating risk arising from compliance with the directives of relevant government authorities. The operations of our Company are also subject to operating risks, such as breakdown or failure of equipment, power supply or processes, performance below expected levels of output or efficiency, earthquakes and other natural disasters and industrial accidents, fire or explosion, including hazards that may cause injury and loss of life, severe damage to and destruction of property and equipment and environmental damage. Such operating risks may result in non-compliance with government regulations, property damage and personal injury which may result in the imposition of civil and criminal penalties, which may adversely affect public perception about our operations and the perception of our suppliers, clients and employees.

Our Company has obtained insurance policies for covering risks such as break down of machinery, fire policy, etc., wherein the aggregate of the sum insured is approximately Rs. 6418.45 lacs lakhs. For details, please refer to the chapter titled "*Our Business*" beginning on page 163 of this Prospectus. We believe that our insurance coverage is adequate to cover the stated risks and is generally consistent with industry practice. However, to the extent that any uninsured risks materialize or we fail to effectively cover ourselves for any risks, we could be exposed to substantial costs and losses that would adversely affect results of operations. However, in the event of any force majeure event or such other event which is not covered under our various policies, we shall have to cover ourselves from our internal accruals which can have a material adverse effect on our business operations.

14. ***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 effect our business, cash flows, financial condition and results of operations For further details of our Plant and Machineries, please refer to the chapter titled "*Our Business*" beginning on page 163 of the Prospectus.

15. ***Mishaps or accidents at our Company's facilities may lead to property damages, property loss and accident claims for which the insurance cover taken by our Company may not be sufficient to cover all material losses thereby adversely affecting our performance.***

Our Company has insured itself against certain eventualities including against property damages, loss of assets, theft, natural calamities. While we believe that we have adequate and appropriate insurance coverage to take care of certain contingencies, there can be no assurance that any claim under the insurance policies maintained by us will be honoured fully or in part or will be paid on time. We cannot assure that we have taken out sufficient insurance to cover all material losses. To the extent that we suffer loss or damage for which we do not obtain or maintain insurance, that is not covered by insurance or exceeds our insurance coverage, the loss would have to be borne by us and thus our results of operations and financial performance could be adversely affected.

16. ***We have power requirements for continuous running of our manufacturing facilities. Any disruption to our operations on account of interruption in power supply or any irregular or significant hike in power tariffs may have an effect on our business, results of operations and financial condition.***

Our factories and registered office have electricity requirements and any interruption in power supply to our factories and offices may disrupt our operations. Our business and financial results may be affected by any disruption of operations. We depend on third parties for all of our power requirements. Further, we have limited options in relation to maintenance of power back-ups such as diesel generator sets and any increase in diesel prices will increase our operating expenses which may impact our business margins.

17. ***Our Company has negative cash flows from its investing activities as well as financing activities in the past years, details of which are given below. Sustained negative cash flow could impact our growth and business.***

Our Company had negative cash flows from our investing activities as well as financing activities in the previous year(s) as per the Restated Financial Statements and the same are summarized as under:

Particulars	For the Period Ended September 30, 2017	Amount (Rs. In lakhs)				
		2017	2016	2015	2014	2013
Cash Flow from / (used in) Operating Activities	(21.85)	(314.91)	336.18	1,520.86	352.31	(1,132.82)
Cash Flow from / (used in) Investing Activities	(173.40)	(15.68)	(362.41)	(40.06)	(78.85)	(129.10)
Cash Flow from / (used in) Financing Activities	171.14	296.55	371.59	(1,524.17)	(288.66)	1,087.88

Cash flow of a company is a key indicator to show the extent of cash generated from operations to meet capital expenditure, pay dividends, repay loans and make new investments without raising finance from external resources. Any operating losses or negative cash flows could adversely affect our results of operations and financial conditions. If we are not able to

generate sufficient cash flows in future, it may adversely affect our business and financial operations. For more information, regarding cash flows, see chapter titled "*Restated Cash Flow Statements - Annexure III*" beginning on page 238 of this Prospectus.

18. ***Our Company requires significant amounts of working capital for a continued growth. Our inability to meet our working capital requirements may have an adverse effect on our results of operations.***

Our business is working capital intensive. A significant portion of our working capital is utilized towards inventories and trade receivables. Summary of our working capital position is given below:-

(Rs. In lakhs)

Particulars	As at March 31,				
	2017	2016	2015	2014	2013
<b>A. Current Assets</b>					
Inventories	2,745.61	2,565.70	2,448.23	3,252.25	3,010.11
Trade Receivables	1,732.25	786.28	1,044.17	1,150.36	1,223.56
Cash and Cash Equivalents	364.17	398.22	52.85	96.22	111.43
Short Term Loans & Advances	409.27	610.79	315.49	422.23	368.72
Other Current Assets	93.96	0.48	-	-	-
<b>Sub Total (A)</b>	<b>5,345.27</b>	<b>4,361.48</b>	<b>3,860.73</b>	<b>4,921.06</b>	<b>4,713.83</b>
<b>B. Current Liabilities</b>					
Trade Payables	154.75	421.88	428.97	560.18	475.69
Other Current Liabilities	154.73	239.45	249.88	238.49	245.17
Short Term Provisions	336.42	163.27	158.56	24.97	41.64
<b>Sub Total (B)</b>	<b>645.90</b>	<b>824.60</b>	<b>837.41</b>	<b>823.64</b>	<b>762.50</b>
<b>Working Capital (A-B)</b>	<b>4,699.37</b>	<b>3,536.88</b>	<b>3,023.32</b>	<b>4,097.42</b>	<b>3,951.33</b>
<b>Inventories as % of total current assets</b>	<b>51.37%</b>	<b>58.83%</b>	<b>63.49%</b>	<b>66.59%</b>	<b>63.86%</b>
<b>Trade receivables as % of total current assets</b>	<b>32.41%</b>	<b>18.03%</b>	<b>27.05%</b>	<b>23.38%</b>	<b>25.96%</b>

We intend to continue growing by expanding our business operations. This may result in increase in the quantum of current assets particularly trade receivables and inventories. Our inability to maintain sufficient cash flow, credit facility and other sources of fund, in a timely manner, or at all, to meet the requirement of working capital could adversely affect our financial condition and result of our operations. For further details regarding working capital requirement, please refer to the chapter titled "*Objects of the Issue*" beginning on page 118 of this Prospectus.

19. ***Our Individual Promoter, Vivek Benara and Panna Lal Jain and certain members of our Promoter Group namely Sarla Jain and Ketaki Benara have provided personal guarantees to secure certain loan facilities availed by us, which if revoked may require alternative guarantees, repayment of amounts due or termination of the facilities.***

Our Individual Promoter, Vivek Benara and Panna Lal Jain and certain members of our Promoter Group namely Sarla Jain and Ketaki Benara, have provided personal guarantees to secure certain loan facilities availed of by us. We may continue to provide such guarantees and other security post listing of our Equity Shares. In case of a default under our loan agreements, any of the personal guarantees provided by our Directors or members of our Promoter Group may be invoked which could negatively impact the reputation and net worth

of our Directors and members of our Promoter Group. Also, we may face certain impediments in taking decisions in relation to our Company, which in turn would result in a material adverse effect on our financial condition, business, results of operations and prospects and would negatively impact our reputation. We may not be successful in procuring alternative guarantees satisfactory to the lenders, and as a result may need to repay outstanding amounts under such facilities or seek additional sources of capital, which may not be available on acceptable terms or at all and any such failure to raise additional capital could affect our operations and our financial condition. For further details, please refer to the chapter titled "*Financial Indebtedness*" beginning on page 324 of this Prospectus.

20. ***Conflicts of interest may arise out of common objects of our Company and our Group Companies.***

Our Group Companies, Benara Bi-metals Private Limited, Benara Engines Spares Limited, Fore Square Retail Private Limited and Benara International Private Limited is also authorized through their respective memorandum of associations to carry similar activities as those conducted by our Company. As a result, conflicts of interests may arise in allocating business opportunities amongst our Company and our Group Companies in circumstances where our respective interests diverge. In cases of conflict, our Promoters may favor other companies in which our Promoters have interests. Further, we have not entered into any non-compete agreement to address such conflict. There can be no assurance that our Promoters or our Group Companies will not compete with our existing business or any future business that we may undertake or that their interests will not conflict with ours. Any such present and future conflicts could have a material adverse effect on our reputation, business, results of operations and financial condition.

21. ***A significant portion of our products are sold to dealers and distributors and any failure to maintain the relationship with them or find competent replacements could affect the sales of our products.***

Our dealers and distributors/exports channel accounted for 92.28 % of our revenue from operations in FY 2016-17. We may be unable to maintain or renew relationships with our dealers and distributors or we may not be able to obtain orders from our dealers and distributors at the current levels. We may also be unsuccessful in competing for desired dealers and distributors to promote and sell our products. If any of these relationships were to be so altered or terminated and we will be unable to obtain sufficient replacement orders on comparable terms, our business, financial condition, results of operations, cash flows and business prospects could be materially and adversely affected. Further, we have not entered into any long term agreements with our dealers and distributors. Any change in the buying pattern of our dealers and distributors or disassociation of our major dealers and distributors can adversely affect the business of our Company.

22. ***We are exposed to product recalls and warranty claims in all of the countries in which we export our products.***

Warranty claims reduce our profitability. Our products are subject to warranties against manufacturing defects (dimension defects). In the event of claimed defects or non-performance of our products, our practice is to accept such genuine claims and to replace such products. In the future, we might also experience recalls or a substantial number of warranty claims due to defects in our products. Defects, if any, in our products could adversely affect our reputation and demand for our products. In the event that the defects, product recalls, or warranty claims become more frequent, there may be an adverse effect on our operating

results and financial condition.

23. ***Our results of operations and cash flows could be impacted by changes in tariffs imposed by the GoI and/or foreign governments.***

Our ability to competitively source and sell our products could be significantly impacted by changes in tariffs imposed by various governments, whether the GoI or any of the governments of the countries in which we sell our products. GoI or other governments may impose tariffs on imports of raw materials that we use to manufacture our products which may increase our cost of exporting our products to certain jurisdictions and the cost of our raw materials. In the event that we are unable to pass on any increased costs to our customers due to the imposition of tariffs on our products and/or raw materials through an increase in the prices of our products, our profitability may be adversely affected and we could lose market share due to the opportunity for other competitors to establish or increase their presence in markets where we operate.

24. ***Our business depends heavily on our reputation and consumer perception of our brand and any negative publicity or other harm to our brand or failure to maintain and enhance our brand recognition may materially and adversely affect our business, financial condition, results of operations and cash flows.***

We believe that our reputation and consumer perception of our brand are critical to our business. Maintaining and enhancing our reputation and brand recognition depends primarily on the quality consistency of our products as well as the success of our marketing and promotional efforts. We believe that maintaining and enhancing our brand is essential to our efforts to maintain and expand our customer base. If customers do not perceive our products or services to be of high quality, our brand image may be harmed, thereby decreasing the attractiveness of our products. Our ongoing marketing efforts may not be successful in promoting our brand further. In addition, our brand image may be harmed by negative publicity about our Company or India's engine component manufacturing industry regardless of its veracity. If we are unable to maintain and further enhance our brand recognition and increase market awareness for us and our products, our ability to attract and retain customers may be impeded and our business prospects may be materially and adversely affected.

25. ***Our top 10 customers contribute more than 71.91 % of our revenues for the year ended March 31, 2017. Any loss of business from one or more of them may adversely affect our revenues and profitability.***

Our top 10 customers contribute to a substantial portion of our revenues for the year ended March 31, 2017. However, the composition and revenue generated from these clients might change as we continue to add new customers in normal course of business. Any decline in our quality standards, growing competition and any change in the demand for our products by these customers may adversely affect our ability to retain them. While we believe that we have maintained good and long term relationships with our customers, there can be no assurance that we will continue to maintain such long term relationship with them in future. Also, any delay or default in payment by these customers may adversely affect our business, financial condition and results of operations. We cannot assure that in future we shall generate the same quantum of business as we currently do, or any business at all, from these customers. Any loss of business from one or more of our top 10 customers may adversely affect our revenues and profitability.

26. *We have certain contingent liabilities that have not been provided for in our Company's financials which if materialised, could adversely affect our financial condition.*

Our contingent liabilities as on March 31, 2017 is as under:

		(Rs in lakhs)
Particulars	Outstanding as at March 31, 2017	
Claim under Central Excise Act, 1944		36.97
VAT		31.16
Sales Tax		72.95
Income Tax Act 1961		33.98
<b>Total</b>		<b>175.06</b>

In the event any such contingent liabilities mentioned above were to materialize or if our contingent liabilities were to increase in the future, our financial condition could be adversely affected. For further details, see the section entitled “Financial Statements” on page 238 of this Prospectus.

27. *If purchases of new vehicles decline, it could significantly decrease the demand for our products.*

The demand for our products is dependent, among other things, on the conditions of the global and in particular, the Indian economy. For instance, the demand for our products is affected by the sales of motor cycles, and other commercial and passenger vehicles in India and abroad. A decline in economic activity in India or in the international markets may have an adverse effect on consumer and industrial demand for new and second hand two wheelers and three wheelers. Sales of new vehicles in India are affected by the time of year, weather, interest rates, fuel prices and the overall economic environment. If consumer or industrial demand for new vehicles decreases, it would have a corresponding impact on the demand for our products and may materially and adversely affect our business, financial condition, results of operations, cash flows and business prospects.

28. *Some of our Group Companies have incurred losses in the last three fiscal years or have negative net worth as on date of the last audited financials.*

Sustained financial losses by our Group Companies may not be perceived positively by external parties such as customers, bankers, suppliers etc, which may affect our credibility and business operations. Our Group Companies, Benara Engine Spares Private Limited and Benara International Private Limited have incurred losses in previous years:

#### Financial Performance of Benara Engine Spares Private Limited

		(In Rs)		
Particulars	For The Year Ended			
	2017	2016	2015	
Paid up Capital	19,50,000	19,50,000	19,50,000	
Reserves & Surplus	(1,13,79,869)	23,26,596	20,34,384	
Networth	(94,29,869)	42,76,596	39,84,384	
Profit/loss after tax	(1,37,06,464)	2,92,212	18,23,228	

## Financial Performance of Benara International Private Limited

(In Rs)

Particulars	For The Year Ended		
	2017	2016	2015
Paid up Capital	82,20,000	82,20,000.00	82,20,000.00
Reserves & Surplus	(8,84,24,997)	(7,13,47,606.51)	(44,574,890.72)
Networth	(8,02,04,997)	(6,31,27,606)	(3,63,54,890)
Profit/loss after tax	(1,70,77,391.47)	(2,65,32,716.37)	(39,523,469.21)

There can be no assurance that our Group Company (ies), will not incur losses in any future periods, or that there will not be an adverse effect on our reputation or business as a result of such losses.

29. ***One of our Group Companies is under liquidation.***

One of our Group Companies, Fore Square Retail Private Limited is under liquidation. Revell GMBH & Co. KG ("**Petitioner**") filed a winding up petition at the High Court of Delhi under section 433(e) and 434 of the Companies Act, 1956 against Fore Square Retail Private Limited ("**Respondent**") on the ground that the respondent has failed and neglected to pay a sum of USD 5,34,696.20 on account of supply of goods by the Petitioners. For details, please refer to the chapter titled "Outstanding Litigation and Other Material Developments" under the heading "*Litigation Involving Our Group Companies – Litigation against our Subsidiaries and Group Companies – Other Material Pending Litigations*" beginning on page 327 of this Prospectus.

30. ***We have in the past entered into related party transactions and may continue to do so in the future.***

Our Company has entered into various transactions with our Promoters, Promoter Group, Directors and their relatives and our Group Companies. While we believe that all such transactions are conducted on arms-length basis, there can be no assurance that we could not have achieved more favourable terms had such transactions were not entered into with the aforesaid related parties. Furthermore, it is likely that we will enter into related party transactions in future as well. There can be no assurance that such transactions, individually or in aggregate, will not have an adverse effect on our financial condition and results of operation. For details on the related party transactions entered by us, please refer to chapter titled "Related Party Transactions" beginning on page 236 of this Prospectus.

31. ***Our operations are subject to environmental, workers' health and safety and employee laws and regulations. We may incur material costs to comply with, or suffer material liabilities or other adverse consequences as a result of, environmental laws and regulations which may have a material adverse effect on our business, financial condition and results of operations.***

Our operations are subject to extensive environmental and hazardous waste management laws and regulations in India, including the Environmental Protection Act, 1986, as amended (the "Environment Act"), the Air (Prevention and Control of Pollution) Act, 1981, as amended (the "Air Act"), the Water (Prevention and Control of Pollution) Act, 1974, as amended (the "Water Act") and other regulations promulgated by the MoEF and various statutory and regulatory authorities and agencies in India. The impact of these laws and regulations, or any changes to such laws or regulations, may be significant and may delay the commencement of, or cause interruptions to, our operations. There can be no assurance that compliance with such

environmental laws and regulations will not result in a curtailment of production or a material increase in the costs of production or otherwise have a material adverse effect on our financial condition and results of operations. Though, we have been complying with / rectifying such lapses on regular basis we may incur, and expect to continue to incur, significant capital and operating costs to comply with these requirements, including various provisions made for environmental related expenditure.

32. ***The industry segments in which we operate being fragmented, we face competition from other players, which may affect our business operations and financial conditions.***

We face competition from other existing organized and unorganized domestic manufacturers and potential entrants to the industry in which we operate. Players in this industry generally compete with each other on key attributes such as technical competence, quality of products, distribution network, pricing, track record and timely delivery. We expect that the competition could increase with new entrants coming into this industry and existing players consolidating their positions. Some of our competitors may have longer industry experience and greater financial, technical and other resources, which may enable them to react faster in changing market scenario and consequently have the ability to compete more effectively. Moreover, the unorganized sector offers their products at highly competitive prices which may not be matched by us and consequently affect our volume of sales and growth prospects. As a result of competition, we may have to price our products at levels that reduce our margins and/or increase our capital expenditures in order to differentiate ourselves from other players and/or increase our advertising and distribution expenditures, all of which may adversely affect our profitability. Growing competition may result in a decline in our market share and may affect our margins which may adversely affect our business operations and our financial condition. Further, we cannot assure that our competitors will not develop or gain access to the information relating to our manufacturing processes and/or technical know-how. The occurrence of any of those events could have a material adverse effect on our ability to compete against our competitors, which would have an adverse impact on our business and financial performance.

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

We require several statutory and regulatory permits, licenses and approvals to operate our business. Many of these approvals are granted for fixed periods of time and need renewal from time to time. Non-renewal of the said permits and licenses would adversely affect our Company's operations, thereby having a material adverse effect on our business, results of operations and financial condition. There can be no assurance that the relevant authorities will issue any of such permits or approvals in the time-frame anticipated by us or at all. Further, some of our permits, licenses and approvals are subject to several conditions and we cannot provide any assurance that we will be able to continuously meet such conditions or be able to prove compliance with such conditions to the statutory authorities, which may lead to the cancellation, revocation or suspension of relevant permits, licenses or approvals. Any failure by us to apply in time, to renew, maintain or obtain the required permits, licenses or approvals, or the cancellation, suspension or revocation of any of the permits, licenses or approvals may result in the interruption of our operations and may have a material adverse effect on the business. If we fail to comply with all applicable regulations or if the regulations governing our business or their implementation change, we may incur increased costs, be



subject to penalties or suffer a disruption in our business activities, any of which could adversely affect our results of operations. For further details, please see chapters titled “Key Industry Regulations and Policies” and “Government and Other Statutory Approvals” at pages 184 and 336 respectively of this Prospectus.

34. ***The objects of the Issue are yet to be appraised by banks or financial institution and we have not entered into definitive agreements in relation to all of our objects of the Issue. If there are delays or cost overruns in utilisation of Net Proceeds, our business, financial condition and results of operations may be adversely affected.***

We intend to utilize the Net Proceeds of the Issue as set forth in the chapter titled "Objects of the Issue" from page 117 for working capital requirement, setting up of retail stores for automobile parts in several parts of India and margin money for solar business.

The fund requirement mentioned as a part of the objects of the Issue is based on internal management estimates and has not been appraised by any bank or financial institution. This is based on current conditions and is subject to change in light of changes in external circumstances, costs, other financial condition or business strategies. We are also yet to enter into agreements for purchase or lease of property for these stores and are yet to obtain necessary approvals that may be required. We have also not placed any orders for purchase of fit outs and constructions related items for the stores we plan to set-up. We have relied on certificate issued by Nikesh Pandey, Architects & Designers for the purpose of estimating utilisation of the Net Proceeds in the future. As a consequence of any increased costs, our actual deployment of funds may be higher than our management estimates and may cause an additional burden on our finance plans, as a result of which, our business, financial condition, results of operations and cash flows could be materially and adversely impacted.

Furthermore, we may need to vary the objects of the Issue due to several factors or circumstances including competitive and dynamic market conditions, variation in cost structures, changes in estimates due to cost overruns or delays, which may be beyond our control. Pursuant to Section 27 of the Companies Act, 2013, any variation in the objects of the Issue would require a special resolution of our shareholders, and our Promoters or controlling shareholders will be required to provide an exit opportunity to our shareholders who do not agree to such variation. If our shareholders exercise such an exit option, our share price may be adversely affected.

Further, we are yet to obtain consent from our lenders in relation to prepayment of the loans. We cannot assure you that we will be able to obtain the consent from the lenders in relation to the prepayment of the loans that we intend to prepay from Net Proceeds in a timely manner or at all. No assurance can be given that at the time of grant of consent for prepayment of the loan, the lender will not impose any penalty or fee towards such prepayment.

35. ***Our Company has unsecured loans which are repayable on demand. Any demand loan from lenders for repayment of such unsecured loans, may adversely affect our cash flows.***

As on March 31, 2017, our Company had unsecured loans amounting to Rs. 157.64 lakhs from related parties that are repayable on demand to the relevant lender. Such loans are not repayable in accordance with any agreed repayment schedule and may be recalled by the relevant lender at any time. Any such unexpected demand or accelerated repayment may have a material adverse effect on the business, cash flows and financial condition of the borrower against which repayment is sought. Any demand from lenders for repayment of such unsecured loans, may adversely affect our cash flows. For further details of unsecured loans

of our Company, please refer Annexure VIII - Details of Long Term Borrowings as Restated in the chapter titled "Financial Statements" beginning on page 238 of this Prospectus.

36. ***If we fail to develop technologies, processes or products needed to support consumer demand, we may lose significant market share or be unable to recover associated costs.***

Our ability to sell the products may be significantly impacted if we do not develop or make available technologies, processes, or products that competitors may be developing and consumers may be demanding. This includes but is not limited to changes in the design of and materials used to manufacture our products. Technologies may also be developed by competitors that better distribute auto components to consumers, which could affect our customers. Additionally, developing new products and technologies requires significant investment and capital expenditures, is technologically challenging and requires extensive testing and accurate anticipation of technological and market trends. If we fail to develop new products that are appealing to our customers, or fail to develop products on time and within budgeted amounts, we may be unable to recover our product development and testing costs. If we cannot successfully use new production or equipment methodologies we invest in, we may also not be able to recover those costs, whether due to loss in market share in the replacement market or in sales to original equipment manufacturers and in our export markets.

37. ***Our inability to maintain an optimal level of inventory for our business may impact our operations adversely.***

Our daily operations largely depend on consistent inventory control which is generally dependent on our projected sales in different months of the year. An optimal level of inventory is important to our business as it allows us to respond to customer demand effectively and to maintain a range of products. If we over-stock inventory, our required working capital will increase and if we under-stock inventory, our ability to meet consumer demand and our operating results may be adversely affected. Any mismatch between our planning and the actual off take by customers can impact us adversely.

38. ***Our Company is dependent on third party transportation providers for the delivery of our goods and any disruption in their operations or a decrease in the quality of their services could affect our Company's reputation and results of operations.***

Our Company uses third party transportation providers for delivery of our raw materials and finished goods. Though our business has not experienced any disruptions due to transportation strikes in the past, any future transportation strikes may have an adverse effect on our business. In addition goods may be lost or damaged in transit for various reasons including occurrence of accidents or natural disasters. There may also be delay in delivery of products which may also affect our business and results of operation negatively. An increase in the freight costs or unavailability of freight for transportation of our raw materials or finished goods may have an adverse effect on our business and results of operations. Further, disruptions of transportation services due to weather-related problems, strikes, lock-outs, inadequacies in the road infrastructure, or other events beyond our control could impair ability to procure raw materials on time. Any such disruptions could materially and adversely affect our business, financial condition and results of operations.

39. ***Our lenders have charge over our movable and immovable properties in respect of finance availed by us.***

We have secured our lenders by creating a charge over our movable and immovable

properties in respect of loans / facilities availed by us from banks and financial institutions. The total amounts outstanding and payable by us as secured loans was Rs. 712.48 lakhs as on March 31, 2017. In the event we default in repayment of the loans / facilities availed by us and any interest thereof, our properties may be forfeited by lenders, which in turn could have material adverse effect on our business, financial condition and results of operations. For further details on our indebtedness, please refer to the chapter titled "*Financial Indebtedness*" beginning on page 324 of this Prospectus.

40. ***Our lenders have imposed certain restrictive conditions on us under our financing arrangements.***

There can be no assurance that we will be able to comply with these financial or other covenants or that we will be able to obtain the consents necessary to take the actions we believe are necessary to operate and grow our business. Our level of existing debt and any new debt that we incur in the future has important consequences. Any failure to comply with these requirements or other conditions or covenants under our financing agreements that is not waived by our lenders or is not otherwise cured by us, may require us to repay the borrowing in whole or part and may include other related costs. Our Company may be forced to sell some or all of its assets or limit our operations. This may adversely affect our ability to conduct our business and impair our future growth plans. For further information, please refer to the chapter titled "*Financial Indebtedness*" beginning on page 324 of this Prospectus. Though these covenants are restrictive for us to some extent, however it ensures financial discipline, which would help us in the long run to improve our financial performance.

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

As on date, we have not made any alternate arrangements for meeting our capital requirements for the objects of the issue. We meet our capital requirements through our bank finance, owned funds and internal accruals. Any shortfall in our net owned funds, internal accruals and our inability to raise debt in future would result in us being unable to meet our capital requirements, which in turn will negatively affect our financial condition and results of operations. Further we have not identified any alternate source of funding and hence any failure or delay on our part to raise money from this issue or any shortfall in the issue proceeds may delay the implementation schedule and could adversely affect our growth plans. For further details, please refer to the chapter titled "*Objects of the Issue*" beginning on page 118 of this Prospectus.

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

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. Additionally, under some of our loan agreements, we may not be permitted to declare any dividends, if there is a default under such loan agreements or unless our Company has paid all the dues to the lender up to the date

on which the dividend is declared or paid or has made satisfactory provisions thereof. 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, see "Dividend Policy" on page 236 of this Prospectus.

43. ***Within the parameters as mentioned in the chapter titled 'Objects of this Issue' beginning on page 118 of this Prospectus, our Company's management will have flexibility in applying the proceeds of this Issue. The fund requirement and deployment mentioned in the Objects of this Issue have not been appraised by any bank or financial institution.***

We intend to use entire Issue proceeds towards working capital requirement, setting up of retail stores for automobile parts in several parts of India and margin money for solar business. We intend to deploy the Net Issue Proceeds in financial year 2017-18 and such deployment is based on certain assumptions and strategy which our Company believes to implement in future. The funds raised from the Issue may remain idle on account of change in assumptions, market conditions, strategy of our Company, etc., For further details on the use of the Issue proceeds, please refer to the chapter titled "Objects of the Issue" beginning on page 118 of this Prospectus.

The deployment of funds for the purposes described above is at the discretion of our Company's Board of Directors. The fund requirement and deployment is based on internal management estimates and has not been appraised by any bank or financial institution. Accordingly, within the parameters as mentioned in the chapter titled "Objects of the Issue" beginning on page 118 of this Prospectus, the management will have significant flexibility in applying the proceeds received by our Company from the Issue. Our Board of Directors will monitor the proceeds of this Issue.

44. ***One of the Objects of the Issue is opening of retail stores by our Company for the sale of our products. Our Company has not identified any specific location for the store to be opened and since the proposed stores are to be taken on a rental basis, our Company has not entered into any rent agreement with respect to such stores.***

One of the Objects of the Issue is opening of retail stores by our Company for the sale of our products. Our Company has not identified any specific location for the store to be opened and since the proposed stores are to be taken on a rental basis, our Company has not entered into any rent agreement with respect to such stores. Our Company proposes to open ten such retail stores, however, we have not identified their localities nor have we not entered into any rental agreement with respect to such stores. We may not be successful in finding suitable localities with respect to such stores or be able to enter into rent agreements with terms suitable to our Company. Moreover, the projected security deposit and pre-launch expenses towards these stores is purely based on management estimate and has not been verified by any third parties or the BRLM. We may have to incur additional cost which may adversely affect our results of operations and financial conditions. Further, with respect to the setting up of these stores we have received quotations from the architects as on the date of the Prospectus, however, the same may be subject to variations that the Company may not be able to foresee and may have to incur additional cost with respect to setting up these stores which may adversely affect our results of operations and financial conditions.

45. ***We require substantial financing for our business operations and the failure to obtain additional financing on terms commercially acceptable to us may adversely affect our***

***ability to grow and our future profitability.***

We operate in a capital-intensive industry, which requires substantial levels of funding. We will continue to incur significant expenditure in maintaining and growing our existing infrastructure. The actual amount and timing of our future capital requirements may differ from estimates as a result of, among other things, unforeseen delays or cost overruns in developing our services, changes in business plans due to prevailing economic conditions, unanticipated expenses and regulatory changes. To the extent our planned expenditure requirements exceed our available resources, we will be required to seek additional debt or equity financing. Additional debt financing could increase our interest costs and require us to comply with additional restrictive covenants in our financing agreements. Additional equity financing could dilute our earnings per Equity Share and your interest in the Company, and could adversely impact our Equity Share price.

Our ability to obtain additional financing on favourable terms, if at all, will depend on a number of factors, including our future financial condition, results of operations and cash flows, the amount and terms of our existing indebtedness, general market conditions and market conditions for financing activities and the economic, political and other conditions in the markets where we operate. We cannot assure you that we will be able to raise additional financing on acceptable terms in a timely manner or at all. Our failure to renew arrangements for existing funding or to obtain additional financing on acceptable terms and in a timely manner could adversely impact our planned capital expenditure, our business, results of operations and financial condition.

46. ***Our success depends largely upon the services of our Directors, Promoters and other Key Managerial Personnel and our ability to attract and retain them. Demand for Key Managerial Personnel in the industry is intense and our inability to attract and retain Key Managerial Personnel may affect the operations of our Company.***

Our success is substantially dependent on the expertise and services of our Directors, Promoters and our Key Managerial Personnel. They provide expertise which enables us to make well informed decisions in relation to our business and our future prospects. Our future performance will depend upon the continued services of these persons. Demand for Key Managerial Personnel in the industry is intense. We cannot assure you that we will be able to retain any or all, or that our succession planning will help to replace, the key members of our management. The loss of the services of such key members of our management team and the failure of any succession plans to replace such key members could have an adverse effect on our business and the results of our operations.

47. ***Our Promoters and members of the Promoter Group will continue jointly to retain majority control over our Company after the Offer, which will allow them to determine the outcome of matters submitted to shareholders for approval.***

After completion of the Issue, our Promoters and members of the Promoter Group will collectively own 70 % of our equity share capital. As a result, our Promoters, together with the members of the Promoter Group, will continue to exercise a significant degree of influence over us and will be able to control the outcome of any proposal that can be approved by a majority shareholder vote, including, the election of members to our Board, in accordance with the Companies Act and our Articles of Association. Such a concentration of ownership may also have the effect of delaying, preventing or deterring a change in control of our Company.

In addition, our Promoters will continue to have the ability to cause us to take actions that are not in, or may conflict with, our interests or the interests of some or all of our creditors or minority shareholders, and we cannot assure you that such actions will not have an adverse effect on our future financial performance or the price of our Equity Shares.

48. ***In addition to normal remuneration or benefits and reimbursement of expenses, some of our Directors and Key Managerial Personnel are interested in our Company to the extent of their shareholding and dividend entitlement in our Company.***

Our Directors and Key Managerial Personnel are interested in our Company to the extent of remuneration paid to them for services rendered and reimbursement of expenses payable to them. In addition, some of our Directors and Key Managerial Personnel may also be interested to the extent of their shareholding and dividend entitlement in our Company. For further information, please refer to the chapter titled "*Capital Structure*" and "*Our Management*" beginning on pages 93 and 202, respectively, of this Prospectus.

49. ***Failure to successfully implement our business strategies may materially and adversely affect our business, prospects, financial condition and results of operations.***

We aim to implement our business strategies to ensure future business growth, which may be subject to various risks and uncertainties, including but not limited to the following:

- intensified competition, delayed payments or non-payments by our clients;
- inability to make an efficient use of or improve our execution system or fail to maintain or operate our manufacturing capacities;
- lack of ability to properly manage financing resources and unavailability of funds at affordable costs or maintain financial discipline;
- adverse changes in applicable laws, regulations or policies or political or business environments;
- inability to diversify across states or into different business segments;
- lack of ability to recruit or retain skilled employees; and
- increase in costs of raw materials, fuel, labour and equipment and adverse movements in interest rates and foreign exchange rates.

Implementation of our strategies may be subject to a number of risks and uncertainties including the ones mentioned above, some of which are beyond our control. There can be no assurance that we will be able to execute our business strategy on time and within the estimated costs, or that we will meet the expectations of our clients. In order to manage growth effectively, we must implement and improve operational systems, procedures and controls on a timely basis, which, as we grow and diversify, we may not be able to implement, manage or execute efficiently and in a timely manner or at all, which could result in delays, increased costs and diminished quality and may adversely affect our results of operations and our reputation. Any failure or delay in the implementation of any of our strategies may have a material adverse effect on our business, prospects, financial condition and results of operations.

We intend to utilize Rs. 750 lakhs of the Net Proceeds of the Issue for opening of retail stores for automobile parts. For details, please refer to the chapter titled "*Objects of the Issue*" beginning on page 118 of this Prospectus. Our Company may not be successful in the operation of opening of retail stores and we cannot provide you with any assurances as to the timing and amount of any returns or benefits that we may receive from this business.

50. ***If we are unable to manage our growth effectively, our business and prospects may be materially and adversely affected.***

Our revenue and our business operations have grown in recent years. We may not be able to sustain these rates of growth in future periods due to a number of factors, including, among others, our execution capability, our ability to maintain customer satisfaction, macroeconomic factors out of our control, competition within India's auto components industry, the greater difficulty of growing at sustained rates from a larger revenue base, our inability to control our expenses and the availability of resources for our growth. In addition, our anticipated expansion will place a significant strain on our management, systems and resources. Our development and expansion strategies will require substantial managerial efforts and skills and the incurrence of additional expenditures and may subject us to new or increased risks. We may not be able to efficiently or effectively implement our growth strategies or manage the growth of our operations, and any failure to do so may limit future growth and hamper our business strategies.

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

We have applied for registration of our name and logo under the provisions of the Trademarks Act, 1999 and do not own the trademark as on date. We have filed an application dated October 9, 2014 with the Trade Marks Registry, for registration of logo and corporate name along with certain other marks under Class 7 of the Trade Marks Act, 1999. The applications are currently pending before the Registrar of Trademarks at various stages and the said application is currently under dispute. For further details, please refer to the chapter titled "Government and Other Approvals" beginning on page 337 of this Prospectus. As such, we do not enjoy the statutory protections accorded to a registered trademark as on date. There can be no assurance that we will be able to register the trademark and the logo in future or that, third parties will not infringe our intellectual property, causing damage to our business prospects, reputation and goodwill. Further, we cannot assure you that any application for registration of our trademark in future by our Company will be granted by the relevant authorities in a timely manner or at all. Our efforts to protect our intellectual property may not be adequate and may lead to erosion of our business value and our operations could be adversely affected. We may need to litigate in order to determine the validity of such claims and the scope of the proprietary rights of others. Any such litigation could be time consuming and costly and the outcome cannot be guaranteed. We may not be able to detect any unauthorized use or take appropriate and timely steps to enforce or protect our intellectual property. For further details, please refer to the chapter titled "Government and Other Statutory Approvals" beginning on page 337 of this Prospectus.

52. ***Our Company does not own certain trademarks used by it.***

Our Company does not own certain trademarks used by it and the same is in the name of Benara Automart Private Limited (currently Fore Square Retail Private Limited), one of our Group Companies which is under voluntary liquidation. Further, our Company is using the trademarks without any agreement of license from the said company. While our Company has been using these trademarks without any disruptions, we cannot assure you that the conduct of business by our Company under the said trademarks will not be challenged by any third parties affecting our business, reputation and result of operation. Any loss on the usage of the said trademarks by our Company will lead to the disruption of our business, results of

operations and financial condition. For details, please refer to the chapter titled "Our Business" beginning on page 163 of this Prospectus.

53. ***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 cause 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 effective in all cases. Our employees and agents 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.

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

Our Company has in the last 12 months, prior to the filing of this Prospectus, allotted Equity Shares pursuant to bonus issue of shares to our Promoters and Promoter Group, which could be lower than the Issue Price. For details relating to number of shares issued, date of allotment etc. refer to the chapter titled "Capital Structure" beginning on page 93 of this Prospectus. The Issue Price is not indicative of the price that will prevail in the open market following listing of the Equity Shares.

55. ***The average cost of acquisition of Equity Shares by our Promoters could be lower than the floor price.***

Our Promoters average cost of acquisition of Equity Shares in our Company may be lower than the Floor Price of the Price Band as may be decided by the Company in consultation with the BRLM. For further details regarding average cost of acquisition of Equity Shares by our Promoters in our Company and build-up of Equity Shares by our Promoters in our Company, please refer chapter title "Capital Structure" beginning on page 93 of this Prospectus.

56. ***If we are unable to establish and maintain an effective internal controls and compliance system, our business and reputation could be materially and adversely affected.***

We take steps to establish and maintain compliance and disclosure procedures, systems and controls, and to maintain internal controls over financial reporting in order to produce reliable financial reports and prevent financial fraud. However, internal controls over financial reporting must be reviewed on an ongoing basis as risks evolve, and the processes to maintain such internal controls involve human diligence and compliance and are subject to lapses in judgment and breakdowns resulting from human error. To the extent that there are lapses in judgment or breakdowns resulting from human error, the accuracy of our financial reporting could be affected which may adversely affect our business and financial position of our company.

57. ***Third party industry and statistical data in this Prospectus may be incomplete, incorrect or unreliable.***

Neither Book Running Lead Manager nor we have independently verified the data obtained



from the official and industry publications and other sources referred in this Prospectus and therefore, while we believe them to be true, there can be no assurance that they are complete or reliable. Such data may also be produced on different bases from those used in the industry publications we have referenced. The discussion of matters relating to India, its economy and our industry in this Prospectus are subject to the caveat that the statistical and other data upon which such discussions are based may be incomplete or unreliable. Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates, projections, forecasts and assumptions that may prove to be incorrect. While industry sources take due care and caution while preparing their reports, they do not guarantee the accuracy, adequacy or completeness of the data or report and do not take responsibility for any errors or omissions or for the results obtained from using their data or report. Accordingly, investors should not place undue reliance on, or base their investment decision on this information, please refer to the chapter titled "*Industry Overview*" beginning on page 136 of this Prospectus.

- **Issue Specific Risks**

58. ***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 our Equity Shares will be determined by book built method. This price is based on numerous factors (For further information, please refer chapter titled "Basis for Issue Price" beginning on page 129 of this Prospectus) and may not be indicative of the market price of our Equity Shares after the Issue. 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. Among the factors that could affect our share price include without limitation the following:

- Half yearly variations in the rate of growth of our financial indicators, such as earnings per share, net income and revenues;
- Changes in revenue or earnings estimates or publication of research reports by analysts;
- Speculation in the press or investment community;
- General market conditions; and
- Domestic and international economic, legal and regulatory factors unrelated to our performance.

## **EXTERNAL RISK FACTORS**

### **Industry Risks:**

59. ***Changes in government regulations or their implementation could disrupt our operations and adversely affect our business and results of operations.***

Our business and industry is regulated by different laws, rules and regulations framed by the Central and State Government. These regulations can be amended/ changed on a short notice at the discretion of the Government. If we fail to comply with all applicable regulations or if the regulations governing our business or their implementation change adversely, we may incur increased costs or be subject to penalties, which could disrupt our operations and

adversely affect our business and results of operations.

### **Other Risks**

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

Under the Income-tax Act, 1961, capital gains arising from the sale of equity shares in an Indian company are generally taxable in India except any gain realised on the sale of shares on a stock exchange held for more than 12 months will not be subject to capital gains tax in India if the STT has been paid on the transaction. The STT will be levied on and collected by an Indian stock exchange on which equity shares are sold. Any gain realised on the sale of shares held for more than 12 months to an Indian resident, which are sold other than on a recognised stock exchange and as a result of which no STT has been paid, will be subject to long term capital gains tax in India. Further, any gain realised on the sale of shares on a stock exchange held for a period of 12 months or less will be subject to short term capital gains tax. Further, any gain realised on the sale of listed equity shares held for a period of 12 months or less which are sold other than on a recognised stock exchange and on which no STT has been paid, will be subject to short term capital gains tax at a relatively higher rate as compared to the transaction where STT has been paid in India. By way of the Finance Bill, 2017, the Government of India has proposed to introduce certain anti-abuse measures, pursuant to which, the aforesaid exemption from payment of capital gains tax for income arising on transfer of equity shares shall only be available if STT was paid at the time of acquisition of the equity shares. While the said provision has not been notified as on date, it is expected to take effect from April 1, 2018 and will, accordingly, apply in relation to the assessment year 2018-19 and subsequent assessment years. Capital gains arising from the sale of shares will be exempt from taxation in India in cases where an exemption is provided under a tax treaty between India and the country of which the seller is a resident. Generally, Indian tax treaties do not limit India's ability to impose tax on capital gains. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdictions on gains arising from a sale of the shares subject to relief available under the applicable tax treaty or under the laws of their own jurisdiction.

61. ***Significant differences exist between Indian GAAP and other accounting principles, such as U.S. GAAP and IFRS, which may be material to the financial statements prepared and presented in accordance with SEBI ICDR Regulations contained in this Prospectus.***

As stated in the reports of the Auditor included in this Prospectus under chapter "Financial Statements as restated" beginning on page 238, the financial statements included in this Prospectus are based on financial information that is based on the audited financial statements that are prepared and presented in conformity with Indian GAAP and restated in accordance with the SEBI ICDR Regulations, and no attempt has been made to reconcile any of the information given in this Prospectus to any other principles or to base it on any other standards. Indian GAAP differs from accounting principles and auditing standards with which prospective investors may be familiar in other countries, such as U.S. GAAP and IFRS. Significant differences exist between Indian GAAP and U.S. GAAP and IFRS, which may be material to the financial information prepared and presented in accordance with Indian GAAP contained in this Prospectus. Accordingly, the degree to which the financial information included in this Prospectus will provide meaningful information is dependent on familiarity with Indian GAAP, the Companies Act and the SEBI ICDR Regulations. Any reliance by persons not familiar with Indian GAAP on the financial disclosures presented in this Prospectus should accordingly be limited.

62. ***Taxes and other levies imposed by the Government of India or other State Governments, as well as other financial policies and regulations, may have a material adverse effect on our business, financial condition and results of operations.***

Taxes and other levies imposed by the Central or State Governments in India that affect our industry include:

- custom duties on imports of raw materials and components;
- excise duty on certain raw materials and components;
- central and state sales tax, value added tax and other levies; and
- Other new or special taxes and surcharges introduced on a permanent or temporary basis from time to time.

These taxes and levies affect the cost and prices of our products and therefore demand for our product. An increase in any of these taxes or levies, or the imposition of new taxes or levies in the future, may have a material adverse effect on our business, profitability and financial condition.

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

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

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

While facts and other statistics in the Prospectus relating to India, the Indian economy and the auto components industry has been based on various government publications and reports from government agencies that we believe are reliable, we cannot guarantee the quality or reliability of such materials. While we have taken reasonable care in the reproduction of such information, industry facts and other statistics have not been prepared or independently verified by us or any of our respective affiliates or advisors and, therefore we make no representation as to their accuracy or completeness. These facts and other statistics include the facts and statistics included in the chapter titled 'Our Industry' beginning on page 136 of this Prospectus. Due to possibly flawed or ineffective data collection methods or discrepancies between published information and market practice and other problems, the statistics herein may be inaccurate or may not be comparable to statistics produced elsewhere and should not be unduly relied upon. Further, there is no assurance that they are stated or compiled on the same basis or with the same degree of accuracy, as the case may be, elsewhere.

65. ***Global economic, political and social conditions may harm our ability to do business, increase our costs and negatively affect our stock price.***

Global economic and political factors that are beyond our control, influence forecasts and directly affect performance. These factors include interest rates, rates of economic growth, fiscal and monetary policies of governments, inflation, deflation, foreign exchange fluctuations, consumer credit availability, fluctuations in commodities markets, consumer debt levels, unemployment trends and other matters that influence consumer confidence, spending and tourism. Increasing volatility in financial markets may cause these factors to change with a greater degree of frequency and magnitude, which may negatively affect our stock prices.

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

Under the foreign exchange regulations currently in force in India, transfers of shares between non-residents and residents are freely permitted (subject to certain exceptions) if they comply with the pricing guidelines and reporting requirements specified by the RBI. If the transfer of shares, which are sought to be transferred, is not in compliance with such pricing guidelines or reporting requirements or fall under any of the exceptions referred to above, then the prior approval of the RBI will be required. Additionally, shareholders who seek to convert the Rupee proceeds from a sale of shares in India into foreign currency and repatriate that foreign currency from India will require a no objection/ tax clearance certificate from the income tax authority. There can be no assurance that any approval required from the RBI or any other government agency can be obtained on any particular terms or at all.

67. ***The extent and reliability of Indian infrastructure could adversely affect our Company's results of operations and financial condition.***

India's physical infrastructure is in developing phase compared to that of many developed nations. Any congestion or disruption in its port, rail and road networks, electricity grid, communication systems or any other public facility could disrupt our Company's normal business activity. Any deterioration of India's physical infrastructure would harm the national economy, disrupt the transportation of goods and supplies, and add costs to doing business in India. These problems could interrupt our Company's business operations, which could have an adverse effect on its results of operations and financial condition.

68. ***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.

69. ***Terrorist attacks, civil unrests and other acts of violence or war involving India or other countries could adversely affect the financial markets, our business, financial condition and the price of our Equity Shares.***

Any major hostilities involving India or other acts of violence, including civil unrest or similar events that are beyond our control, could have a material adverse effect on India's economy and our business. Incidents such as the terrorist attacks, other incidents such as

those in US, Indonesia, Madrid and London, and other acts of violence may adversely affect the Indian stock markets where our Equity Shares will trade as well the global equity markets generally. Such acts could negatively impact business sentiment as well as trade between countries, which could adversely affect our Company's business and profitability. Additionally, such events could have a material adverse effect on the market for securities of Indian companies, including the Equity Shares.

## PROMINENT NOTES

1. Public Issue of 53,16,000 Equity Shares of face value of Rs. 10 each of our Company for cash at a price of Rs. 63 per Equity Share ("Issue Price") aggregating to Rs. 3,349.08 Lakhs, of which to 2,72,000 Equity Shares of face value of Rs. 10 each will be reserved for subscription by Market Maker to the Issue ("Market Maker Reservation Portion") and to 76,000 Equity Shares of face value of Rs. 10 each will be reserved for subscription by Eligible Employees ("Eligible Employees Portion"). The Issue less the Market Maker Reservation Portion and Eligible Employees Portion i.e. Net Issue of 49,68,000 Equity Shares of face value of Rs. 10 each is hereinafter referred to as the "Net Issue". The Issue and the Net Issue will constitute 30.02 % and 28.06%, respectively of the post Issue paid up equity share capital of the Company.
2. Investors may contact the Book Running Lead Manager or the Company Secretary & Compliance Officer for any complaint/clarification/information pertaining to the Issue. For contact details of the Book Running Lead Manager and the Company Secretary & Compliance Officer, please refer to chapter titled "*General Information*" beginning on page 81 of this Prospectus.
3. The pre-issue net worth of our Company was Rs. 2,001.32 lakhs as of March 31, 2017 and Rs. 1,545.95 lakhs for the year ended March 31, 2016. The book value of Equity Share was Rs 16.15 as at March 31, 2017 and Rs. 12.48 as at March 31, 2016 (including bonus shares of 92,93,466 equity shares) as per the restated financial statements of our Company. For more information, please refer to section titled "Financial Statements" beginning on page 238 of this Prospectus.
4. The average cost of acquisition per Equity Share by our Promoters is set forth in the table below:

Name of the Promoters	No. of Shares held	Average cost of Acquisition (in Rs.)
Panna Lal Jain	22,64,852	8.74
Vivek Benara	21,79,012	9.52

For further details relating to the allotment of Equity Shares to our Promoters, please refer to the chapter titled "*Capital Structure*" beginning on page 93 of this Prospectus.

5. For details on related party transactions and loans and advances made to any company in which Directors are interested, please refer "*Related Party Transaction*" under chapter titled "*Financial Statements as restated*" beginning on page 238 of this Prospectus.
6. Investors may note that in case of over-subscription in the Issue, allotment to Retail applicants and other applicants shall be on a proportionate basis. For more information, please refer to the chapter titled "*Issue Structure*" beginning on page 364 of this Prospectus.
7. Except as disclosed in the chapter titled "*Capital Structure*", "*Our Promoter and Promoter*

*Group*”, “*Our Management*” and “*Related Party Transaction*” beginning on pages 93, 221, 202 and 236 respectively, of this Prospectus, none of our Promoter, Directors or Key Management Personnel has any interest in our Company.

8. Except as disclosed in the chapter titled “Capital Structure” beginning on page 93 of this Prospectus, we have not issued any Equity Shares for consideration other than cash.
9. Trading in Equity Shares of our Company for all investors shall be in dematerialized form only.
10. Investors are advised to refer to the chapter titled “*Basis for Issue Price*” beginning on page 129 of the Prospectus.
11. There are no financing arrangements whereby the Promoter Group, the Directors of our Company and their relatives have financed the purchase by any other person of securities of our Company during the period of six months immediately preceding the date of filing of the Prospectus with the Stock exchange.
12. Our Company was originally incorporated as Benara Automotives Private Limited at Kanpur, Uttar Pradesh as a Private Limited Company under the provision of Companies Act, 1956 vide Certificate of Incorporation dated November 26, 1990 bearing CIN U50300UP1990PTC012518 issued by the Registrar of Companies, Uttar Pradesh, Kanpur. Pursuant to shareholders resolution passed at Extraordinary General Meeting of our Company held on March 20, 1993, our Company was converted into a Public Limited Company, following which our name was changed to PHB Engineerings Limited and a Fresh Certificate of Incorporation consequent upon conversion of company to Public Limited dated April 27, 1993 was issued by Registrar of Companies, Uttar Pradesh, Kanpur. Subsequently, the name of our Company was changed to PHB Engineering Limited pursuant to a Fresh Certificate of Incorporation consequent upon change of name, dated October 6, 1993, issued by the Registrar of Companies, Uttar Pradesh, Kanpur. The name of the Company was changed to Benara Bearings and Pistons Limited pursuant to a Fresh Certificate of Incorporation consequent upon change of name, dated March 28, 2002, issued by the Registrar of Companies, Uttar Pradesh, Kanpur. The Corporate Identification number of our Company is U50300UP1990PLC012518.

## **SECTION III – INTRODUCTION**

### **SUMMARY OF OUR INDUSTRY**

The information in this section is derived from extracts from publicly available information, data and statistics and has been derived from various government publications and industry sources. The information has not been independently verified by us, the BRLMs, or any of our or their respective affiliates or advisors. The data may have been re-classified by us for the purposes of presentation. Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but that their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured.

Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates, projections, forecasts and assumptions that may prove to be incorrect and, accordingly, investment decisions should not be based on such information. You should read the entire Prospectus, including the information contained in the sections titled “Risk Factors” and “Financial Statements” and related notes beginning on page 21 and 238 respectively of this Prospectus before deciding to invest in our Equity Shares.

#### **INTRODUCTION TO INDIAN AUTOMOBILE INDUSTRY**

The Indian auto industry is one of the largest in the world. The industry accounts for 7.1 per cent of the country's Gross Domestic Product (GDP). The Two Wheelers segment with 80 per cent market share is the leader of the Indian Automobile market owing to a growing middle class and a young population. Moreover, the growing interest of the companies in exploring the rural markets further aided the growth of the sector. The overall Passenger Vehicle (PV) segment has 14 per cent market share.

India is also a prominent auto exporter and has strong export growth expectations for the near future. In April-March 2017 exports of PV and Commercial Vehicles (CV) registered a growth of 16.20 per cent and 4.99 per cent respectively, over April-March 2016. In addition, several initiatives by the Government of India and the major automobile players in the Indian market are expected to make India a leader in the 2W and Four Wheeler (4W) market in the world by 2020.

(Source: Auto Mobiles Industry in India, India Brand Equity Foundation [www.ibef.org](http://www.ibef.org))

#### **INTRODUCTION TO AUTO COMPONENTS INDUSTRY**

The Indian auto-components industry has experienced healthy growth over the last few years. Some of the factors attributable to this include: a buoyant end-user market, improved consumer sentiment and return of adequate liquidity in the financial system. The auto-component industry of India has expanded by 14.3 per cent because of strong growth in the after-market sales to reach at a level of Rs 2.92 lakh crore (US\$ 44.90 billion) in the year 2017.

The auto-components industry accounts for almost seven per cent of India's Gross Domestic Product (GDP) and employs as many as 25 million people, both directly and indirectly. A stable government framework, increased purchasing power, large domestic market, and an ever increasing development in infrastructure have made India a favourable destination for investment.

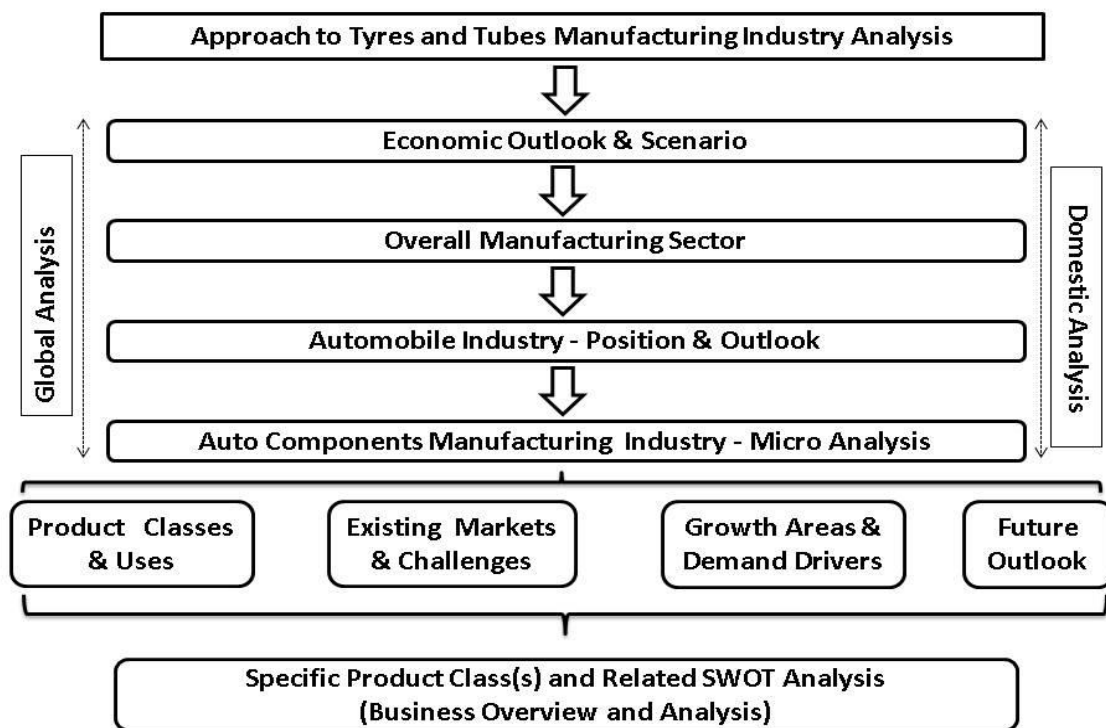
(Source: Auto Components Industry in India, India Brand Equity Foundation [www.ibef.org](http://www.ibef.org))

## APPROACH TO AUTO COMPONENTS MANUFACTURING INDUSTRY ANALYSIS

Analysis of Auto Components Manufacturing Industry needs to be approached at both macro and micro levels, whether for domestic or global markets. “Bearings and Pistons Manufacturing Industry” forms part of Automobile Industry at broad level and further classified into Auto Components Manufacturing Industry. It needs to be assessed with overall Manufacturing Sector at a macro level. Hence, broad picture of overall “Automobile Industry”, “Auto Components Manufacturing Industry” and “Manufacturing Sector” should be at preface while analysing the “Auto Components Manufacturing Industry”.

Manufacturing sector comprises various industries, which in turn, have numerous sub-classes or products. One such major industry in the overall manufacturing sector is Automobile Industry which if further classified into “Auto Components Manufacturing Industry”, which in turn encompasses various segments; one of them being “Auto Components Manufacturing Segment”.

Thus, “Auto Components Manufacturing Industry” should be analysed in the light of “Automobile Industry”, “Auto Components Manufacturing Industry” at large. An appropriate view on “Auto Components Manufacturing Industry”, then, calls for the overall economy outlook, performance and expectations of Manufacturing Sector, position and outlook of Auto Components Industry and Auto Components Manufacturing Industry micro analysis.



This Approach Note is developed by Pantomath Capital Advisors (P) Ltd (“Pantomath”) and any unauthorized reference or use of this Note, whether in the context of Engine Parts industry and Auto Components Manufacturing Industry / or any other industry, may entail legal consequences

## GLOBAL ECONOMIC OVERVIEW

For India, three external developments are of significant consequence. In the short run, the change in



the outlook for global interest rates as a result of the US elections and the implied change in expectations of US fiscal and monetary policy will impact on India's capital flows and exchange rates. Markets are factoring in a regime change in advanced countries, especially US macroeconomic policy, with high expectations of fiscal stimulus and unwavering exit from unconventional monetary policies. The end of the 20-year bond rally and end to the corset of deflation and deflationary expectations are within sight. Second, the medium-term political outlook for globalisation and in particular for the world's "political carrying capacity for globalisation" may have changed in the wake of recent developments. In the short run a strong dollar and declining competitiveness might exacerbate the lure of protectionist policies. These follow on on-going trends—documented widely—about stagnant or declining trade at the global level. This changed outlook will affect India's export and growth prospects.

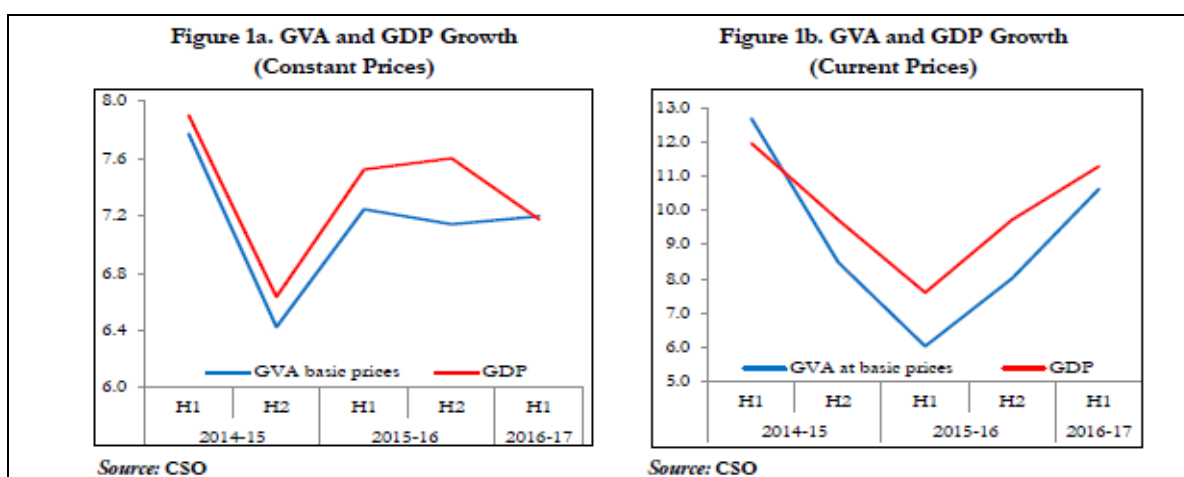
Third, developments in the US, especially the rise of the dollar, will have implications for China's currency and currency policy. If China is able to successfully re-balance its economy, the spill over effects on India and the rest of the world will be positive. On the other hand, further declines in the yuan, even if dollar-induced, could interact with underlying vulnerabilities to create disruptions in China that could have negative spill overs for India. For China, there are at least two difficult balancing acts with respect to the currency. Domestically, a declining currency (and credit expansion) props up the economy in the short run but delay rebalancing while also adding to the medium term challenges. Internationally, allowing the currency to weaken in response to capital flight risks creating trade frictions but imposing capital controls discourages FDI and undermines China's ambitions to establish the Yuan as a reserve currency. China with its underlying vulnerabilities remains the country to watch for its potential to unsettle the global economy.

(Source: Economic Survey 2016-17 [www.indiabudget.nic.in](http://www.indiabudget.nic.in))

## **REVIEW OF MAJOR DEVELOPMENTS IN INDIAN ECONOMY**

The Indian economy has continued to consolidate the gains achieved in restoring macroeconomic stability. Real GDP growth in the first half of the year was 7.2 percent, on the weaker side of the 7.0-7.75 per cent projection in the Economic Survey 2015-16 and somewhat lower than the 7.6 percent rate recorded in the second half of 2015-16 (Figure 1a). The main problem was fixed investment, which declined sharply as stressed balance sheets in the corporate sector continued to take a toll on firms' spending plans. On the positive side, the economy was buoyed by government consumption, as the 7th Pay Commission salary recommendations were implemented, and by the long-awaited start of an export recovery as demand in advanced countries began to accelerate. Nominal GDP growth recovered to respectable levels, reversing the sharp and worrisome dip that had occurred in the first half of 2015-16 (Figure 1b).

The major highlights of the sectoral growth outcome of the first half of 2016-17 were: (i) moderation in industrial and non government service sectors; (ii) the modest pick-up in agricultural growth on the back of improved monsoon; and (iii) strong growth in public administration and defence services—dampeners on and catalysts to growth almost balancing each other and producing a real Gross Value Addition (GVA) growth (7.2 percent), quite similar to the one (7.1 per cent) in H2 2015-16 (Figure 1b).



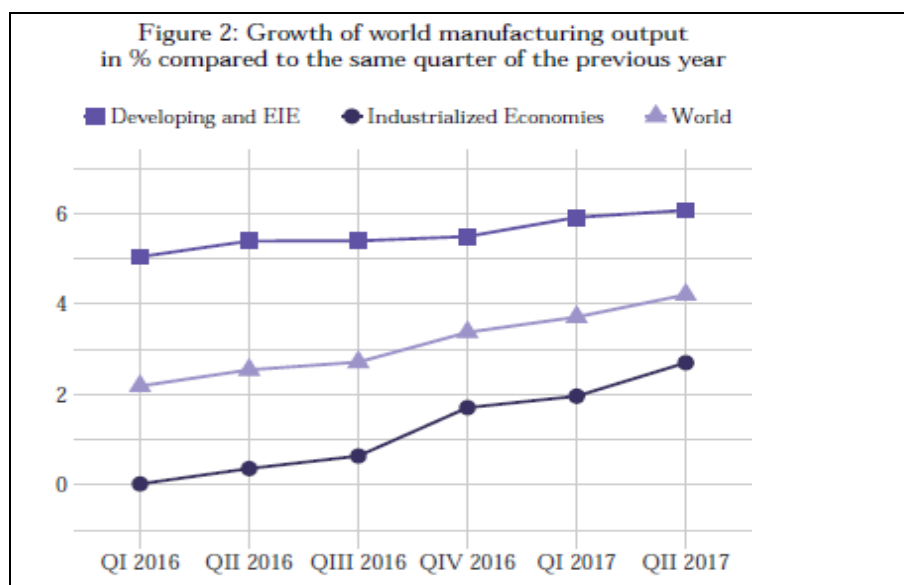
Inflation this year has been characterized by two distinctive features. The Consumer Price Index (CPI)-New Series inflation, which averaged 4.9 per cent during April-December 2016, has displayed a downward trend since July when it became apparent that kharif agricultural production in general, and pulses in particular would be bountiful. The decline in pulses prices has contributed substantially to the decline in CPI inflation which reached 3.4 percent at end-December. The second distinctive feature has been the reversal of WPI inflation, from a trough of (-) 5.1 percent in August 2015 to 3.4 percent at end-December 2016, on the back of rising international oil prices. The wedge between CPI and WPI inflation, which had serious implications for the measurement of GDP discussed in MYEA (Box 3, Chapter 1, MYEA 2015-16), has narrowed considerably. Core inflation has, however, been more stable, hovering around 4.5 percent to 5 percent for the year so far. The outlook for the year as a whole is for CPI inflation to be below the RBI's target of 5 percent, a trend likely to be assisted by demonetisation.

## GLOBAL MANUFACTURING SECTOR

### World Manufacturing Growth in quarter II, 2017

World manufacturing in the second quarter of 2017 has continued to show signs of expansion, following an upward trend observed throughout 2016 and improved growth rates in the first quarter of 2017. Both industrialized and developing and emerging industrial economies gained further strength in manufacturing production and confirmed their healthy dynamic growth.

Although the pace of growth indicates similar trends in both country groups (Figure 2), developing economies continuously performed better than industrialized ones. The current growth prospects are improving further on account of rising consumer spending and promising investment plans, which are favourably directed towards developing economies. Changing business conditions are driving industrial production growth and confidence for the overall outlook has been increasing. Moreover, the risks for global growth witnessed last year, such as political instability in Europe, unpredictability of the Brexit aftermath, the rising trade protectionism following the US election and an abrupt slowdown in China have certainly diminished, although they have not disappeared completely.



(Source: *World Manufacturing Production, Statistics for Quarter II, 2017*, United Nations Industrial Development Organization, [www.unido.org](http://www.unido.org) )

Optimistic results reported in the first quarter have carried over into the second quarter of this year. Global manufacturing output rose by 4.2 per cent in the second quarter of 2017 compared to the same period of the previous year, building on the robust 3.7 per cent increase observed at the beginning of 2017. The major industrialized economies with a significant share in global manufacturing output, namely the United States, Japan, Germany, Italy and France, thrived in the second quarter of 2017. The growth prospects of China, the world's largest manufacturer, remained unchanged.

As depicted in Figure 2, steady progress over several consecutive quarters characterizes all country groups and the prospects for sustained global industrial growth in the coming periods are good.

## INDIAN AUTOMOBILE INDUSTRY

### Introduction:

The Indian auto industry is one of the largest in the world. The industry accounts for 7.1 per cent of the country's Gross Domestic Product (GDP). The Two Wheelers segment with 80 per cent market share is the leader of the Indian Automobile market owing to a growing middle class and a young population. Moreover, the growing interest of the companies in exploring the rural markets further aided the growth of the sector. The overall Passenger Vehicle (PV) segment has 14 per cent market share.

India is also a prominent auto exporter and has strong export growth expectations for the near future. In April-March 2017 exports of PV and Commercial Vehicles (CV) registered a growth of 16.20 per cent and 4.99 per cent respectively, over April-March 2016. In addition, several initiatives by the Government of India and the major automobile players in the Indian market are expected to make India a leader in the 2W and Four Wheeler (4W) market in the world by 2020.

### Investment:

In order to keep up with the growing demand, several auto makers have started investing heavily in various segments of the industry during the last few months. The industry has attracted Foreign Direct

Investment (FDI) worth US\$ 17.40 billion during the period April 2000 to June 2017, according to data released by Department of Industrial Policy and Promotion (DIPP).

Some of the major investments and developments in the automobile sector in India are as follows:

- JSW Energy, a subsidiary of Jindal Group, has signed a Memorandum of Understanding (MoU) with the Gujarat government to set up an electric vehicle-manufacturing company at a cost of Rs 4,000 crore (US\$ 613 million) which will have the capacity to produce 2,00,000 electric vehicles every year.
- Tata Motors will invest Rs 4,000 crore (US\$ 612 million) in the year 2017 and a major portion will go to passenger vehicles i.e. Rs 2,500 crores (US\$ 375 million) and the remaining Rs 1,500 crore (\$225 million) will be invested in the business over the next few years.
- Electric car maker Tesla Inc. is likely to introduce its products in India sometime in the summer of 2017.
- Kia Motors is expected to sign a memorandum of understanding (MoU) with the Government of Andhra Pradesh (AP) to set up a factory in Penukonda in Anantapur district and the company will invest around US\$ 2 billion on this plant and it will have manufacturing capacity of the 3 lakhs car per annum.
- Several automobile manufacturers, from global majors such as Audi to Indian companies such as Maruti Suzuki and Mahindra & Mahindra, are exploring the possibilities of introducing driverless self-driven cars for India.
- BMW plans to manufacture a local version of below-500 CC motorcycle, the G310R, in TVS Motor's Hosur plant in Tamil Nadu, for Indian markets.
- Hero MotoCorp Ltd seeks to enhance its participation in the Indian electric vehicle (EV) space by pursuing its internal EV Programme in addition to investing Rs 205 crore (US\$ 30.75 million) to acquire around 26-30 per cent stake in Bengaluru-based technology start-up Ather Energy Pvt Ltd.
- Ford Motor Co. plans to invest Rs 1,300 crore (US\$ 195 million) to build a global technology and business centre in Chennai, which will be designed as a hub for product development, mobility solutions and business services for India and other markets.

## **INDIAN AUTO COMPONENTS INDUSTRY**

### **Introduction:**

The Indian auto-components industry has experienced healthy growth over the last few years. Some of the factors attributable to this include: a buoyant end-user market, improved consumer sentiment and return of adequate liquidity in the financial system. The auto-component industry of India has expanded by 14.3 per cent because of strong growth in the after-market sales to reach at a level of Rs 2.92 lakh crore (US\$ 44.90 billion) in the year 2017.

The auto-components industry accounts for almost seven per cent of India's Gross Domestic Product (GDP) and employs as many as 25 million people, both directly and indirectly. A stable government framework, increased purchasing power, large domestic market, and an ever increasing development in infrastructure have made India a favourable destination for investment.

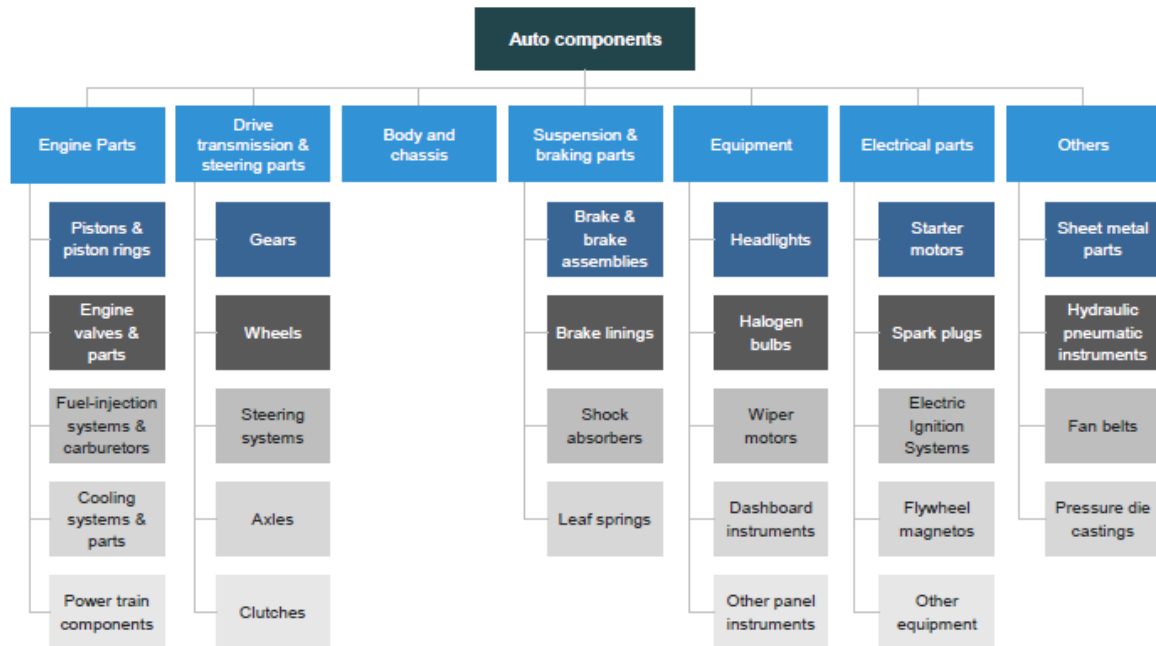
### **Investment:**

The cumulative Foreign Direct Investment (FDI) inflows into the Indian automobile industry during the period April 2000 - June 2017 were recorded at US\$ 17.40 billion, as per data by the Department of Industrial Policy and Promotion (DIPP).

Some of the major investments made into the Indian auto components sector are as follows:

- A joint venture between SMC (Japanese parent of Maruti Suzuki India), Denso Corporation and Toshiba Corporation has been implemented and work has been started to set up a Rs 1,151-crore (\$175.62 million) lithium-ion battery manufacturing unit in the Suzuki Motor Gujarat suppliers park in Hansalpur, Gujarat which will be operational by 2020.
- The investment in the automobile component sector by the private equity investors has rose 607 per cent between January-May 2017 and the mergers and acquisition deals have reached US\$ 254.8 million, up by 170 per cent.
- Piramal Finance Ltd, through its Corporate Finance Group (CFG), has invested in two auto components firms; Rs 275 crore (US\$ 42.55 million) in RSB Group and Rs 290 crore (US\$ 44.87 million) in IndoshellMould Ltd.
- Gestamp, a Spanish automobile component manufacturing company, has invested Rs 260 crore (US\$ 38.63 million) in a new hot stamping plant in Pune, in order to cater to the increasing demand for lighter vehicles in India.
- Exide Industries, India's biggest automotive battery maker, plans to invest around Rs 300 crore (US\$ 45 million) in West Bengal to expand its capacity for advanced motorcycle batteries over a period of 18 months.
- Mothers on Sumi Systems Ltd, an automobile components manufacturer, has acquired Finland-based truck wire maker PKC Group Pic for € 571 million (US\$ 609.57 million), which will help the company expand its presence in the global wiring harness business for commercial vehicles.
- Sundaram Clayton, part of the TVS group, plans to invest US\$ 50 million in US and Rs 400 crore (US\$ 59.76 million) in India over the next three years.
- Mercedes Benz India Private Limited has set up India's largest spare parts warehouse in Pune, with an area of 16,500 square meters which can stock up to 44,000 parts. It will also include a vehicle preparation centre that can stock up to 5,700 cars to customise them before delivery.
- German auto components maker Bosch Ltd opened its new factory at Bidadi, near Bengaluru, which is its fifth manufacturing plant in Karnataka. The company has also signed a memorandum of understanding (MoU) with Indian Institute of Science (IISc), Bengaluru with a view to strengthen Bosch's research and development in areas including mobility and healthcare thereby driving innovation for India-centric requirements.

## THE AUTO COMPONENTS MARKET IS SPLIT INTO SIX PRODUCT SEGMENTS:



(Source: Auto Components Industry in India, India Brand Equity Foundation [www.ibef.org](http://www.ibef.org))

## THE AUTO COMPONENTS SECTOR HAS RECORDED ROBUST GROWTH OVER THE YEARS

Over the last decade, the automotive components industry has registered a CAGR of 14 per cent and has scaled three times to US\$ 43.5 billion in 2016-17 while exports have grown at a CAGR of 14 per cent to US\$ 10.9 billion. The growth of global OEM sourcing from India & the increased indigenisation of global OEMs is turning the country into a preferable designing and manufacturing base. The Indian auto-components industry is expected to register a turnover of US\$ 100 billion by 2020 backed by strong exports ranging between US\$ 80- US\$ 100 billion by 2026.

The auto-components industry accounts for almost seven per cent of India's Gross Domestic Product (GDP) and employs as many as 19 million people. India is expected to become the 4th largest automobiles producer globally by 2020 after China, US & Japan. The auto components industry is also expected to become the 3rd largest in the world by 2025. In 2016, India overtook Japan to become the 2nd largest producer of stainless steel in the world. Also, it is one of the lowest cost stainless steel producers in the world.

## OUTLOOK OF THE AUTOMOBILE INDUSTRY

Category	Apr-Dec FY17 (Actual)	FY17 E*	FY18 E*
CVs	4.5%	5-7%	12-13%
PVs	10.3%	10-12%	12-13%
Two & Three wheelers	6.2%	8-10%	10-12%
Tractors	16.8%	16-18%	18-20%

Tyre OEM segment is expected to witness growth in 2016-17 largely driven by the buoyancy witnessed in automobile sales. Post demonetisation, growth estimation of two-wheelers and small cars has been hit slightly. However, lower cost of ownership of auto vehicles triggered by series of interest rate cuts, push on manufacturing and infrastructure segment by the government combined with lower fuel prices have resulted in recovery of auto sector. Tyre industry stands to benefit from this turnaround in OEM demand and stable replacement demand. However, tyre manufacturers supplying to CV, PV and tractors segment are expected to benefit the most in the near term as the outlook for these auto segments in the Indian market is relatively more positive than TW.

Capacity utilisation levels for manufacturing TBRs have come down to 60-65% from 80-85% in couple of years ago due to increasing dumping of TBR tyres from China. Also, the tyres and tubes industry was expected to witness completion of about 5 projects worth Rs 45.9 billion in 2016-17 adding an incremental capacity of about 13.7 million units to the industry. In the next two years (FY18 and FY19) about Rs 70 billion worth projects are to be completed adding another 12 million unit capacity to the industry. Going forward, significant capex will put pressure on the utilization levels and hamper the operational margins of the players.

Over the past few years, the trend in tyre production and sales for OEM market has been in line with the automobile sales for the period i.e., production of tyres has been about 1.5 times that of a vehicle produced. While the demand from replacement market has comparatively been higher. Sales are expected to grow in the range of 10-11% per annum during 2017-18. Both, domestic and export demand for tyres is expected to remain robust during this period on the back of strong growth prospects for Auto OEMs as well as the stable replacement market.

(Source: Tyre Industry: Wheeling around April 2017 CARE Ratings - Credit Analysis & Research Limited [www.careratings.com](http://www.careratings.com))

## **AUTO COMPONENTS: ADVANTAGE INDIA**

### **Robust Demand**

Growing working population & expanding middle class are expected to remain key demand drivers. India is set to break into the league of top 5 vehicle producing nations. Reduction in excise duties in motor vehicles sector to spur the demand for auto components

### **Export Opportunities**

India is emerging as global hub for auto component sourcing. Relative to competitors, India is geographically closer to key automotive markets like the Middle East & Europe

### **Competitive advantages**

A cost-effective manufacturing base keeps costs lower by 10-25 per cent relative to operations in Europe & Latin America. Presence of a large pool of skilled & semi-skilled workforce amidst a strong educational system. 3rd largest steel producer globally hence a cost advantage

### **Policy support**

Continued policy support in the form of Auto Policy 2002 In September 2015, Automotive Mission Plan 2016-26 was unveiled which targets a fourfold growth for the sector. Strong support for R&D & product development by establishing NATRIP centers. 100 per cent FDI allowed under automatic

route for auto component sector FY 16 Market size: USD39 billion FY 21E Market size: USD115 billion

(Source: Auto Components Industry in India, India Brand Equity Foundation [www.ibef.org](http://www.ibef.org))



## SUMMARY OF OUR BUSINESS

*Some of the information contained in the following discussion, including information with respect to our business plans and strategies, contain forward-looking statements that involve risks and Uncertainties. You should read the chapter titled “Forward-Looking Statements” beginning on page 20 of this Prospectus, 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.*

*The financial information used in this section, unless otherwise stated, is derived from our Financial Information, as restated prepared in accordance with Indian GAAP, Companies Act and SEBI Regulations. The following information is qualified in its entirety by, and should be read together with, the more detailed financial and other information included in this Prospectus, including the information contained in the sections titled “Risk Factors” and “Financial Information” beginning on pages 21 and 238, respectively.*

### OVERVIEW

Our Company was incorporated in the year 1990 and is engaged in the manufacturing of engine bearings, bushes, pistons, piston pin, piston rings, cylinder liners and sleeves and engine valves. We are an ISO 9001:2015 company.

Additionally, we are also engaged in the marketing of products like ball bearings, spark plugs, rocker arms, timing chains, connecting rods, valve guides, valve seals & batteries (Motorcycle / Inverter / E Rickshaws) under our own brand which we source through third party contract manufacturing.

Our Company is promoted by Mr. Panna Lal Jain and Mr. Vivek Benara. Mr. Panna Lal Jain has been associated with the Company since its inception, and is the driving force behind the BENARA brand. He holds a bachelor's degree in engineering from IIT Roorkee and has more than three decades of experience in the bearing industry. Our Promoter, Mr. Vivek Benara has more than two decades of experience in the field of auto component industry, real estate/retailing and having a profound knowledge of renewable and new energy business models.

Our Company markets its product in OEM and Replacement market. Our Company majorly focus on two wheeler replacement market. For the fiscal year 2016-17, OEM and Replacement market contribute Rs. 464.39 Lakhs and Rs. 7,266.04 Lakhs respectively towards the revenue operations of the Company on a standalone basis.

The Registered Office of our Company is situated at A-3 & 4, Site B, Industrial Area, Sikandra, Agra – 282007. Currently, our Company has two manufacturing facilities, which are situated at A3/ A4, Site B, Industrial Area, Sikandra, Agra ("Unit I") and at 15 K.M Milestone, Artoni, Agra-Mathura Road, Agra, Uttar Pradesh 282007 ("Unit II").

Our Company manufactures piston pin, piston ring and engine bearing and bushes in Unit I and piston, cylinder block / liner and engine valve in Unit II.

As of December 31, 2017, our work force consisted of around 184 full time employees at Unit I, 86 full time employees at Unit II, 41 employees in marketing department and 6 directors. We adhere to

the quality manufacturing standards and are committed to developing products and services where quality assurance is a systematic process of checking whether a product or service being developed meets the specified requirements. We have a separate department devoted to quality assurance.

Our subsidiary, Benara Solar Private Limited, is engaged in the business of development and deployment of solar energy technologies including inter-alia planning and execution of solar power projects.

Further, we have another subsidiary Securitrans Trading Private Limited, which is engaged in trading of various types of goods and materials.

Our revenues from operations increased from Rs. 4,960.08 lakhs in Fiscal 2013 to Rs. 10,411.47 lakhs in Fiscal 2017, representing CAGR of 20.37 %. Our profit after tax increased from Rs. 22.77 Lakhs in Fiscal 2013 to Rs. 455.38 Lakhs in Fiscal 2017, representing CAGR of 111.47 %.

## **OUR COMPETITIVE STRENGTHS**

- ***Leveraging the experience of our promoter***

Our Promoters Mr. Panna Lal Jain and Mr. Vivek Benara have collectively more than five decades of experience in bearing industry and automotive components manufacturing industry and are the guiding force behind all the corporate decisions. They are responsible for the entire business operations of our Company along with the team of professionals from various departments. Their industry knowledge and understanding also gives us the key competitive advantage enabling us to expand our geographical and customer reach in existing as well as targeted markets, while exploring new growth avenues. Our Promoters are supported by a management team with several years of experience in their respective domains of sales, marketing, strategy and finance.

- ***Extensive dealer network***

We have been supplying products on pan India basis and hence are not dependent on any particular region. Our widespread domestic presence not only mitigates the risk of dependence on limited regions but also helps us to leverage our brand value. For our distribution channel, we have more than 450 dealers spread throughout the country.

- ***Diversified Product Portfolio:***

Our Company manufactures

- engine bearings and bushes
- piston (from 30mm to 250mm diameter)
- piston pins (from 9mm to 61mm diameter and 26mm to 148mm length)
- piston rings (from 30mm to 170mm diameter)
- cylinder blocks and liners (from 65mm to 170mm bore and 112mm to 350mm length)
- engine valve (from 4mm to 25mm bore and 60mm to 400mm length)

Our Company also markets various products under our own brand name such as ball bearings, camshafts, connecting rods, spark plugs, valve guides, valve seals, timing chain, rocker arm, clutch center, clutch housing and clutch hub for motorcycles getting it contract manufactured by ISO certified companies. In 2016, our Company entered into contracts with third parties for the manufacturing of motorcycle batteries and further forayed into inverter and e-rickshaw battery range. Due to this varying size advantage and diversification of products, we have been able to develop varieties of products for our clients as per the specifications mentioned by them.

- ***Strong Brand Focus***

We believe that a strong brand reputation plays a key role in our industry. Brand image also drives customer preference for buying our products. Our products are well known in Uttar Pradesh, Madhya Pradesh, Bihar, Rajasthan, Haryana, Gujarat, Delhi NCR and West Bengal. Our products have consistently achieved repeat orders from our customers which strengthens our brand equity. We also believe that the strength of our brands helps us in many aspects of our business, including expanding to new markets, maintaining relationships with our customers and other stakeholders.

## **BUSINESS STRATEGY**

1. ***One Stop Retail Solution***

Our Company plans to open retail stores in the name of “**Parts Bazaar**” in Delhi and expanding its reach to other Tier I and Tier II cities. The purpose of the store is to provide quality original spare parts at factory rates to the end users. We plan to collaborate with all the major brands and suppliers in Tier I and Tier II cities for providing the aftermarket of spares and accessories for two wheelers and three wheelers in the Indian market.

2. ***Diversification of Product range***

We have recently introduced motorcycle, e- rickshaw and inverter battery to our product range. Further, we propose to launch BENPRO Lubricants 4T Oil which is suitable for two wheelers and three wheelers. Our Company intends to supply all major and allied products in the engine bearing industry.

3. ***Leveraging our market skills and relationship***

Leveraging our marketing skills and relationships is a continuous process in our organization and the skills that we impart in our people gives us an edge in the market. We aim to do this by leveraging our market skills and relationships and further enhancing customer satisfaction.




4. ***Continue to improve operating efficiencies through technology enhancements***




We continue to develop our technology systems to increase asset productivity, operating efficiencies and strengthen our competitive position. We believe that our in-house technology capabilities will continue to play a key role in effectively managing and expanding our operations, maintain strict operational and fiscal controls and continue to enhance customer service levels. We intend to continue to invest in our in-house technology capabilities to develop customized systems and processes to ensure effective management control.


5. ***Create a global presence***

Currently, we undertake both direct and deemed exports. However our revenue from export operations is not contributing significantly to our revenue from operations. Our strategy is to expand our export in different countries, to market our product and reach out to foreign customers.

## **PRODUCT PROFILE**

Name of the Product	Product Image	Description
Engine Bearings and Bushes		<p><b>Use:</b> It supports the operating loads of the engine at all engine speeds and along with lubricant, minimize friction. Most engine bearings are plain or sleeve bearing, in contrast to roller, ball and needle bearings, called anti-friction bearings, which are used where minimum lubrication is available. The lubricating system in automotive engines continuously supplies lubricant to each bearing so that the shaft actually rolls on a film of lubricant in plain bearings.</p> <p><b>Raw Material:</b> These are made of steel strips backed by layer of copper alloy, aluminium-tin alloy, white metal.</p> <p><b>Brand:</b> BENARA, PHB</p>
Pistons		<p><b>Use:</b> A piston is a component of <a href="#">reciprocating engines</a>. It is located in a <a href="#">cylinder</a> and is made gas-tight by <a href="#">piston rings</a>. Its purpose is to transfer force from expanding gas in the cylinder to the <a href="#">crankshaft</a> via a <a href="#">piston rod</a> and/or <a href="#">connecting rod</a>.</p> <p><b>Raw Material:</b> Aluminum alloys like LM-13 &amp; LM-28.</p> <p><b>Brand:</b> BENARA, BP</p>
Piston Rings		<p><b>Use:</b> Preventing (sealing) the passage of gas from the combustion chamber into the crank case to avoid loss of gas pressure and, consequently, of engine performance:</p> <ul style="list-style-type: none"> <li>• Sealing, i.e. preventing the passage of lubricating oil from the crankcase into the combustion chamber.</li> <li>• Ensuring an exactly defined thickness of lubricating film on the cylinder wall.</li> <li>• Distributing the lubricating</li> </ul>

Name of the Product	Product Image	Description
		<p>oil over the cylinder wall.</p> <ul style="list-style-type: none"> <li>Stabilising the piston movements (piston rocking), in particular whenever the engine is cold and the running clearance of the pistons in the cylinderbore is still great.</li> <li>Heat transfer (heat dissipation) from the piston to the cylinder bore.</li> </ul> <p><b>Raw Material:</b> Pig Iron.</p> <p><b>Brand:</b> BENARA, BP</p>
Piston Pin		<p><b>Use:</b> Gudgeon Pin hold Piston and Connecting Rod.</p> <p><b>Raw Material:</b> Alloy Steel like En32B, 17Cr3, SAE8620 &amp; SAE1018.</p> <p><b>Brand:</b> BENARA, BP</p>
Cylinder Block		<p><b>Use:</b> Air cooled cylinder blocks has fins on its outer body to allow air circulating through these fins to keep the engine cool. Piston mounted with rings also moves up and down in the bore of cylinder block.</p> <p><b>Raw Material:</b> Pig Iron and Aluminum.</p> <p><b>Brand:</b> BENARA, BP</p>
Cylinder Liners		<p><b>Use:</b> These are barrel shaped and unlike air cooled cylinder blocks, water is the cooling media for such engines. These are mostly used in multi cylinder engines.</p> <p><b>Raw Material:</b> Pig Iron.</p> <p><b>Brand:</b> BENARA, BP</p>

Name of the Product	Product Image	Description
Engine Valve		<p><b>Use:</b> In piston engines, the valves are grouped into 'inlet valves' which admit the entrance of fuel and air and 'Exhaust valves' which allow the exhaust gases to escape. Each valve opens once per cycle.</p> <p><b>Raw Material:</b> Graded special steel.</p> <p><b>Brand:</b> BENARA</p>

**Application:**

Products	Stationary Diesel Engines	Marine Engines	Air Compressors	HCV/L CV/ SUV/M UV	2 & 3 Wheelers	Tractor
Engine Bearing & Bushes	✓	✓	✓	✓	✓	✓
Pistons	✓	✓	✓	✓	✓	✓
Piston Ring	✓	✓	✓	✓	✓	✓
Piston Pin	✓	✓	✓	✓	✓	✓
Cylinder Block	✓	✓	✓	✗	✓	✓
Cylinder Liners	✓	✓	✓	✓	✓	✓
Engine Valve	✓	✓	✓	✓	✓	✓

**Product wise Revenue Breakup (FY 16-17)**

( Rs. In Lakhs)

Product Name	Amount*	%
Piston Assembly	3,933.92	50.89 %
Engine Bearing & Bushes	2,120.71	27.43 %
Piston Rings	346.19	4.48 %
Batteries	278.55	3.60 %
Piston Sets	241.12	3.12 %
Engine Valves	192.09	2.48 %
Cylinder Blocks & Liners	121.80	1.58 %
Cylinder Kits	120.14	1.55 %
Piston Pins	21.99	0.28 %
Others	353.91	4.58 %
<b>Total**</b>	<b>7,730.42</b>	<b>100 %</b>

\*Figures include both deemed and direct exports by our Company.

\*\* Figures of FY 16-17 exclude sales of Solar as the business has now been completely handled by the subsidiary Company "Benara Solar Private Limited (BSPL)".

**CONCEPT STORE: PARTS BAZAAR**

We propose to set up Master Retail Stores in Delhi and then proceed to set up the stores in major Tier I and Tier II cities. In three years we target to open 150 stores across the country. The sole purpose of the store is to provide quality spare parts, OEM approved/ certified products at factory rates to the end user. We intend to collaborate with the major brands and suppliers in tier I and II cities for providing aftermarket spares and accessories for two wheelers and three wheelers in the Indian market.

**Export/Domestic Revenue Breakup****(Rs. In Lakhs)**

Category	FY 16-17	FY 15-16	FY 14-15
Export Market*	132.71	238.13	397.51
Domestic Market	7,597.71	7,761.99	6,771.30
<b>Total**</b>	<b>7,730.42</b>	<b>8,000.12</b>	<b>7,168.81</b>

**Geography wise Revenue Breakup – Domestic (FY 16-17)****(Rs. In Lakhs)**

Category	Amount	%
North	5,098.87	65.96 %
East	1,242.99	16.08 %
West	853.15	11.04 %
South	535.41	6.92 %
<b>Total**</b>	<b>7,730.42</b>	<b>100%</b>

**Export Revenue – Country wise****(Rs. In Lakhs)**

Name of the Country***	FY 16-17	% of the Export Revenue	FY 15-16	% of the Export Revenue	FY 14-15	% of the Export Revenue
United Arab Emirates	16.55	52.76%	74.21	86.02%	96.78	58.90%
Germany	10.92	34.80%	3.29	3.81%	29.79	18.13%
Bangladesh	3.90	12.43%	8.77	10.17%	7.49	4.56%
Sri Lanka	-	-	-	-	30.24	18.40%

\*Figures include both deemed and direct exports by the Company.

\*\* Figures of FY 16-17 exclude sales of Solar as the business has now been completely handled by the subsidiary Company “Benara Solar Private Limited (BSPL)”.

\*\*\*We have provided the figures of only direct exports.

**SWOT ANALYSIS:****Strength**

- Wide product range
- Strong distribution network
- Brand recall for consumption markets
- Strong technical experience

**Weakness**

- OEM presence
- Export penetration
- Geographical absence in South India
- Technology upgradation

**Opportunity**





- Huge market share up for grabs
- OEM customer acquisition
- "Make in India" to be utilised with reduced market acceptance of Chinese imports

**Threat**

- Raw material prices
- Chinese imports


**INTELLECTUAL PROPERTY**

1. Our Company markets its products under the following trademarks as set out below:

Sr. No.	Trademark	Trademark Type	Class	Applicant	Application No.	Status	Date of Application
1		Brand	7	Benara Bearings and Pistons Limited	2824344	Pending	October 9, 2014
2		Brand	12	Benara Bearings and Pistons Limited	2824345	Pending	October 9, 2014
3*		Brand	7	Benara Bearings and Pistons Limited	2824344	Registered	October 9, 2014
4*	 Genuine Engine Parts	Brand	7	Benara Bearings and Pistons Limited	2824344	Registered	October 9, 2014

\*Company markets its product under the brand Benara Power & BP. Although, the trademarks are registered in the name of “Four Square Retail Private Limited” formerly known as “Benara Automart Private Limited”, which is the group Company of Benara Bearings and Pistons Limited.

2. Our Company has following copyright filed with the Registrar of Copyrights as below:

Sr. No.	Copyright	Applicant	Registration No.	Date of Application
1		Benara Bearings and Pistons Limited	A-65606/2003	March 11, 2003

## OUR PROPERTIES

### Owned Properties:

Sr. No	Address of the Property	Area of the Property	Usage
1	*7203, Floor no. 72, Lodha Markis, B Wing, Panduranga Budhkar Mar, Worli, Mumbai	1,556.89 Sq. Ft.	Residential Flat
2	Wake, Bhavna Tower, Sector 16-B, Sikandra, Agra	1,605.5 Sq. Ft.	Shop

\*Property is jointly purchased by M/s. Benara International Pvt. Ltd., Mr. Vivek Benara, M/s Benara Bearings & Pistons Limited, Mrs. Ketaki Benara, Mrs. Sarla Jain and Mr. Panna Lal Jain.

### Leased/Licensed Properties

Sr. No	Address of the Property	Licensor / Lessor	Lease Rent / License Fees	Tenor	Use
				From To	



Sr. No	Address of the Property	Licensor / Lessor	Lease Rent / License Fees	Tenor		Use
				From	To	
1	*A-3, Site-B Industrial Area - Sikandra, Agra	U.P. State Industrial Development Corporation Limited, Agra	Rent- Rs. 45 per year till first thirty years, Rs.67 per year for next thirty years, Rs. 112 per year for next thirty years  Land Premium – Rs. 1,36,020	17 April 1985	16 April 2074	Manufacturing Unit
2	*A-4, Site-B Industrial Area - Sikandra, Agra	U.P. State Industrial Development Corporation Limited, AGRA	Rent- Rs. 45 per year till first thirty years, Rs.67 per year for next thirty years, Rs. 112 per year for next thirty years  Land Premium – Rs. 2,12,400	30 January 1986	29 January 2075	Manufacturing Unit
3	**15 KM Mile stone, Arthoni Agra- 282007	Vinay Iron Foundry	Rent - 37,500 per month	01 February 2013	01 February 2018	Manufacturing Unit

\* *Comprises Unit I*

\*\* *Comprises Unit II*

## SUMMARY OF FINANCIAL INFORMATION

### STATEMENT OF STANDALONE ASSETS AND LIABILITIES AS RESTATED

(Rs. in Lacs)

Sr. No.	Particulars	As at March 31, 2013	As at March 31, 2014	As at March 31, 2015	As at March 31, 2016	As at March 31, 2017	September 30, 2017
<b>1)</b>	<b>Equity &amp; Liabilities</b>						
	<b>Shareholders' funds</b>						
	a. Share capital	249.78	249.78	249.78	309.78	309.78	309.78
	b. Reserves & surplus	881.92	884.79	920.47	1236.16	1691.54	1949.88
	<b>Sub-total</b>	<b>1131.70</b>	<b>1134.57</b>	<b>1170.26</b>	<b>1545.95</b>	<b>2001.32</b>	<b>2259.66</b>
<b>2)</b>	<b>Share application money pending allotment</b>	-	-	-	-	-	-
<b>3)</b>	<b>Non-current liabilities</b>						
	a. Long-term borrowings	2114.42	2144.57	1017.59	895.64	1070.11	1398.21
	B. Long-term provisions	45.09	53.08	61.22	70.07	85.63	91.58
	<b>Sub-total</b>	<b>2159.51</b>	<b>2197.65</b>	<b>1078.91</b>	<b>965.71</b>	<b>1155.74</b>	<b>1489.79</b>
<b>4)</b>	<b>Current liabilities</b>						
	a. Short-term borrowings	1141.36	1273.71	1297.00	1815.53	2316.05	2389.14
	b. Trade payables	475.69	560.18	428.97	421.88	154.75	354.73
	c. Other current liabilities	245.17	238.49	249.88	239.45	154.73	251.05
	d. Short term provisions	41.64	24.97	158.56	163.27	336.42	349.90
	<b>Sub-total</b>	<b>5195.08</b>	<b>5429.57</b>	<b>4383.58</b>	<b>5151.80</b>	<b>6119.03</b>	<b>7094.27</b>
	<b>T O T A L (1+2+3+4)</b>	<b>5195.08</b>	<b>5429.57</b>	<b>4383.58</b>	<b>5151.80</b>	<b>6119.03</b>	<b>7094.27</b>
<b>5)</b>	<b>Non-current assets</b>						
	a. Fixed assets						
	i. Tangible assets	452.57	468.01	412.17	691.12	656.08	788.86
	ii. Intangible assets	-	-	-	-	-	-
	iii. Capital work in progress	-	-	-	-	-	-
	b. Non-current	0.42	-	-	21.51	26.51	27.00

Sr. No.	Particulars	As at March 31, 2013	As at March 31, 2014	As at March 31, 2015	As at March 31, 2016	As at March 31, 2017	September 30, 2017
	investments						
	C. Deferred tax Assets (Net)	14.57	26.39	41.38	52.45	65.91	74.60
	d. Long term loans & advances	13.69	14.11	69.30	25.26	25.26	406.72
	<b>Sub-total</b>	<b>481.26</b>	<b>508.51</b>	<b>522.85</b>	<b>790.33</b>	<b>773.76</b>	<b>1297.17</b>
<b>6)</b>	<b>Current assets</b>						
	a. Inventories	3010.11	3252.25	2448.23	2565.70	2745.61	2505.27
	b. Trade receivables	1223.56	1150.36	1044.17	786.28	1732.25	2662.08
	c. Cash and bank balances	111.43	96.22	52.85	398.22	364.17	340.06
	d. Short term loans & advances	368.72	422.23	315.49	610.79	409.27	210.59
	f. Other current assets	-	-	-	0.48	93.96	79.10
	<b>Sub-total</b>	<b>4713.83</b>	<b>4921.06</b>	<b>3860.73</b>	<b>4361.48</b>	<b>5345.27</b>	<b>5797.10</b>
	<b>T O T A L (5+6)</b>	<b>5195.08</b>	<b>5429.57</b>	<b>4383.58</b>	<b>5151.80</b>	<b>6119.03</b>	<b>7094.27</b>

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

*(Rs. in Lacs)*

<b>Sr. No.</b>	<b>Particulars</b>	<b>As at March 31, 2013</b>	<b>As at March 31, 2014</b>	<b>As at March 31, 2015</b>	<b>As at March 31, 2016</b>	<b>As at March 31, 2017</b>	<b>September 30, 2017</b>
<b>INCOME</b>							
	Revenue from Operations	4960.08	5156.33	7168.81	8000.12	10411.47	4597.11
	Other income	26.95	32.00	11.73	23.92	26.35	17.02
	<b>Total revenue (A)</b>	<b>4987.03</b>	<b>5188.33</b>	<b>7180.55</b>	<b>8024.05</b>	<b>10437.82</b>	<b>4614.12</b>
<b>EXPENDITURE</b>							
	Cost of materials consumed	3875.45	3234.24	3228.37	3088.85	2140.01	1446.65
	Purchase of stock-in-trade	119.38	457.63	1740.89	3871.33	7044.92	2787.07
	Changes in inventories of finished goods, work-in-progress and stock-in-trade	(874.15)	(194.02)	793.82	(203.77)	(448.93)	(601.58)
	Employee benefit expenses	406.86	379.91	295.29	333.64	335.55	164.44
	Finance costs	294.73	451.15	420.59	324.89	378.44	230.04
	Depreciation and amortisation expenses	76.74	94.51	96.41	84.95	71.75	57.15
	Other expenses	1054.33	761.35	536.53	407.67	281.54	147.65
	<b>Total expenses (B)</b>	<b>4953.34</b>	<b>5184.77</b>	<b>7111.89</b>	<b>7907.57</b>	<b>9803.28</b>	<b>4231.39</b>
	<b>Net profit/ (loss) before exceptional, extraordinary items and tax, as restated</b>	<b>33.69</b>	<b>3.56</b>	<b>68.65</b>	<b>116.48</b>	<b>634.54</b>	<b>382.73</b>
	Exceptional items	-	-	-	-	-	-
	<b>Net profit/ (loss) before extraordinary items and tax, as restated</b>	<b>33.69</b>	<b>3.56</b>	<b>68.65</b>	<b>116.48</b>	<b>634.54</b>	<b>382.73</b>
	Extraordinary items	-	-	-	-	-	-
	<b>Net profit/ (loss) before tax, as restated</b>	<b>33.69</b>	<b>3.56</b>	<b>68.65</b>	<b>116.48</b>	<b>634.54</b>	<b>382.73</b>
	Tax expense:	-	-	-	-	-	-
	(i) Current tax	27.37	12.50	37.70	51.85	192.63	133.08

<b>Sr. No.</b>	<b>Particulars</b>	<b>As at March 31, 2013</b>	<b>As at March 31, 2014</b>	<b>As at March 31, 2015</b>	<b>As at March 31, 2016</b>	<b>As at March 31, 2017</b>	<b>September 30, 2017</b>
	(ii) Minimum alternate tax	-	-	-	-	-	-
	(ii) Deferred tax (asset)/liability	(16.45)	(11.82)	(15.00)	(11.06)	(13.47)	(8.68)
	<b>Total tax expense</b>	<b>10.92</b>	<b>0.68</b>	<b>22.70</b>	<b>40.79</b>	<b>179.16</b>	<b>124.39</b>
	<b>Profit/ (loss) for the year/ period, as restated</b>	<b>22.77</b>	<b>2.87</b>	<b>45.96</b>	<b>75.68</b>	<b>455.38</b>	<b>258.34</b>
	<b>Earning per equity share(face value of Rs. 10/- each):</b>						
	<b>Basic (Rs.)</b>	0.91	0.12	1.84	2.44	14.70	8.34
	<b>Diluted (Rs.)</b>	0.20	0.02	0.39	0.64	3.67	2.08
	<b>Adjusted earning per equity share(face value of Rs. 10/- each):</b>						
	<b>Basic (Rs.)</b>	0.91	0.12	1.84	2.44	14.70	8.34
	<b>Diluted (Rs.)</b>	0.20	0.02	0.39	0.64	3.67	2.08

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

**STATEMENT OF STANDALONE CASH FLOW AS RESTATED**

*(Rs. in Lacs)*

<b>Particulars</b>	<b>As at March 31, 2013</b>	<b>As at March 31, 2014</b>	<b>As at March 31, 2015</b>	<b>As at March 31, 2016</b>	<b>As at March 31, 2017</b>	<b>September 30, 2017</b>
<b>Cash flow from operating activities:</b>						
Net profit before tax as per statement of profit and loss	33.69	3.56	68.65	116.48	634.54	382.73
<b>Adjusted for:</b>						
Preliminary expenses	-	-	-	-	-	-
Provision for gratuity	-	-	-	-	-	-
Rental Income from investment properties	-	(0.05)	(0.12)	(1.04)	(1.60)	-
Depreciation & amortization	76.74	94.51	96.41	84.95	71.75	57.15
Profit/(loss) on sale of fixed assets	-	(2.33)	(8.87)	0.50	-	(7.51)
Interest income on loans & advances given	-	-	-	-	-	-
Interest income on FD	(24.18)	(6.12)	(4.43)	(19.90)	(23.89)	(9.13)
Urealised reliased Foreign exchange gain/loss	-	(22.60)	2.64	(2.56)	(0.54)	(0.38)
Interest & finance costs	294.73	451.15	420.59	324.89	378.44	230.04
<b>Operating cash flow before working capital changes</b>	<b>380.97</b>	<b>518.12</b>	<b>574.88</b>	<b>503.32</b>	<b>1,058.70</b>	<b>652.90</b>
<b>Adjusted for:</b>						
(Increase)/ decrease in inventories	(1267.47)	(242.14)	804.02	(117.47)	(179.91)	240.34
(Increase)/ decrease in trade receivables	(292.61)	73.20	106.19	257.89	(945.97)	(929.83)
(Increase)/ decrease in loans and advances and other assets	(53.78)	(53.93)	51.56	(251.74)	108.04	(167.92)
Increase/ (decrease) in trade payables	(209.30)	84.48	(131.21)	(7.09)	(267.13)	199.98
Increase/ (decrease) in other Liabilities	245.17	(6.68)	11.40	(10.43)	(84.72)	96.32
Increase/ (decrease) in Long Term Provision	45.09	8.00	8.14	8.84	15.56	5.95
Increase/ (decrease) in liabilities & provisions	86.73	(8.67)	141.72	13.56	188.71	(113.65)
<b>Cash generated from/ (used in) operations</b>	<b>(1110.30)</b>	<b>364.38</b>	<b>1558.56</b>	<b>388.04</b>	<b>(122.28)</b>	<b>(21.85)</b>
Income taxes paid	(22.52)	(12.08)	(37.70)	(51.85)	(192.63)	-
<b>Net cash generated from/ (used in) operating activities (A)</b>	<b>(1132.82)</b>	<b>352.31</b>	<b>1520.86</b>	<b>336.18</b>	<b>(314.91)</b>	<b>(21.85)</b>

<b>Particulars</b>	<b>As at March 31, 2013</b>	<b>As at March 31, 2014</b>	<b>As at March 31, 2015</b>	<b>As at March 31, 2016</b>	<b>As at March 31, 2017</b>	<b>September 30, 2017</b>
<b><u>Cash flow from investing activities:</u></b>						
Purchase of fixed assets	(208.40)	(85.90)	(56.71)	(369.30)	(36.72)	(200.61)
Sale of fixed assets	55.12	(21.72)	14.74	4.90	-	18.19
Investments in WIP	-	-	-	-	-	-
Loans & advances given to others (net)	-	-	-	-	-	-
Foreign exchange gain/loss	-	22.60	(2.64)	2.56	0.54	0.38
Investment in FD	-	-	-	-	-	-
Interest income on FD	24.18	6.12	4.43	19.90	23.89	9.13
Purchase of investments	-	-	-	(21.51)	(5.00)	(0.49)
Rent Income	-	0.05	0.12	1.04	1.60	-
<b>Net cash flow from/(used) in investing activities (B)</b>	<b>(129.10)</b>	<b>(78.85)</b>	<b>(40.06)</b>	<b>(362.41)</b>	<b>(15.68)</b>	<b>(173.40)</b>
<b><u>Cash flow from financing activities:</u></b>						
Proceeds from issue of equity shares	50.00	-	-	60.00	-	-
Share application money received	105.00	-	-	240.00	-	-
Proceeds from secured borrowings AND UNSERCURED (net)	1227.60	162.49	(1103.58)	396.48	674.99	401.18
Interest & finance costs	(294.73)	(451.15)	(420.59)	(324.89)	(378.44)	(230.04)
<b>Net cash flow from/(used in) financing activities (C)</b>	<b>1087.88</b>	<b>(288.66)</b>	<b>(1524.17)</b>	<b>371.59</b>	<b>296.55</b>	<b>171.14</b>
Net increase/(decrease) in cash & cash equivalents (A+B+C)	(174.04)	(15.20)	(43.37)	345.56	(34.05)	(24.11)
Cash & cash equivalents as at beginning of the year	285.47	111.42	96.22	52.85	398.21	364.16
Cash & cash equivalents as at end of the year	111.42	96.22	52.85	398.21	364.16	340.06

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

*(Rs. in Lacs)*

<b>Sr. No.</b>	<b>Particulars</b>	<b>As at March 31, 2016</b>	<b>As at March 31, 2017</b>	<b>As at stub period 30 sep 2017</b>
<b>1)</b>	<b>Equity &amp; Liabilities</b>			
	<b>Shareholders' funds</b>			
	a. Share capital	309.78	309.78	309.78
	b. Reserves & surplus	1235.28	1656.87	2023.07
	c. Minority Interest	0.49	(42.00)	-
	<b>Sub-total</b>	<b>1545.55</b>	<b>1924.65</b>	<b>2332.85</b>
<b>2)</b>	<b>Share application money pending allotment</b>	-	-	-
<b>3)</b>	<b>Non-current liabilities</b>			
	a. Long-term borrowings	895.64	1070.11	1398.21
	B. Long-term provisions	70.07	85.63	91.58
	<b>Sub-total</b>	<b>965.71</b>	<b>1155.74</b>	<b>1489.79</b>
<b>4)</b>	<b>Current liabilities</b>			
	a. Short-term borrowings	1815.53	2397.94	2471.03
	b. Trade payables	425.08	460.08	1843.46
	c. Other current liabilities	239.45	157.96	259.73
	d. Short term provisions	163.27	341.29	383.27
	<b>Sub-total</b>	<b>2643.34</b>	<b>3357.66</b>	<b>4958.09</b>
	<b>T O T A L (1+2+3+4)</b>	<b>5154.60</b>	<b>6438.06</b>	<b>8780.73</b>
<b>5)</b>	<b>Non-current assets</b>			
	a. Fixed assets	-	-	-
	i. Tangible assets	691.12	659.92	792.27
	ii. Intangible assets	-	-	-
	Iii .Capital work in progress	-	-	-
	b. Non-current investments	20.00	25.00	30.00
	C. Deferred tax Assets (Net)	52.45	66.00	74.75
	d. Long term loans & advances	25.26	25.46	25.48
	<b>Sub-total</b>	<b>788.82</b>	<b>776.38</b>	<b>922.49</b>
<b>6)</b>	<b>Current assets</b>			
	a. Inventories	2565.70	2857.45	2565.88
	b. Trade receivables	786.27	1932.42	4644.28
	c. Cash and bank balances	402.54	369.67	350.95
	d. Short term loans & advances	610.79	408.17	218.03
	f. Other current assets	0.48	93.96	79.10
	<b>Sub-total</b>	<b>4365.79</b>	<b>5661.68</b>	<b>7858.24</b>
	<b>T O T A L (5+6)</b>	<b>5154.60</b>	<b>6438.06</b>	<b>8780.73</b>



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

*(Rs. in Lacs)*

<b>Sr. No.</b>	<b>Particulars</b>	<b>As at March 31, 2016</b>	<b>As at March 31, 2017</b>	<b>As at stub period 30 sep 2017</b>
<b>INCOME</b>				
	Revenue from Operations	8000.12	12236.82	6708.38
	Other income	23.93	26.35	17.02
	<b>Total revenue (A)</b>	<b>8024.05</b>	<b>12263.18</b>	<b>6725.40</b>
<b>EXPENDITURE</b>				
	Cost of materials consumed	3088.85	2140.01	1447.76
	Purchase of stock-in-trade	3871.33	8957.82	4640.26
	Changes in inventories of finished goods, work-in-progress and stock-in-trade	(203.77)	(560.77)	(550.36)
	Employee benefit expenses	333.64	364.73	176.65
	Finance costs	324.89	385.94	230.04
	Depreciation and amortisation expenses	84.95	72.55	57.58
	Other expenses	407.77	340.06	161.83
	<b>Total expenses (B)</b>	<b>7907.67</b>	<b>11700.34</b>	<b>6163.77</b>
	<b>Net profit/ (loss) before exceptional, extraordinary items and tax, as restated</b>	<b>116.38</b>	<b>562.83</b>	<b>561.63</b>
	Exceptional items	-	-	-
	<b>Net profit/ (loss) before extraordinary items and tax, as restated</b>	<b>116.38</b>	<b>562.83</b>	<b>561.63</b>
	Extraordinary items	-	-	-
	<b>Net profit/ (loss) before tax, as restated</b>	<b>116.38</b>	<b>562.83</b>	<b>561.63</b>
	Tax expense:			
	(i) Current tax	51.85	197.29	161.69
	(ii) Minimum alternate tax	-	-	-
	(ii) Deferred tax (asset)/liability	(11.06)	(13.56)	(8.75)
	<b>Total tax expense</b>	<b>40.79</b>	<b>183.74</b>	<b>152.94</b>
	Minority Interest	-	(42.49)	-
	<b>Profit/ (loss) for the year/ period, as restated</b>	<b>75.59</b>	<b>421.59</b>	<b>408.69</b>
	<b>Earning per equity share(face value of Rs. 10/- each):</b>			
	<b>Basic (Rs.)</b>			
	<b>Diluted (Rs.)</b>	2.94	13.61	13.19
	<b>Adjusted earning per equity share(face value of Rs. 10/- each):</b>			
	<b>Basic (Rs.)</b>	0.64	3.40	3.30
	<b>Diluted (Rs.)</b>	0.64	3.40	3.30

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

# STATEMENT OF CONSOLIDATED CASH FLOW AS RESTATED

(Rs. in Lacs)

Particulars	As at March 31, 2016	As at March 31, 2017	As at stub period 30 sep 2017
<b>Cash flow from operating activities:</b>			
Net profit before tax as per statement of profit and loss	116.38	562.83	561.63
<b>Adjusted for:</b>			
Preliminary expenses	-	-	-
Provision for gratuity	-	-	-
Rental Income from investment properties	(1.04)	(1.60)	-
Depreciation & amortization	84.95	72.55	57.58
Profit/(loss) on sale of fixed assets	0.50	-	(7.51)
Interest income on loans & advances given	-	-	-
Interest income on FD	(19.90)	(23.89)	(9.13)
Unrealised/ realised Foreign exchange gain/loss	(2.56)	(0.54)	(0.38)
Interest & finance costs	324.89	385.94	230.04
<b>Operating cash flow before working capital changes</b>	<b>503.22</b>	<b>995.29</b>	<b>832.23</b>
<b>Adjusted for:</b>			
(Increase)/ decrease in inventories	(117.47)	(291.75)	291.57
(Increase)/ decrease in trade receivables	257.90	(1146.15)	(2711.86)
(Increase)/ decrease in loans and advances and other assets	(251.74)	109.14	204.99
Increase/ (decrease) in trade payables	(3.89)	35.40	1383.48
Increase/ (decrease) in other Liabilities	(10.43)	(81.50)	101.77
Increase/ (decrease) in liabilities & provisions	13.56	193.58	(113.65)
<b>Cash generated from/ (used in) operations</b>	<b>391.15</b>	<b>(1181.29)</b>	<b>(843.69)</b>
Income taxes paid	(51.85)	(197.29)	-
Extraordinary items	(0.78)	0.80	(0.49)
<b>Net cash generated from/ (used in) operating activities (A)</b>	<b>338.51</b>	<b>(382.49)</b>	<b>(11.95)</b>
<b>Cash flow from investing activities:</b>			
Purchase of fixed assets	(369.30)	(41.35)	(200.61)
Sale of fixed assets	4.90	-	18.19
Investments in WIP	-	-	-
Loans & advances given to others (net)	-	-	-
Foreign exchange gain/loss	2.56	0.54	0.38
Investment in FD	-	-	-
Interest income on FD	19.90	23.89	9.13
Purchase of investments	(20.00)	(5.00)	(5.00)
Minority Interest	0.49	-	-
Rent Income	1.04	1.60	-
<b>Net cash flow from/(used) in investing activities (B)</b>	<b>360.41</b>	<b>(20.32)</b>	<b>(177.91)</b>
<b>Cash flow from financing activities:</b>			
Proceeds from issue of equity shares	60.00	-	-
Share application money received	240.00	-	-
Proceeds from secured borrowings AND UNSERCURED (net)	396.48	756.88	401.18
Interest & finance costs	(324.89)	(385.94)	(230.04)
<b>Net cash flow from/(used in) financing activities (C)</b>	<b>371.59</b>	<b>370.94</b>	<b>171.14</b>
<b>Net increase/(decrease) in cash &amp; cash equivalents (A+B+C)</b>	<b>349.69</b>	<b>(31.87)</b>	<b>(18.72)</b>
Cash & cash equivalents as at beginning of the year	52.85	401.53	369.67

<b>Particulars</b>	<b>As at March 31, 2016</b>	<b>As at March 31, 2017</b>	<b>As at stub period 30 sep 2017</b>
Cash & cash equivalents as at end of the year	401.53	369.67	350.95

## THE ISSUE

The following table summarizes the Issuer details:

Particulars	Details of Equity Shares
Public Issue of Equity Shares by Our Company	53,16,000 Equity Shares of face value of Rs. 10/- each fully paid up of the Company for cash at a price of Rs. 63/- per Equity share aggregating to Rs. 3,349.08 Lakhs
<b>Of Which:</b>	
Market Maker Reservation Portion	2,72,000 Equity Shares of face value of Rs. 10/- each fully paid up of the Company for cash at a price of Rs. 63/- per Equity share aggregating to Rs. 171.36 Lakhs
Employee Reservation Portion	76,000 Equity Shares of face value of Rs. 10/- each fully paid up of the Company for cash at a price of Rs. 63/- per Equity share not exceeding 5% of the Post Issue Equity Share Capital of our Company
Net Issue to Public	49,68,000 Equity Shares of face value of Rs. 10/- each fully paid of the Company for cash at a price of Rs. 63/- per share aggregating Rs. 3,129.84 Lakhs
<b>Of which</b>	
Retail Portion	24,84,000 Equity Shares of face value of Rs. 10/- each fully paid of the Company at a cash price of Rs. 63/- per Equity share aggregating Rs. 1,564.92 Lakhs will be available for allocation to Retail Individual Investors up to Rs. 2.00 Lakhs
Non-Institutional Portion	24,84,000 Equity Shares of face value of Rs. 10/- each fully paid of the Company for cash at price of 63/- per Equity Share aggregating Rs. 1,564.92 lakhs will be available for allocation to investors above Rs. 2.00 Lakhs
<b>Pre and Post Issue Equity Shares</b>	
Equity Shares outstanding prior to the Issue	1,23,91,288 Equity Shares of face value of Rs.10 each
Equity Shares outstanding after the Issue	1,77,07,288 Equity Shares of face value of Rs.10 each
Use of proceeds of this Issue	For further details please refer chapter titled “ <i>Objects of the Issue</i> ” beginning on page 118 of this Prospectus for information on use of Issue Proceeds.

### Notes:-

The Issue has been authorized by the Board of Directors of the Company *vide* a resolution passed at its meeting held on December 23, 2017 and by the shareholders of our Company *vide* a special resolution passed pursuant to section 62(1)(c) of the Companies Act, 2013 at the Extra Ordinary General Meeting held on January 15, 2018.

This Issue is being made in terms of Chapter XB of the SEBI (ICDR) Regulations, 2009, as amended from time to time.

- 1) *In the event of over-subscription, Allotment shall be made on a proportionate basis, subject to valid Bids received at or above the Issue Price;*

- 2) *Subject to valid Bids being received at or above the Issue Price, under-subscription, if any, in the Non- Institutional Portion and Retail Portion would be allowed to be met with spill-over from other categories or a combination of categories at the discretion of our Company, in consultation with the BRLM and the Designated Stock Exchange.*
- 3) *The Employee Discount, if any, will be determined by the Company in consultation with the BRLM and will be offered to Eligible Employees, at the time of making a Bid. Eligible Employees bidding at a price within the Price Band can make payment at the Bid Amount (which will be less Employee Discount), at the time of making a Bid. Eligible Employees bidding at the Cut-Off Price have to ensure payment at the Cap Price, less Employee Discount, at the time of making a Bid. Retail Individual Bidders and Eligible Employees must ensure that the Bid Amount, does not exceed Rs. 200,000. Retail Individual Bidders and Eligible Employees should note that while filling the "SCSB/Payment Details" block in the Bid cum Application Form, Retail Individual Bidders and Eligible Employees must mention the Bid Amount. For further details, please refer to section titled "Issue Information" beginning on page 356 of this Prospectus.*

For further details please refer to section titled 'Issue Information' beginning on page 356 of this Prospectus.

## GENERAL INFORMATION

Our Company was originally incorporated as "Benara Automotives Private Limited" at Kanpur, as a private limited company under the provisions of the Companies Act, 1956 *vide* Certificate of Incorporation dated November 26, 1990 bearing registration number 20-12518 issued by the Registrar of Companies, Uttar Pradesh, Kanpur. Subsequently, pursuant to a special resolution passed on February 20, 1993, our Company was converted into a public limited company following which our name was changed to "PHB Engineerings Limited" and a fresh Certificate of Incorporation dated April 27, 1993 consequent upon conversion of our Company from private limited to public limited and change of name was issued to our Company by the Registrar of Companies, Uttar Pradesh, Kanpur. Further, pursuant to a special resolution dated July 29, 1993, the name of our Company was changed to "PHB Engineering Limited" from PHB Engineerings Limited and a fresh Certificate of Incorporation dated October 6, 1993 consequent upon the change of name was issued to our Company by the Registrar of Companies, Uttar Pradesh, Kanpur. Later, pursuant to a special resolution dated March 15, 2002, the name of our Company was changed to "Benara Bearings & Pistons Limited" from PHB Engineering Limited and a fresh Certificate of Incorporation dated March 28, 2002 consequent upon the change of name was issued to our Company by the Assistant Registrar of Companies, Uttar Pradesh, Kanpur. The Corporate Identification Number of our Company is U50300UP1990PLC012518.

For details of Incorporation and Change of Registered Office of our Company, please refer to the chapter titled "*Our History and Certain Other Corporate Matters*" beginning on page 195 of this Prospectus.

### REGISTERED OFFICE OF OUR COMPANY

#### **Benara Bearings & Pistons Limited**

A-3 & 4, Site B, Industrial Area

Sikandra Agra, Uttar Pradesh

India 282007

Tel: +91 562 2970158

Fax: +91 562 2970158

Email: [investorgrievance@benara-phb.com](mailto:investorgrievance@benara-phb.com)

Website: [www.benara-phb.com](http://www.benara-phb.com)

Corporate Identification Number: U50300UP1990PLC012518

### REGISTRAR OF COMPANIES

#### **Registrar of Companies, Uttar Pradesh, Kanpur**

37/17, Westcott Building,

The Mall, Kanpur-208001

Website: [www.mca.gov.in](http://www.mca.gov.in)

### DESIGNATED STOCK EXCHANGE

#### **SME Platform of BSE Limited**

P.J. Towers, Dalal Street,

Fort, Mumbai – 400001 ,

Maharashtra, India

**BOARD OF DIRECTORS OF OUR COMPANY**

<b>Sr. No.</b>	<b>Name</b>	<b>Age (in years)</b>	<b>DIN</b>	<b>Address</b>	<b>Designation</b>
1.	Mr. Panna Lal Jain	71	00204869	1/205, Hari Parvat, Professor Colony, Agra, Civil Line, Uttar Pradesh – 282 002	Chairman
2.	Mr. Vivek Benara	44	00204647	1/205, Hari Parvat, Professor Colony, Agra, Civil Line, Uttar Pradesh – 282 002	Managing Director
3.	Ms. Sarla Jain	69	00204813	1/205, Hari Parvat, Professor Colony, Agra, Civil Line, Uttar Pradesh – 282 002	Non Executive Director
4.	Ms. Ketaki Benara	39	00204749	1/205, Hari Parvat, Professor Colony, Agra, Civil Line, Uttar Pradesh – 282 002	Director
5.	Mr. Avinash Kashyap	57	00666821	23-24, Amber House 13/2 M G Road Indore Madhya Pradesh India 452001	Independent Director
6.	Mr. Nitesh Kumar Kumawat	33	07994614	242, Dolatshah Baba Ke Samne Jaipur Road Chomu, Tripolia Jaipur Rajasthan India 303802	Independent Director

For further details of our Directors, please refer to the chapter titled "*Our Management*" beginning on page 202 of this Prospectus.

**COMPANY SECRETARY & COMPLIANCE OFFICER**

**Artee Sahu**

**Benara Bearings & Pistons Limited**

A-3 &-4, Site B, Industrial Area

Sikandra Agra, Uttar Pradesh

India 282007

Tel: +91 562 2970158

Fax: +91 562 2970158

Email: [cs@benara-phb.com](mailto:cs@benara-phb.com)

Website: [www.benara-phb.com](http://www.benara-phb.com)

## **CHIEF FINANCIAL OFFICER**

**Vipin Jain Kumar**  
**Benara Bearings & Pistons Limited**  
A-3 &-4, Site B, Industrial Area  
Sikandra Agra, Uttar Pradesh  
India 282007  
Tel: +91 562 2970158  
Fax: +91 562 2970158  
Email: [cfo@benara-phb.com](mailto:cfo@benara-phb.com)

Investors can contact the Company Secretary and Compliance Officer, the Book Running Lead Manager or the Registrar to the Issue in case of any pre- issue or post- issue related problems, such as non receipt of letters of Allotment, non credit of Allotted Equity Shares in the respective beneficiary account, non receipt of refund orders and non receipt of funds by electronic mode.

All grievances relating to the 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 Bidder should give full details such as name of the sole or first Bidder, ASBA Form number, Bidder DP ID, Client ID, PAN, date of the ASBA Form, address of the Bidder, number of Equity Shares applied for and the name and address of the Designated Intermediary where the ASBA Form was submitted by the ASBA Bidder.

Further, the investor shall also enclose the Acknowledgment Slip from the Designated Intermediaries in addition to the documents/information mentioned hereinabove. For all Issue related queries and for redressal of complaints, bidders may also write to the Book Running Lead Manager. All complaints, queries or comments received by Stock Exchange/ SEBI shall be forwarded to the Book Running Lead Manager, who shall respond to the same.

## **STATUTORY & PEER REVIEW AUDITOR**

**Agrawal Jain & Gupta, Chartered Accountants**  
Shop No. 437, Opp. S.K. Soni Hospital,  
Sikar Road, Jaipur - 302039  
**Tel:** +91-0141 2236375  
**Email:** [ajngupta@gmail.com](mailto:ajngupta@gmail.com)  
**Contact Person:** Nitesh Agarwal  
**Firm Registration:** 013538C  
**Membership No:** 406155

Agrawal Jain & Gupta, Chartered Accountants, our Statutory Auditor are also appointed as peer review auditors of our Company in compliance with section IX of part A of Schedule VIII of SEBI (ICDR) Regulations and hold a valid peer reviewed certificate dated September 16, 2015 issued by the Institute of Chartered Accountants of India.

## **BOOK RUNNING LEAD MANAGER**

**Pantomath Capital Advisors Private Limited**  
406-408, Keshava Premises  
Bandra Kurla Complex, Bandra (East)  
Mumbai 400 051



**Tel:** +91 22 61946704  
**Fax:** + 91 22 26598690  
**Email:** ipo@pantomathgroup.com  
**Website:** www.pantomathgroup.com  
**Contact Person:** Unmesh Zagade  
**SEBI Registration No:** INM000012110

#### **REGISTRAR TO THE ISSUE**

**Bigshare Services Private Limited**  
Bharat Tin Works Building, 1<sup>st</sup> Floor  
Opp. Vasant Oasis, Makwana Road,  
Marol, Andheri (East), Mumbai 400 059  
Maharashtra, India  
**Tel:** +91 22 6263 8200  
**Fax:** + 91 6263 8299  
**Email:** ipo@bigshareonline.com  
**Website:** www.bigshareonline.com  
**Contact Person:** Mr. Srinivas Dornalal  
**SEBI Registration No:** INR000001385  
**Investor Grievance Email:** investor@bigshareonline.com

#### **LEGAL ADVISOR TO THE ISSUE**

**Rajani Associates**  
**Advocates & Solicitors**  
204-207, Krishna Chambers,  
59, New Marine Lines, Mumbai 400020  
Maharashtra, India.  
**Tel:** + 91-22-40961000  
**Fax:** +91-22-40961010  
**Website:** www.rajaniassociates.net  
**Email:** sangeeta@rajaniassociates.net  
**Contact Person:** Ms. Sangeeta Lakhi

#### **BANKER TO THE COMPANY**

**Axis Bank Limited**  
GF 1, 3-16, Block 51,  
Anupam Plaza II, Sanjay Place,  
Agra 282002  
**Tel:** +91 0562-4037527  
**Email:** ccshthead.agra@axisbank.com  
**Website:** www.axisbank.com

**ICICI Bank Limited**  
2<sup>nd</sup> Floor, Shanta Tower,  
Sanjay Place,  
Agra – 282002  
**Tel:** +91 0562 4018813  
**Email:** saurabh.sin@icicibank.com  
**Website:** www.icicibank.com

## **PUBLIC ISSUE BANK / BANKER TO THE ISSUE/ REFUND BANKER**

### **ICICI Bank Limited**

Capital Market Division,  
1<sup>st</sup> Floor, 122, Mistry Bhavan,  
Dinshaw Vachha Road, Backbay Reclamation,  
Churchgate, Mumbai – 400 020,  
Maharashtra, India  
Tel: +91 22 2266818964  
Fax: +91 22 22611138  
Email: [upendra.tripathi@icicibank.com](mailto:upendra.tripathi@icicibank.com)  
Contact Person: Upendra Tripathi

## **SYNDICATE MEMBER**

### **Pantomath Stock Brokers Private Limited**

406-408, Keshava Premises, Behind Family Court,  
Bandra Kurla Complex, Bandra (East), Mumbai 400 051,  
Maharashtra, India  
**Tel:** - +91 22 42577000  
**Fax:** - +91 22 2659 8690  
**E-mail:** [broking@pantomathgroup.com](mailto:broking@pantomathgroup.com)  
**Contact Person:** Mahavir Toshniwal  
**Website:** [www.pantomathbroking.com](http://www.pantomathbroking.com)  
**SEBI Registration Number:** INZ000068338

## **DESIGNATED INTERMEDIARIES**

### **Self-certified Syndicate Banks**

The lists of banks that have been notified by SEBI to act as SCSB for the Applications Supported by Blocked Amount (ASBA) Process are provided on [http://www.sebi.gov.in/sebiweb/home/detail/32931/yes/List-of-Self-Certified-Syndicate-Banks-SCSBsfor- Syndicate-ASBA](http://www.sebi.gov.in/sebiweb/home/detail/32931/yes/List-of-Self-Certified-Syndicate-Banks-SCSBsfor-Syndicate-ASBA). For details on Designated Branches of SCSBs collecting the Application Form, please refer to the above-mentioned SEBI link.

### **Registered Brokers**

Bidders can submit Bid cum Application Forms in the Issue using the stock brokers network of the Stock Exchanges, i.e., through the Registered Brokers at the Broker Centres. The list of the Registered Brokers, including details such as postal address, telephone number and e-mail address, is provided on the websites of the BSE Limited, as updated from time to time. In relation to ASBA Bids submitted to the Registered Brokers at the Broker Centres, the list of branches of the SCSBs at the Broker Centres named by the respective SCSBs to receive deposits of the Bid cum Application Forms from the Registered Brokers will be available on the website of the SEBI ([www.sebi.gov.in](http://www.sebi.gov.in)) and updated from time to time.

### **Registrar to Issue and Share Transfer Agents**

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

## **Collecting Depository Participants**

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

## **CREDIT RATING**

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

## **IPO GRADING**

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

## **TRUSTEE**

As Issue is an Issue of Equity Shares, the appointment of trustee is not required.

## **INTER-SE ALLOCATION OF RESPONSIBILITIES**

Since Pantomath Capital Advisors Private Limited is the sole Book Running Lead Manager to this Issue, a statement of inter se allocation of responsibilities among Book Running Lead Manager is not applicable.

## **APPRAISAL AND MONITORING AGENCY**

As per regulation 16(1) of the SEBI (ICDR) Regulations, the requirement of Monitoring Agency is not mandatory if the Issue size is below Rs. 10,000 Lakhs. Since the Issue size is only of 3,349.08 Lakhs, our Company has not appointed any monitoring agency for this Issue. However, as per Section 177 of the Companies Act, 2013, the Audit Committee of our Company, would be monitoring the utilization of the proceeds of the Issue.

## **EXPERT OPINION**

Except the report of the Peer Reviewed Auditor on statement of tax benefits and report on restated financials for the year ended March 31, 2017, 2016, 2015, 2014 and 2013 and for the quarter ended September 30, 2017 and the Search Report provided by Anju Jain FCS, Practicing Company Secretary as included in the Prospectus, our Company has not obtained any expert opinion.

## **BOOK BUILDING PROCESS**

Book building, with reference to the Issue, refers to the process of collection of Bids on the basis of the Prospectus within the Price Band. The Price Band shall be determined by our Company in consultation with the Book Running Lead Manager in accordance with the Book Building Process, and advertised in all editions of English Newspaper Business Standard, all editions of Hindi Newspaper Business Standard and widely circulated Swarajya Times Hindi Newspaper, as Hindi being the regional language of Agra, where our registered office is situated at least five working days

prior to the Bid/ Issue Opening date. The Issue Price shall be determined by our Company, in consultation with the Book Running Lead Manager in accordance with the Book Building Process after the Bid/Issue Closing Date. Principal parties involved in the Book Building Process are:

- Our Company;
- The Book Running Lead Manager in this case being Pantomath Capital Advisors Private Limited, the Syndicate Member(s) who are intermediaries registered with SEBI/ registered as brokers with BSE Limited and eligible to act as Underwriters. The Syndicate Member(s) will be appointed by the Book Running Lead Manager;
- The Registrar to the Issue; and
- The Designated Intermediaries.

The Issue is being made through 100percent Book Building Process wherein 50 per cent of the Issue shall be available for allocation to Retail Individual Bidders and the balance shall be offered to QIBs and Non-Institutional Investors. Subject to valid Bids 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 Retail Portion where allotment to each Retail Individual Bidders shall not be less than the minimum bid 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 BRLM and the Stock Exchange.

All Bidders (excluding Anchor Investors) can participate in the Issue only through the ASBA process. Anchor Investors are not permitted to participate through the ASBA process. In accordance with the SEBI (ICDR) Regulations, QIBs and Non-Institutional Bidders are not allowed to withdraw or lower the size of their Bids (in terms of the quantity of the Equity Shares or the Bid Amount) at any stage. Retail Individual Bidders can revise or withdraw their Bids prior to the Bid/Issue Closing Date. Anchor Investors are not allowed to withdraw their Bids after the Anchor Investor Bidding Date. Except Allocation to Retail Individual Investors and the Anchor Investors, Allocation in the Issue will be on a proportionate basis. We will comply with the SEBI (ICDR) Regulations and any other ancillary directions issued by SEBI for this Issue. In this regard, we have appointed Pantomath Capital Advisors Private Limited as the Book Running Lead Managers, respectively to manage the Issue and procure subscriptions to the Issue.

The Book Building Process under the SEBI (ICDR) Regulations is subject to change from time to time and the investors are advised to make their own judgment about investment through this process prior to making a Bid or application in the Issue.

For further details on the method and procedure for Bidding, please refer to the chapter titled "*Issue Procedure*" beginning on page 367 of this Prospectus.

**Illustration of Book Building and Price Discovery Process** (Investors should note that this example is solely for illustrative purposes and is not specific to the Issue). Bidders can bid at any price within the price band. For instance, assume a price band of Rs. 20 to Rs. 24 per equity share, Issue size of 3,000 equity shares and receipt of five bids from bidders, details of which are shown in the table below. A graphical representation of the consolidated demand and price would be made available at the bidding centers during the bidding period. The illustrative book below shows the demand for the equity shares of the issuer company at various prices and is collated from bids received from various investors.

Bid Quantity	Bid Price (Rs.)	Cumulative Bid Quantity	Subscription
500	24	500	16.67%
1,000	23	1,500	50.00%

1,500	22	3,000	100.00%
2,000	21	5,000	166.67%
2,500	20	7,500	250.00%

The price discovery is a function of demand at various prices. The highest price at which the issuer is able to Issue the desired number of shares is the price at which the book cuts off, i.e., Rs. 22/- in the above example. The issuer, in consultation with the Book Running Lead Manager will finalize the Issue price at or below such cut-off price, i.e., at or below Rs. 22/-. All bids at or above this Issue price and cut-off bids are valid bids and are considered for allocation in the respective categories.

**Steps to be taken by the Bidders for Bidding:**

1. Check eligibility for making a Bid (please refer to section titled "*Issue Procedure*" beginning on page 367 of this Prospectus);
2. Ensure that you have a demat account and the demat account details are correctly mentioned in the Bid cum Application Form;
3. Ensure correctness of your PAN, DP ID and Client ID mentioned in the Bid cum Application Form. Based on these parameters, the Registrar to the Issue will obtain the Demographic Details of the Bidders from the Depositories.
4. Except for Bids on behalf of the Central or State Government officials, residents of Sikkim and the officials appointed by the courts, who may be exempt from specifying their PAN for transacting in the securities market, for Bids of all values ensure that you have mentioned your PAN allotted under the Income Tax Act in the Bid cum Application Form. The exemption for Central or State Governments and officials appointed by the courts and for investors residing in Sikkim is subject to the Depository Participant's verification of the veracity of such claims of the investors by collecting sufficient documentary evidence in support of their claims.
5. Ensure that the Bid cum Application Form is duly completed as per instructions given in this Prospectus and in the Bid cum Application Form;

**BID / ISSUE PROGRAMME**

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

<b>Event</b>	<b>Indicative</b>
Bid/Issue Opening Date	March 20, 2018
Bid/Issue Closing Date	March 22, 2018
Finalization of Basis of Allotment with the Designated Stock Exchange	On or before March 27, 2018
Initiation of Refunds	On or before March 28, 2018
Credit of Equity Shares to Demat Accounts of Allottees	On or before April 02, 2018
Commencement of trading of the Equity Shares on the Stock Exchange	On or before April 03, 2018

The above timetable is indicative and does not constitute any obligation on our Company or the Book Running Lead Manager. Whilst our Company shall ensure that all steps for the completion of the necessary formalities for the listing and the commencement of trading of the Equity Shares on the Stock Exchange are taken within 6 Working Days of the Issue Closing Date, the timetable may change due to various factors, such as extension of the Issue Period by our Company, or any delays in

receiving the final listing and trading approval from the Stock Exchange. The Commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchange and in accordance with the applicable laws.

Bids and any revision to the same shall be accepted only between 10.00 a.m. and 5.00 p.m. (IST) during the Issue Period. On the Issue Closing Date, the Bids and any revision to the same shall be accepted between 10.00 a.m. and 5.00 p.m. (IST) or such extended time as permitted by the Stock Exchanges, in case of Bids by Retail Individual Bidders after taking into account the total number of bids received up to the closure of timings and reported by the Book Running Lead Manager to the Stock Exchanges. It is clarified that Bids not uploaded on the electronic system would be rejected. Bids will be accepted only on Working Days. Neither our Company nor the Book Running Lead Manager is liable for any failure in uploading the Bids due to faults in any software/hardware system or otherwise.

Non Retail Bidders shall not be allowed to either withdraw or lower the size of their Bid at any stage. Non Retail Bidders may revise their Bids upwards (in terms of quantity of Equity Shares) during the Issue Period. Such upward revision must be made using the Revision Form.

In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical or electronic Bid cum Application Form, for a particular Bidder, the Registrar to the Issue shall ask the relevant SCSBs / RTAs / DPs / Stock Brokers, as the case may be, for rectified data.

## UNDERWRITER

Our Company and Book Running Lead Manager to the Issue hereby confirm that the Issue is 100% Underwritten. The underwriting agreement is dated February 7, 2018 and pursuant to the terms of the underwriting agreement; obligations of the underwriter are subject to certain conditions specified therein. The Underwriter has indicated their intention to underwrite following number of specified securities being offered through this Issue.

Name and Address of the Underwriters	Indicative Number of Equity shares to be Underwritten	Amount Underwritten (Rupees in Lakhs)	% of the Total Issue Size Underwritten
<b>Pantomath Capital Advisors Private Limited</b> 406-408, Keshava Premises, Behind Family Court, Bandra Kurla Complex, Bandra East, Mumbai – 400051, Maharashtra, India <b>Tel:</b> +91 22 61946724 <b>Fax:</b> +91 22 26598690 <b>Email:</b> ipo@pantomathgroup.com <b>Contact Person:</b> Mahavir Toshniwal <b>SEBI Registration Number:</b> INM000012110	53,16,000	3,349.08	100%
<b>Total</b>	<b>53,16,000</b>	<b>3,349.08</b>	<b>100%</b>

*\*Includes 2,72,000 Equity shares of the Market Maker Reservation Portion which are to be subscribed by the Market Maker in order to claim compliance with the requirements of Regulation 106 V(4) of the SEBI (ICDR) Regulations, 2009, as amended.*

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

## DETAILS OF MARKET MAKING ARRANGEMENT

Our Company and the Book Running Lead Manager has entered into an agreement dated February 7, 2018, with the following Market Maker, duly registered with SME Platform of BSE Limited to fulfil the obligations of Market Making:-

**Pantomath Stock Brokers Private Limited**

406-408, Keshava Premises, Behind Family Court,  
Bandra Kurla Complex, Bandra (East), Mumbai 400 051,  
Maharashtra, India

**Tel:** +91 22 6194 6774

**Fax:** +91 22 2659 8690

**Email:** broking@pantomathgroup.com

**Contact Person:** Mahavir Toshniwal

**SEBI Registration Number:** INZ000068338

Pantomath Stock Brokers Private Limited registered with SME platform of BSE Limited will act as the Market Maker and has agreed to receive or deliver of the specified securities in the market making process for a period of three years from the date of listing of our Equity Shares or for a period as may be notified by any amendment to SEBI (ICDR) Regulations.

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

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

1. The Market Maker(s) (individually or jointly) shall be required to provide a 2-way quote for 75% of the time in a day. The same shall be monitored by the Stock Exchange. The spread (difference between the sell and the buy quote) shall not be more than 10% or as specified by the Stock Exchange. Further, the Market Maker(s) shall inform the Exchange in advance for each and every black out period when the quotes are not being offered by the Market Maker(s).
2. The minimum depth of the quote shall be Rs.1,00,000/-. However, the investors with holdings of value less than Rs.1,00,000/- shall be allowed to Issue 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. Based on the IPO price of 63/- the minimum lot size is 2,000 Equity Shares thus minimum depth of the quote shall be Rs. 1,26,000/- until the same, would be revised by BSE Limited.
3. After a period of three (3) months from the market making period, the Market Maker would be exempted to provide quote if the Shares of Market Maker in our Company reaches to 25% of Issue Size (including the 2,72,000 Equity Shares out to be allotted under this Issue). Any Equity Shares allotted to Market Maker under this Issue over and above 25% Equity Shares 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 reduce to 24% of Issue Size, the Market Maker will resume providing 2-way quotes.
4. There shall be no exemption / threshold on downside. However, in the event the Market Maker exhausts his inventory through market making process, BSE Limited may intimate the same to SEBI after due verification.

5. Execution of the order at the quoted price and quantity must be guaranteed by the Market Maker(s), for the quotes given by him.
6. There would not be more than five Market Makers for the Company's Equity Shares at any point of time and the Market Makers may compete with other Market Makers for better quotes to the investors. At this stage, Pantomath Stock Brokers Private Limited is acting as the sole Market Maker.
7. Price Band and Spreads: SEBI Circular bearing reference no: CIR/MRD/DP/ 02/2012 dated January 20, 2012, has laid down that for issue size up to Rs. 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.
  - iii. Additionally, the trading shall take place in TFT segment for first 10 days from commencement of trading. The following spread will be applicable on the SME Exchange Platform.
8. 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.
9. The Market Maker shall have the right to terminate said arrangement by giving one month notice or on mutually acceptable terms to the Book Running Lead Manager, who shall then be responsible to appoint a replacement Market Maker(s).

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 Book Running Lead Manager to arrange for another Market Maker(s) in replacement during the term of the notice period being served by the Market Maker but prior to the date of releasing the existing Market Maker from its duties in order to ensure compliance with the requirements of regulation 106V of the SEBI (ICDR) Regulations. Further the Company and the Book Running Lead Manager reserve the right to appoint other Market Maker(s) 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 5 (five) or as specified by the relevant laws and regulations applicable at that particular point of time. The Market Making Agreement is available for inspection at our Registered Office from 11.00 a.m. to 5.00 p.m. on working days.

10. SME Platform of BSE Limited will have all margins which are applicable on the BSE Limited Main Board viz., Mark-to-Market, Value-At-Risk (VAR) Margin, Extreme Loss Margin, Special Margins and Base Minimum Capital etc. BSE Limited can impose any other margins as deemed necessary from time-to-time.
11. SME Platform of BSE Limited will monitor the obligations on a real time basis and punitive action will be initiated for any exceptions and / or non-compliances. Penalties / fines may be imposed by the Exchange on the Market Maker, in case he is not able to provide the desired



liquidity in a particular security as per the specified guidelines. These penalties / fines will be set by the Exchange from time to time. The Exchange will impose a penalty on the Market Maker in case he is not present in the market (offering two way quotes) for at least 75% of the time. The nature of the penalty will be monetary as well as suspension in market making activities / trading membership.

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

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

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

The Market Making arrangement, trading and other related aspects including all those specified above shall be subject to the applicable provisions of law and / or norms issued by SEBI / BSE Limited from time to time.

## CAPITAL STRUCTURE

*Certain forms and resolutions filed with Registrar of Companies (prior to 2006), bank statements of the Company, and transfer forms are not traceable by our Company. With respect to changes in capital structure these include forms and resolutions for increase in authorised share capital, share capital allotment, annual returns, etc. Hence, this chapter is prepared based on the ROC search reports, data provided by management and to the best of information available.*

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

<i>Amount (Rs. In lakh except share data)</i>			
No.	Particular	Aggregate nominal value	Aggregate value at Issue Price
A.	<b>Authorized Share Capital</b>		
	2,00,00,000 Equity Shares of face value of Rs. 10/- each	2,000	
B.	<b>Issued, Subscribed and Paid-up Share Capital before the Issue</b>		
	1,23,91,288 Equity Shares of face value of Rs. 10/- each	1,239.13	
C.	<b>Present Issue in terms of this Prospectus*</b>		
	Issue of 53,16,000 Equity Shares of face value of Rs. 10 each at a price of Rs. 63/- per Equity Share.	531.6	3,349.08
	Consisting:		
	<b>Reservation for Market Maker-</b> 2,72,000 Equity Shares of face value of Rs. 10/- each reserved as Market Maker portion at a price of Rs. 63/- per Equity Share	27.2	171.36
	<b>Employee Reservation</b> – 76,000 Equity shares of face value of Rs. 10/- each reserved for eligible employees at a price of Rs. 63/- per Equity Shares.	7.60	47.88
	<b>Net Issue to the Public</b> – 49,68,000 Equity Shares of face value of Rs. 10/- each at a price of Rs. 63/- per Equity Share	496.8	3,129.84
	<b>Of the Net Issue to the public</b>		
	<b>Allocation to Retail Individual Investors-</b> 24,84,000 Equity Shares of face value of Rs. 10 each at a price of Rs. 63 per Equity Share shall be available for allocation for Investors applying for a value of upto Rs. 2 lacs	248.4	1,564.92
	<b>Allocation to Other than Retail Individual Investors-</b> 24,84,000 Equity Shares of face value of Rs. 10 each at a price of Rs. 63 per Equity	248.4	1,564.92

No.	Particular	Aggregate nominal value	Aggregate value at Issue Price
	Share shall be available for allocation for Investors applying for a value above Rs. 2 lacs		
D.	<b>Issued, Subscribed and Paid-Up Share Capital after the Issue</b>		
	1,77,07,288 Equity Shares of face value of Rs. 10/- each	1,770.73	
E.	<b>Securities Premium Account</b>		
	Before the Issue	Nil	
	After the Issue	2,817.48	

The Issue has been authorized by the Board of Directors of our Company *vide* a resolution passed at its meeting held on December 23, 2017 and by the shareholders of our Company *vide* special resolution passed at its meeting held on January 15, 2018 pursuant to section 62(1)(c) of Companies Act, 2013.

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

## NOTES TO THE CAPITAL STRUCTURE

### 1. Details of changes in Authorized Share Capital:

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

Particulars of change		Date of shareholders Meeting	AGM/EGM
Increased from	Increased to		
The authorized share capital of our Company on incorporation comprised of Rs. 20,00,000 divided into 2,00,000 Equity Shares of Rs. 10 each		On incorporation	-
Rs. 20,00,000 consisting of 2,00,000 Equity Shares of Rs.10 each	Rs. 50,00,000 consisting of 5,00,000 Equity Shares of Rs. 10 each	January 20, 1995	EGM
Rs. 50,00,000 consisting of 5,00,000 Equity Shares of Rs. 10 each	Rs. 1,00,00,000 consisting of 10,00,000 Equity Shares of Rs. 10 each	March 14, 1996	EGM
Rs. 1,00,00,000 consisting of 10,00,000 Equity Shares of Rs. 10 each	Rs. 1,25,00,000 consisting of 12,50,000 Equity Shares of Rs.10 each	July 19, 1998	EGM
Rs. 1,25,00,000 consisting of 12,50,000 Equity Shares of Rs.10 each	Rs. 1,50,00,000 consisting of 15,00,000 Equity Shares of Rs. 10 each	March 30, 2002	EGM

Particulars of change		Date of shareholders Meeting	AGM/EGM
Rs. 1,50,00,000 consisting of 1,50,00,00 Equity Shares of Rs. 10 each	Rs. 2,25,00,000 consisting of 2,25,00,00 Equity Shares of Rs. 10 each	January 24, 2005	EGM
Rs. 2,25,00,000 consisting of 2,25,00,00 Equity Shares of Rs. 10 each	Rs. 2,75,00,000 consisting of 27,50,000 Equity Shares of Rs. 10 each	March 25, 2013	EGM
Rs. 2,75,00,000 consisting of 27,50,000 Equity Shares of Rs. 10 each	Rs. 3,10,00,000 consisting of 31,00,000 Equity Shares of Rs. 10 each	January 7, 2016	EGM
Rs. 3,10,00,000 consisting of 31,00,000 Equity Shares of Rs. 10 each	Rs. 3,60,00,000 consisting of 36,00,000 Equity Shares of Rs. 10 each	February 4, 2016	EGM
Rs. 3,60,00,000 consisting of 36,00,000 Equity Shares of Rs. 10 each	Rs. 20,00,00,000 consisting of 2,00,00,000 Equity Shares of Rs. 10 each	November 28, 2017	EGM

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

Date of allotment /fully paid up	No. of Equity Shares allotted	Face value (Rs.)	Issue price (Rs.)	Nature of consideration	Nature of allotment	Cumulative no. of Equity Shares	Cumulative Paid-up capital(Rs.)
On Incorporation	200	10	10	Cash	Subscription to the MOA (1)	200	2,000
May 7, 1993	90,070	10	10	Cash	Further Allotment(2)	90,270	9,02,700
August 1, 1994	62,000	10	10	Cash	Further Allotment (3)	1,52,270	15,22,700
February 15, 1995	1,32,500	10	10	Cash	Further Allotment (4)	2,84,770	28,47,700
March 29, 1996	1,61,862	10	10	Cash	Further Allotment (5)	4,46,632	44,66,320
December 31, 1996	1,00,000	10	60	Cash	Further Allotment (6)	5,46,632	54,66,320
March 6, 1997	50,000	10	60	Cash	Further Allotment (7)	5,96,632	59,66,320
March 31, 1998	2,17,000	10	60	Cash	Further Allotment	8,13,632	81,36,320

<b>Date of allotment /fully paid up</b>	<b>No. of Equity Shares allotted</b>	<b>Face value (Rs.)</b>	<b>Issue price (Rs.)</b>	<b>Nature of consideration</b>	<b>Nature of allotment</b>	<b>Cumulative no. of Equity Shares</b>	<b>Cumulative Paid-up capital(Rs.)</b>
					(8)		
March 31, 1999	1,37,268	10	60	Cash	Further Allotment (9)	9,50,900	95,09,000
July 26, 1999	1,00,000	10	60	Cash	Further Allotment (10)	10,50,900	1,05,09,000
January 21, 2000	75,000	10	60	Cash	Further Allotment (11)	11,25,900	1,12,59,000
March 20, 2001	3,910	10	60	Cash	Further Allotment (12)	11,29,810	1,12,98,100
March 30, 2002	49,000	10	31	Cash	Further Allotment (13)	11,78,810	1,17,88,100
March 31, 2003	12,000	10	31	Cash	Further Allotment (14)	11,90,810	1,19,08,100
March 26, 2004	1,61,000	10	31	Cash	Further Allotment (15)	13,51,810	1,35,18,100
February 8, 2005	2,66,000	10	31	Cash	Further Allotment (16)	16,17,810	1,61,78,100
February 24, 2005	57,000	10	31	Cash	Further Allotment (17)	16,74,810	1,67,48,100
March 31, 2012	3,23,000	10	31	Cash	Further Allotment (18)	19,97,810	1,99,78,100
March 31, 2013	5,00,000	10	31	Cash	Further Allotment (19)	24,97,810	2,49,78,100
January 15, 2016*	1,00,006	10	50	Cash	Further Allotment (20)	25,97,816	2,59,78,160
February 4, 2016	200,006	10	50	Cash	Further Allotment (21)	27,97,820	2,79,78,220
February 15, 2016	2,00,000	10	50	Cash	Further Allotment (22)	29,97,820	2,99,78,220
March 1, 2016	1,00,000	10	50	Cash	Further Allotment (23)	30,97,820	3,09,78,220
December 23, 2017	92,93,466	10		Other than Cash	Bonus Issue(24)	1,23,91,288	12,39,12,880

- (1) Initial Subscribers to Memorandum of Association subscribed 200 Equity Shares of face value of Rs. 10 each fully paid at par as per the details given below:

<b>Sr. No.</b>	<b>Name of Allottees</b>	<b>No. of Shares Subscribed</b>
1.	PannaLal Jain	100
2.	Sanjay Benara	100
	<b>Total</b>	<b>200</b>

- (2) Further allotment of 90,070 Equity Shares of face value of 10 each fully paid up as on May 7, 1993 as per the details given below:

<b>Sr. No</b>	<b>Name of Allottee</b>	<b>No. of Shares Allotted</b>
1.	Panna Lal Jain	10,010
2.	Hira Lal Jain	10,010
3.	H. L. Jain (HUF)	10,000
4.	Bina Jain	10,010
5.	Divya Benara	15,000
6.	Vibhu Benara	10,000
7.	Ruchi Jain	15,000
8.	P. L. Jain (HUF)	10,000
9.	Vivek Jain	10
10.	Anil Kumar Patni	10
11.	Raj Kumar Bansal	10
12.	Ajay Jain	10
	<b>Total</b>	<b>90,070</b>

- (3) Further allotment of 62,000 Equity Shares of face value of 10 each fully paid up as on August 1, 1994 as per the details given below:

<b>Sr. No</b>	<b>Name of Allottee</b>	<b>No. of Shares Allotted</b>
1.	PannaLal Jain	30,000
2.	HiraLal Jain	25,000
3.	H. L. Jain (HUF)	7,000
	<b>Total</b>	<b>62,000</b>

- (4) Further allotment of 1,32,500 Equity Shares of face value of 10 each fully paid up as on February 15, 1995 as per the details given below:

<b>Sr. No</b>	<b>Name of Allottee</b>	<b>No. of Shares Allotted</b>
1.	PannaLal Jain	25,000
2.	HiraLal Jain	31,500
3.	H. L. Jain (HUF)	500
4.	Bina Jain	5,500
5.	DivoyBenara	7,500
6.	VibhuBenara	7,500
7.	P. L. Jain (HUF)	32,500
8.	VivekBenara	15,000
9.	Sarla Jain	7,500
	<b>Total</b>	<b>1,32,500</b>

- (5) Further allotment of 1,61,862 Equity Shares of face value of 10 each fully paid up as on March 29, 1996 as per the details given below:

<b>Sr. No</b>	<b>Name of Allottee</b>	<b>No. of Shares Allotted</b>
	M/s. PH Enterprises Private Limited	60,000
	M/s. D.V. Enterprises Private Limited	1,01,862
	<b>Total</b>	<b>1,61,862</b>

- (6) Further allotment of 1,00,000 Equity Shares of face value of 10 each fully paid at premium as on December 31, 1996 as per the details given below:

<b>Sr. No</b>	<b>Name of Allottee</b>	<b>No. of Shares Allotted</b>
1.	M/s. Sky Marks Leasing & Finance Limited	1,00,000
	<b>Total</b>	<b>1,00,000</b>

- (7) Further allotment of 50,000 Equity Shares of face value of 10 each fully paid up at premium as on March 6, 1997 as per the details given below:

<b>Sr. No</b>	<b>Name of Allottee</b>	<b>No. of Shares Allotted</b>
1.	M/s. Saraswati Capital Services Limited	50,000
	<b>Total</b>	

- (8) Further allotment of 2,17,000 Equity Shares of face value of 10 each fully paid at premium as on March 31, 1998 as per the details given below:

<b>Sr. No</b>	<b>Name of Allottee</b>	<b>No. of Shares Allotted</b>
1.	PannaLal Jain	3,000
2.	HiraLal Jain	11,000
3.	Bina Jain	11,000
4.	DivoyBenara	3,000
5.	VibhuBenara	3,000
6.	VivekBenara	5,000
7.	Sarla Jain	21,000
8.	M/s. Sky Marks Leasing & Finance Limited	1,50,000
9.	M/s. Saraswati Capital Services Limited	10,000
	<b>Total</b>	<b>2,17,000</b>

- (9) Further allotment of 1,37,268 Equity Shares of face value of 10 each fully paid at premium as on March 31, 1999 as per the details given below:

<b>Sr. No</b>	<b>Name of Allottee</b>	<b>No. of Shares Allotted</b>
1.	PannaLal Jain	30,990
2.	HiraLal Jain	29,750
3.	Bina Jain	29,738
4.	DivoyBenara	7,560
5.	VibhuBenara	2,330
6.	P. L. Jain (HUF)	4,160
7.	VivekBenara	8,330
8.	Sarla Jain	24,410
	<b>Total</b>	<b>1,37,268</b>

- (10) Further allotment of 1,00,000 Equity Shares of face value of 10 each fully paid at premium as on July 26, 1999 as per the details given below:

Sr. No	Name of Allottee	No. of Shares Allotted
1.	M/s. Skymark Leasing and Finance Limited	1,00,000
	<b>Total</b>	<b>1,00,000</b>

- (11) Further allotment of 75,000 Equity Shares of face value of 10 each fully paid at premium as on January 21, 2000 as per the details given below:

Sr. No	Name of Allottee	No. of Shares Allotted
1.	M/s. Sky Marks Leasing & Finance Limited	75,000
	<b>Total</b>	<b>75,000</b>

- (12) Further allotment of 3,910 Equity Shares of face value of 10 each fully paid at premium as on March 20, 2001 as per the details given below:

Sr. No	Name of Allottee	No. of Shares Allotted
1.	PannaLal Jain	2,080
2.	P. L. Jain (HUF)	1,830
	<b>Total</b>	<b>3,910</b>

- (13) Further allotment of 49,000 Equity Shares of face value of 10 each fully paid at premium as on March 30, 2002 as per the details given below:

Sr. No	Name of Allottee	No. of Shares Allotted
1.	Keso Ram Gupta	26,000
2.	Narendra Kumar Gupta	23,000
	<b>Total</b>	<b>49,000</b>

- (14) Further allotment of 12,000 Equity Shares of face value of 10 each fully paid at premium as on March 31, 2003 as per the details given below:

Sr. No	Name of Allottee	No. of Shares Allotted
1.	Titan Securities Limited	12,000
	<b>Total</b>	<b>12,000</b>

- (15) Further allotment of 1,61,000 Equity Shares of face value of 10 each fully paid at premium as on March 26, 2004 as per the details given below:

Sr. No.	Name of Allottees	No of Shares Allotted
1.	PannaLal Jain	32,250
2.	Sarla Jain	48,250
3.	Vivek Benara	48,250
4.	Ketaki Benara	32,250
	<b>Total</b>	<b>1,61,000</b>

- (16) Further allotment of 2,66,000 Equity Shares of face value of Rs. 10 each fully paid at premium as on February 8, 2005 as per the details given below:



<b>Sr. No.</b>	<b>Name of Allottees</b>	<b>No. of Shares Allotted</b>
1.	PannaLal Jain	90,000
2.	PannaLal Jain HuF	90,000
3.	Sarla Jain	70,000
4.	Ketaki Benara	11,000
5.	Vivek Benara	5,000
<b>Total</b>		<b>2,66,000</b>

- (17) Further allotment of 57,000 Equity Shares of face value of Rs. 10 each fully paid at premium as on February 24, 2005 as per the details given below:

<b>Sr. No.</b>	<b>Name of Allottees</b>	<b>No. of Shares Allotted</b>
1.	PannaLal Jain	17,000
2.	Ketaki Benara	15,000
3.	Vivek Benara	25,000
<b>Total</b>		<b>57,000</b>

- (18) Further allotment of 3,23,000 Equity Shares of face value of Rs. 10 each fully paid at premium as on March 31, 2012 as per the details given below:

<b>Sr. No.</b>	<b>Name of Allottees</b>	<b>No of Shares Allotted</b>
1.	Sarla Jain	1,61,000
2.	Vivek Benara	50,000
3.	Ketaki Benara	1,12,000
<b>Total</b>		<b>3,23,000</b>

- (19) Further allotment of 5,00,000 Equity Shares of face value of Rs. 10 each fully paid at premium as on March 31, 2013 as per the details given below:

<b>Sr. No.</b>	<b>Name of Allottees</b>	<b>No of Shares Allotted</b>
1.	PannaLal Jain	1,25,000
2.	Sarla Jain	1,25,000
3.	Vivek Benara	1,25,000
4.	Ketaki Benara	1,25,000
<b>Total</b>		<b>5,00,000</b>

- (20) Further allotment of 1,00,006 Equity Shares of face value of Rs. 10 each fully paid at premium as on January 15, 2016 as per the details given below:

<b>Sr. No.</b>	<b>Name of Allottees</b>	<b>No of Shares Allotted</b>
1.	PannaLal Jain	36,022
2.	Sarla Jain	40,362
3.	Vivek Benara	23,622
<b>Total</b>		<b>1,00,006</b>

- (21) Further allotment of 2,00,006 Equity Shares of face value of Rs. 10 each fully paid at premium as on February 4, 2016 as per the details given below:

<b>Sr. No.</b>	<b>Name of Allottees</b>	<b>No of Shares Allotted</b>
1.	PannaLal Jain	38,981

2.	Sarla Jain	34,641
3.	Vivek Benara	51,381
4.	Ketaki Benara	75,003
<b>Total</b>		<b>2,00,006</b>

- (22) Further allotment of 2,00,000 Equity Shares of face value of Rs. 10 each fully paid at premium as on February 15, 2016 as per the details given below:

Sr. No.	Name of Allottees	No of Shares Allotted
1.	Sky Mark Leasing and Finance Limited	1,20,000
2.	Vivek Benara	80,000
<b>Total</b>		<b>2,00,000</b>

- (23) Further allotment of 1,00,000 Equity Shares of face value of Rs. 10 each fully paid at premium as on February 15, 2016 as per the details given below:

Sr. No	Name of Allottees	No of Shares Allotted
•	Mrs. Anu Jain	1,00,000
<b>Total</b>		<b>1,00,000</b>

- (24) Bonus Issue of 92,93,466 Equity Shares of face value of Rs. 10 each fully paid at par on December 23, 2017 in ratio of 3 equity shares for every 1 share held as per the details given below:

Sr. No	Name of Allottees	No of Shares Allotted
1.	PannaLal Jain	16,98,639
2.	Sarla Jain	20,13,723
3.	VivekBenara	16,34,259
4.	KetakiBenara	15,35,289
5.	PannaLal Jain HuF	7,67,970
6.	M/s. Sky Marks Leasing & Finance Limited	16,35,000
7.	M/s. D.V. Enterprises Private Limited	5,586
8.	M/s. Prakash Chand Jain & Bros	3,000
<b>Total</b>		<b>92,93,466</b>

3. We have not issued any Equity Shares for consideration other than cash except as stated below.

Date of allotment	Number of equity shares	Face Value (Rs.)	Issue Price (Rs.)	Reasons for allotment	Benefits accrued to our Company	Allottees	No. of Shares allotted
December 23, 2017	92,93,466	10	Nil	Bonus issue in ratio of 3 equity shares for every 1 equity share held	Capitalisation of Reserves	PannaLal Jain	16,98,639
						Sarla Jain	20,13,723
						VivekBenara	16,34,259
						KetakiBenara	15,35,289
						PannaLal Jain HuF	7,67,970
						M/s. Sky Marks Leasing &	16,35,000

	Finance Limited	
	M/s. D.V. Enterprises Private Limited	5,586
	M/s. Prakash Chand Jain & Bros.	3,000
<b>Total</b>		<b>92,93,466</b>

4. No Equity Shares have been allotted pursuant to any scheme approved under Section 230-240 of the Companies Act, 2013.
5. Our Company has not issued any shares pursuant to an Employee Stock Option Scheme.
6. Our Company has not revalued its assets since inception and have not issued any Equity Shares (including bonus shares) by capitalizing any revaluation reserves.
7. We have not issued any shares at price below issue price within last one year from the date of this Prospectus except as given below:

Date of allotment	Number of equity shares	Face Value (Rs.)	Issue Price (Rs.)	Reasons for allotment	Allottees	No. of Shares allotted
December 23, 2017	92,93,466	10	Nil	Bonus issue in ratio of 3 equity shares for every 1 equity share held	PannaLal Jain	16,98,639
					Sarla Jain	20,13,723
					VivekBenara	16,34,259
					KetakiBenara	15,35,289
					PannaLal Jain HuF	7,67,970
					M/s. Sky Marks Leasing & Finance Limited	16,35,000
					M/s. D.V. Enterprises Private Limited	5,586
					M/s. Prakash Chand Jain & Bros.	3,000
<b>Total</b>						<b>92,93,466</b>

8. As on the date of this Prospectus, our Company does not have any preference Share Capital.
9. **Build-up of Promoters' shareholding, Promoters' contribution and lock-in**
  - (i) Built up of Promoter's shareholdings:

As on the date of this Prospectus, our Promoters, Mr. PannaLal Jain and Mr. Vivek Benara, Equity Shares of our Company. None of the Equity shares held by our promoters are subject to any pledge.

- 1) PannaLal Jain

Date of Allotment	No. of Equity Shares	Face value per share (Rs.)	Issue/ Acquisition/ Transfer price (Rs.)	Nature of transaction	Pre-issue shareholding	Post-issue shareholding
November 26, 1990	100	10	10	Subscription to the Memorandum of Association	0.00	0.00
May 7, 1993	10,010	10	10	Further Allotment	0.08	0.06
August 1, 1994	30,000	10	10	Further Allotment	0.24	0.17
February 15, 1995	25,000	10	10	Further Allotment	0.20	0.14
March 31, 1998	3,000	10	60	Further Allotment	0.02	0.02
March 31, 1999	30,990	10	60	Further Allotment	0.25	0.18
March 20, 2001	2,080	10	60	Further Allotment	0.02	0.01
July 15, 2002	65,750	10	31	Transfer of shares from HiraLal Jain	0.53	0.37
March 26, 2004	32,250	10	31	Further Allotment	0.26	0.18
February 8, 2005	90,000	10	31	Further Allotment	0.73	0.51
February 24, 2005	17,000	10	31	Further Allotment	0.14	0.10
May 20, 2010	10	10	10	Transfer of shares from Ajay Jain	0.00	0.00
	10	10	10	Transfer from Raj Kumar Bansal	0.00	0.00
	10	10	10	Transfer from Anil Kumar Patni	0.00	0.00
March 31, 2013	1,25,000	10	31	Further Allotment	1.01	0.71
January 15, 2016	36,022	10	50	Further Allotment	0.29	0.20
February 4, 2016	38,981	10	50	Further Allotment	0.31	0.22
April 1, 2016	60,000	10	50	Transfer from M/s. Prakash Chand Jain & Bros	0.48	0.34
December 23, 2017	16,98,639	10	0	Bonus Issue	13.71	9.59
<b>Total</b>	<b>22,64,852</b>				<b>18.28</b>	<b>12.79</b>

2) Mr. Vivek Benara

Date of Allotment	No. of Equity Shares	Face value per share (Rs.)	Issue/ Acquisition/ Transfer price (Rs.)	Nature of transaction	Pre-issue shareholding	Post-issue shareholding
May 7, 1993	10	10	10	Further Allotment	0.00	0.00
February 15, 1995	15,000	10	10	Further Allotment	0.12	0.08
December 23, 1997	15,000	10	31	Transfer	0.12	0.08
March 31, 1998	5,000	10		Further Allotment	0.04	0.03
March 31, 1999	8,330	10	60	Further Allotment	0.07	0.05
July 15, 2002	33,060	10	31	Transfer	0.27	0.19
March 26, 2004	48,250	10	31	Further Allotment	0.39	0.27
February 8, 2005	5,000	10	31	Further Allotment	0.04	0.03
February 24, 2005	25,000	10	31	Further Allotment	0.20	0.14
March 31, 2012	50,000	10	31	Further Allotment	0.40	0.28
March 31, 2013	1,25,000	10	31	Further Allotment	1.01	0.71
January 15, 2016	23,622	10	50	Further Allotment	0.19	0.13
February 4, 2016	51,381	10	50	Further Allotment	0.41	0.29
February 15, 2016	80,000	10	50	Further Allotment	0.65	0.45
April 1, 2016	60,000	10	50	Transfer from M/s. P.H. Enterprises Private Limited	0.48	0.34
March 31, 2017	100	10	10	Transfer from Rajesh Benara	0.00	0.00
December 23, 2017	16,34,259	10	0	Bonus Issue	13.19	9.23
<b>Total</b>	<b>21,79,012</b>				<b>17.59</b>	<b>12.31</b>

(ii) **Details of Promoters Contribution locked in for three years**

Pursuant to Regulation 32 and 36 of SEBI ICDR Regulations, an aggregate of 20.16% of the

post-Issue capital held by our Promoters shall be considered as Promoter's Contribution ("**Promoters Contribution**") and locked-in for a period of three years from the date of allotment. The lock-in of the Promoters' Contribution would be created as per applicable law and procedure and details of the same shall also be provided to the Stock Exchange before listing of the Equity Shares.

Our Promoters have given written consent to include such number of Equity Shares held by them and subscribed by them as a part of Promoters' Contribution constituting 20.16 % of the post issue Equity Shares of our Company and 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/ made fully paid up	No. of Shares Allotted/ Transferred	Face Value	Issue Price	Nature of Allotment	% of Post Issue shareholding	Lock in Period
<b>PannaLal Jain</b>						
November 26, 1990	100	10	10	Subscription to the Memorandum of Association	0.00%	3 Years
May 7, 1993	10,010	10	10	Further Allotment	0.06%	3 Years
August 1, 1994	30,000	10	10	Further Allotment	0.17%	3 Years
February 15, 1995	25,000	10	10	Further Allotment	0.14%	3 Years
March 31, 1998	3,000	10	60	Further Allotment	0.02%	3 Years
March 31, 1999	30,990	10	60	Further Allotment	0.18%	3 Years
March 20, 2001	2,080	10	60	Further Allotment	0.01%	3 Years
July 15, 2002	65,750	10	31	Transfer of shares from HiraLal Jain	0.37%	3 Years
March 26, 2004	32,250	10	31	Further Allotment	0.18%	3 Years
February 8, 2005	90,000	10	31	Further Allotment	0.51%	3 Years
February 24, 2005	17,000	10	31	Further Allotment	0.10%	3 Years
May 20, 2010	10	10	10	Transfer of shares from Ajay Jain	0.00%	3 Years
	10	10	10	Transfer from Raj Kumar Bansal	0.00%	3 Years
	10	10	10	Transfer from Anil Kumar Patni	0.00%	3 Years

Date of Allotment/ made fully paid up	No. of Shares Allotted/ Transferred	Face Value	Issue Price	Nature of Allotment	% of Post Issue shareholding	Lock in Period
March 31, 2013	1,25,000	10	31	Further Allotment	0.71%	3 Years
January 15, 2016	36,022	10	50	Further Allotment	0.20%	3 Years
February 4, 2016	38,981	10	50	Further Allotment	0.22%	3 Years
April 1, 2016	60,000	10	50	Transfer from M/s. Prakash Chand Jain & Bros	0.34%	3 Years
December 23, 2017	16,98,639	10	0	Bonus Issue	9.59%	3 Years
<b>Total (A)</b>	<b>22,64,852</b>				<b>12.79%</b>	
<b>Vivek Benara</b>						
May 7, 1993	10	10	10	Further Allotment	0.00%	3 Years
February 15, 1995	15,000	10	10	Further Allotment	0.08%	3 Years
December 23, 1997	15,000	10	31	Transfer	0.08%	3 Years
March 31, 1998	5,000	10		Further Allotment	0.03%	3 Years
March 31, 1999	8,330	10	60	Further Allotment	0.05%	3 Years
July 15, 2002				Transfer	0.19%	3 Years
	33,060	10	31			
March 26, 2004	48,250	10	31	Further Allotment	0.27%	3 Years
February 8, 2005	5,000	10	31	Further Allotment	0.03%	3 Years
February 24, 2005	25,000	10	31	Further Allotment	0.14%	3 Years
March 31, 2012	50,000	10	31	Further Allotment	0.28%	3 Years
March 31, 2013	1,25,000	10	31	Further Allotment	0.71%	3 Years
January 15, 2016	23,622	10	50	Further Allotment	0.13%	3 Years
February 4, 2016	51,381	10	50	Further Allotment	0.29%	3 Years
February 15, 2016	80,000	10	50	Further Allotment	0.45%	3 Years
April 1, 2016	60,000	10	50	Transfer from M/s. P.H. Enterprises Private	0.34%	3 Years

Date of Allotment/ made fully paid up	No. of Shares Allotted/ Transferred	Face Value	Issue Price	Nature of Allotment	% of Post Issue shareholding	Lock in Period
				Limited		
March 31, 2017	100	10	10	Transfer from Rajesh Benara	4.29%	3 Years
December 23, 2017	7,60,000	10	0	Bonus Issue		3 Years
<b>Total (B)</b>	<b>13,04,653</b>				<b>7.37%</b>	
<b>Total (A+B)</b>	<b>35,69,505</b>				<b>20.16%</b>	

The Minimum Promoters' Contribution has been brought in to the extent of not less than the specified minimum lot and from the persons defined as 'promoter' under the SEBI ICDR Regulations. The Equity Shares that are being locked in are not ineligible for computation of Promoters' Contribution in terms of Regulation 33 of the SEBI ICDR Regulations. In connection, we confirm the following:

The Equity Shares offered for minimum 20% Promoters' Contribution have not been acquired in the three years preceding the date of this Prospectus for consideration other than cash and revaluation of assets or capitalization of intangible assets nor resulted from a bonus issue out of the revaluation reserves or unrealized profits of the Company or against Equity Shares which are otherwise ineligible for computation of Promoters' contribution;

- The minimum Promoters' Contribution does not include Equity Shares acquired during the one year preceding the date of this Prospectus at a price lower than the Issue Price;
- No equity shares have been issued to our promoter upon conversion of a partnership firm during the preceding one year at a price less than the issue price.
- The Equity Shares held by the Promoters and offered for minimum Promoters' contribution are pledge;
- All the Equity Shares of our Company held by the Promoters are in the process of being dematerialized, and
- The Equity Shares offered for Promoter's Contribution do not consist of Equity Shares for which specific written consent has not been obtained from the Promoter for inclusion of its subscription in the Promoter's Contribution subject to lock-in.

(iii) **Details of Share Capital locked in for one year**

Other than the above Equity Shares that are locked in for three years, the entire pre-Issue Equity Share capital of our Company shall be locked-in for a period of one year from the date of allotment in the Public Issue.

(iv) **Other requirements in respect of lock-in:**

Pursuant to Regulation 39 of the SEBI ICDR Regulations, the locked-in Equity Shares held by the Promoters, as specified above, can be pledged only with scheduled commercial banks or public financial institutions as collateral security for loans granted by such scheduled commercial banks or public financial institution, provided that the pledge of the Equity Shares is one of the terms of the sanction of the loan.



Provided that securities locked in as Promoters' Contribution for 3 years under Regulation 36(a) of the SEBI ICDR Regulations may be pledged only if, in addition to fulfilling the above requirement, the loan has been granted by such scheduled commercial bank or public financial institution for the purpose of financing one or more of the objects of the Issue.

Further, pursuant to Regulation 40 of the SEBI ICDR Regulations, the Equity Shares held by persons other than the Promoters prior to the Issue may be transferred to any other person holding the Equity Shares which are locked-in as per Regulation 37 of the SEBI ICDR Regulations, along with the Equity Shares proposed to be transferred, provided that lock-in on such Equity Shares will continue for the remaining period with the transferee and such transferee shall not be eligible to transfer such Equity Shares till the lock-in period stipulated under the SEBI ICDR Regulations has ended, subject to compliance with the Takeover Code, as applicable.

We further confirm that our Promoters' Contribution of 20% of the post Issue Equity Share capital does not include any contribution from Alternative Investment Fund.

10. Except as mentioned below, there were no shares purchased/sold by the Promoter and Promoter Group, directors and their immediate relatives during last 6 months.

Date of Allotment/transfer	Name of Allottee/Transferee	Number of Shares Allotted/Transferred	Face Value	Issue Price/Transfer Price	Reason of Allotment/Transfer
December 23, 2017	PannaLal Jain	16,98,639	10	Nil	Bonus Issue
	Sarla Jain	20,13,723			
	VivekBenara	16,34,259			
	KetakiBenara	15,35,289			
	PannaLal Jain HuF	7,67,970			
	M/s. Sky Marks Leasing & Finance Limited	16,35,000			
	M/s. D.V. Enterprises Private Limited	5,586			
	M/s. Prakash Chand Jain & Bros.	3,000			

#### 11. **Our Shareholding Pattern**

The table below presents the shareholding pattern of our company

- (i) Summary of shareholding pattern as on the date of this Prospectus:

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	Shareholding 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*		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 encumbered		Number of equity shares held in dematerialized form***
								No of Voting Rights	Total as a % of (A+B+C)			No.(a)	As a % of total Shares held (b)	No. (a)	As a % of total Shares held (b)	
I	II	III	IV	V	VI	VII = IV + V+ VI	VIII	IX		X	XI = VII + X	XII		XIII		XIV
A	Promoter and Promoter Group	6	1,23,79,840	-	-	1,23,79,840	99.91	1,23,79,840	99.91	-	99.91	-	-	-	-	0*
B	Public	2	11,448	-	-	11,448	0.09	11,448	0.09	-	0.09	-	-	-	-	0
C	Non Promoter- Non Public	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
1	Shares	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

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	Shareholding 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*		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 encumbered		Number of equity shares held in dematerialized form***
								No of Voting Rights	Total as a % of (A+B+C)			No.(a)	As a % of total Shares held (b)	No. (a)	As a % of total Shares held (b)	
I	II	III	IV	V	VI	VII = IV + V+ VI	VIII	IX		X	XI = VII + X	XII		XIII		XIV
	underlying DRs															
2	Shares held by Employee Trusts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	<b>Total</b>	<b>8</b>	<b>1,23,91,288</b>	<b>-</b>	<b>-</b>	<b>1,23,91,288</b>	<b>100</b>	<b>1,23,91,288</b>	<b>100</b>	<b>-</b>	<b>100</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0</b>

\*The Equity Shares held by the Promoter & Promoter Group shall be dematerialized prior to the listing of the Equity Shares of the

*Company.*

As on the date of filing of this Prospectus 1 equity Share holds 1 vote.

All Pre-IPO Equity Shares of our Company will be locked in as mentioned above prior to listing of Equity Shares on SME Platform of BSE Limited.

Note: PAN of shareholders will be provided to the Stock Exchange by our Company prior to listing of its Equity Shares on the Stock Exchange.

Our Company will file the shareholding pattern of our Company, in the form prescribed under Regulation 31 of the SEBI Listing Regulations, one day prior to the listing of the Equity shares. The Shareholding pattern will be uploaded on the website of BSE Limited before commencement of trading of such Equity Shares.

In terms of SEBI Listing Regulations, our Company shall ensure that the Equity Shares held by the Promoters / members of the Promoter Group shall be dematerialized prior to listing of Equity shares.

12. **The details of the holding of securities (including shares, warrants, convertible securities) of persons belonging to the category Promoter and Promoter Group are as under:**

Sr. No.	Name of Shareholder	Pre-Issue		Post Issue	
		No of Equity Shares	% of Pre-Issue Capital	No of Equity Shares	% of Post-Issue Capital
(I)	(II)	(III)	(IV)	(V)	(VI)
	<b>Promoter</b>				
1.	PannaLal Jain	22,64,852	18.28	22,64,852	12.79
2.	VivekBenara	21,79,012	17.59	21,79,012	12.31
	<b>Subtotal (A)</b>	<b>44,43,864</b>	<b>35.86</b>	<b>44,43,864</b>	<b>25.10</b>
	<b>Promoter Group</b>				
1.	Sarla Jain	26,84,964	21.67	26,84,964	15.16
2.	Sky Mark Leasing & Finance Limited	21,80,000	17.59	21,80,000	12.31
3.	KetakiBenara	20,47,052	16.52	20,47,052	11.56
4.	PannaLal Jain HUF	10,23,960	8.26	10,23,960	5.78
	<b>Subtotal (B)</b>	<b>79,35,976</b>	<b>64.04</b>	<b>79,35,976</b>	<b>44.81</b>
	<b>Total (A+B)</b>	<b>1,23,79,840</b>	<b>99.91</b>	<b>1,23,79,840</b>	<b>69.91</b>

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

Name of promoter	No. of Shares held	Average Cost of Acquisition
PannaLal Jain	22,64,852	8.74
VivekBenara	21,79,012	9.66

14. **No other persons belonging to the category “Public” holds securities (including shares, warrants, convertible securities) of more than 1% of the total number of shares.**

15. **The lists of top 10 shareholders of our Company and the number of Equity Shares held by them as on the date of filing, ten days before the date of filing and two years before the date of filing of this Prospectus are set forth below:**

(a) Particulars of top eight shareholders as on the date of filing of this Prospectus:

Sr. No.	Name of Shareholder	Number of Equity Shares	% of total Paid-up Share Capital
1.	PannaLal Jain	2264852	18.28
2.	Sarla Jain	2684964	21.67
3.	VivekBenara	2179012	17.59
4.	KetakiBenara	2047052	16.52
5.	PannaLal Jain HuF	1023960	8.26
6.	M/s. Sky Marks Leasing & Finance Limited	2180000	17.59
7.	M/s. D.V. Enterprises Private Limited	7448	0.06
8.	M/s. Prakash Chand Jain & Bros.	4000	0.03
<b>Total</b>		<b>1,23,91,288</b>	<b>100</b>

(b) Particulars of the topeight shareholders as at ten days prior to the date of filing of this Prospectus:

Sr. No.	Name of Shareholder	Number of Equity Shares	% of total Paid-up Share Capital
1.	PannaLal Jain	2264852	18.28
2.	Sarla Jain	2684964	21.67
3.	Vivek Benara	2179012	17.59
4.	Ketaki Benara	2047052	16.52
5.	Panna Lal Jain HuF	1023960	8.26
6.	M/s. Sky Marks Leasing & Finance Limited	2180000	17.59
7.	M/s. D.V. Enterprises Private Limited	7448	0.06
8.	M/s. Prakash Chand Jain & Bros.	4000	0.03
<b>Total</b>		<b>1,23,91,288</b>	<b>100</b>

(c) Particulars of the top ten shareholders two years prior to the date of filing of this Prospectus:

Sr. No.	Name of Shareholder	Number of Equity Shares	% of total then existing Paid-up Share Capital
1.	Sarla Jain	5,36,238	21.47
2.	PannaLal Jain	4,31,210	17.26
3.	Sky Mark Leasing & Finance Limited	4,25,000	17.01
4.	Ketaki Benara	3,36,760	13.48
5.	VivekBenara	3,29,650	13.20
6.	PannaLal Jain (HUF)	1,55,990	6.25
7.	D. V. Enterprises Private Limited	1,01,862	4.08
8.	Prakash Chandra Jain & Bros. (HUF)	61,000	2.44

Sr. No.	Name of Shareholder	Number of Equity Shares	% of total then existing Paid-up Share Capital
9.	P. H. Enterprises Private Limited	60,000	2.40
10.	Saraswati Capital Services Private Limited	60,000	2.40
	<b>Total</b>	<b>24,97,710</b>	<b>100.00</b>

16. Our Company does not have any Employee Stock Option Scheme / Employee Stock Purchase Plan for our employees and we do not intend to allot any shares to our employees under Employee Stock Option Scheme / Employee Stock Purchase Plan from the proposed issue. As and when, options are granted to our employees under the Employee Stock Option Scheme, our Company shall comply with the SEBI (Share Based Employee Benefits) Regulations, 2014.
17. Neither the Book Running Lead Manager viz. Pantomath Capital Advisors Private Limited, nor their associates hold any Equity Shares of our Company as on the date of this Prospectus.
18. Under subscription, if any, in any category, shall be allowed to be met with spillover from the other categories at the sole discretion of our Company and in consultation with the Book Running Lead Manager and the Designated Stock Exchange and in accordance with applicable laws, rules, regulations and guidelines.
19. The unsubscribed portion in any reserved category (if any) may be added to any other reserved category.
20. The unsubscribed portion if any, after such inter se adjustments among the reserved categories shall be added back to the net offer to the public portion.
21. 76,000 Equity Shares have been reserved for allocation to Eligible Employees, subject to valid Bids being received at or above the Issue Price. The maximum Bid Amount under the Employee Reservation Portion by an Eligible Employee shall not exceed Rs. 500,000. However, the initial Allotment to an Eligible Employee in the Employee Reservation Portion shall not exceed Rs. 200,000. Only in the event of an undersubscription in the Employee Reservation Portion post the initial allotment, such unsubscribed portion may be Allotted on a proportionate basis to Eligible Employees Bidding in the Employee Reservation Portion, for a value in excess of Rs. 200,000, subject to the total Allotment to an Eligible Employee not exceeding Rs. 500,000. Only Eligible Employees are eligible to apply in this Issue under the Employee Reservation Portion. Bids by Eligible Employees bidding under the Employee Reservation Portion may also be made in the Net Issue and such Bids will not be treated as multiple Bids. For details regarding Allotment to Eligible Employees please see section titled "*Issue Procedure - Allotment Procedure and Basis of Allotment*" beginning on page 367.
22. There are no Equity Shares against which depository receipts have been issued.
23. Other than the Equity Shares, there is no other class of securities issued by our Company.
24. 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 have been listed. Further, our Company does not intend to alter its capital structure within six months from the date of opening of the Issue, 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 may deem fit, if an opportunity of such nature is determined by its Board of Directors to be in the interest of our Company.

25. None of the persons/entities comprising our Promoter Group, or our Directors or their relatives have financed the purchase by any other person of securities of our Company other than in the normal course of the business of any such entity/individual or otherwise during the period of six months immediately preceding the date of filing of this Prospectus.
26. Our Company, our Promoters, our Directors and the Book Running Lead Manager have not entered into any buy back or standby or similar arrangements for the purchase of Equity Shares being offered through the Issue from any person.
27. There are no safety net arrangements for this public issue.
28. An over-subscription to the extent of 10% of the Issue can be retained for the purpose of rounding off to the nearest multiple of minimum allotment lot, while finalizing the Basis of Allotment. Consequently, the actual Allotment may go up by a maximum of 10% of the Issue, as a result of which, the post-Issue paid up capital after the Issue would also increase by the excess amount of Allotment so made. In such an event, the Equity Shares held by our Promoters and subject to lock- in shall be suitably increased; so as to ensure that a minimum of 20% of the post Issue paid-up capital is locked in.
29. As on date of this Prospectus there are no outstanding warrants, options or rights to convert debentures loans or other financial instruments into our Equity Shares.
30. All the Equity Shares of our Company are fully paid up as on the date of the Prospectus. Further, since the entire issue price in respect of the Issue is payable on application, all the successful applicants will be issued fully paid-up equity shares and thus all shares offered through this issue shall be fully paid-up.
31. As per RBI regulations, OCBs are not allowed to participate in this Issue.
32. Our Company has not raised any bridge loans against the proceeds of the Issue.
33. Our Company undertakes that at any given time, there shall be only one denomination for our Equity Shares, unless otherwise permitted by law.
34. Our Company shall comply with such accounting and disclosure norms as specified by SEBI from time to time.
35. An applicant cannot make an application for more than the number of Equity Shares being issued through this Issue, subject to the maximum limit of investment prescribed under relevant laws applicable to each category of investors.
36. No payment, direct or indirect in the nature of discount, commission, and allowance or otherwise shall be made either by us or our Promoters to the persons who receive allotments, if any, in this Issue other than to the Eligible Employees who shall be eligible for Employee Discount.



37. Our Company has 8 shareholders as on the date of filing of this Prospectus.
38. Our Promoters and the members of our Promoter Group will not participate in this Issue.
39. Our Company has not made any public issue since its incorporation.
40. Our Company shall ensure that transactions in the Equity Shares by the Promoters and the Promoter Group between the date of filing the Prospectus and the Issue Closing Date shall be reported to the Stock Exchange within twenty-four hours of such transaction.
41. For the details of transactions by our Company with our Promoter Group, Group Companies during the financial years ended March 31, 2017, 2016, 2015, 2014 and 2013 and half year ended September 30, 2017, please refer to paragraph titled *Details of Related Parties Transactions* as restated in the chapter titled *Financial Statements as restated* on page 238 of this Prospectus.

42. None of our Directors or Key Managerial Personnel holds Equity Shares in our Company, except as stated in the chapter titled *Our Management* beginning on page 202 of this Prospectus.

## OBJECTS OF THE ISSUE

### Requirement of Funds

The proceeds of the Issue, after deducting Issue related expenses, are estimated to be Rs. 3,049.08 Lakhs (the “**Net Proceeds**”)

We intend to utilize the Net Proceeds towards the following objects:

1. Expansion of our Company by way of opening retail stores for automobile parts across the country;
2. Funding the working capital requirements of Our Subsidiary Company-Benara Solar Private Limited (BSPL)
3. Funding the working capital requirements of Our Company;
4. General Corporate Purposes  
(Collectively, herein referred to as the “**Objects**”)

The main objects clause of our Memorandum of Association and the objects incidental and ancillary to the main objects enables us to undertake the activities for which funds are being raised in the Issue. The existing activities of our Company are within the objects clause of our Memorandum of Association.

Also, we believe that the listing of Equity Shares will enhance our Company’s corporate image, brand name and create a public market for our Equity Shares in India.

### ISSUE PROCEEDS

The details of the proceeds of the Issue are set out in the following table:

Particulars	Amount (Rs. in lakhs)*
Proceeds from the Issue	3349.08
Issue related expenses	300.00
<b>Net Proceeds of the Issue (“Net Proceeds”)</b>	<b>3049.08</b>

*\*To be finalized on determination of Issue Price*

### UTILIZATION OF NET PROCEEDS

We intend to utilise the Net Proceeds in the manner set below:

(Rs in lakhs)		
Sr. No.	Particulars	Estimated Amount
1.	Expansion of our Company by way of opening retail stores for automobile parts across the country;	750.00
2.	Funding the working capital requirements of Our Subsidiary BSPL	500.00
3.	Funding the working capital requirements of Our Company	1050.00
4.	General Corporate Purpose*	749.08

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

### SCHEDULE OF IMPLEMENTATION & DEPLOYMENT OF FUNDS:

We propose to deploy the Net Proceeds for the aforesaid purposes in accordance with the estimated schedule of Implementation and deployment of funds set forth in the table below. As on the date of this Prospectus, Our Company has not deployed any funds towards the objects of the Issue.

*Amount (Rs. In lakhs)*

Activity	Amount to be funded from the (Net Proceeds)	Estimated Utilisation of Net Proceeds (Financial Year 2018)	Estimated Utilisation of Net Proceeds (Financial Year 2019)
Expansion of our Company by way of opening retail stores for automobile parts all over the country;	750.00	-	750.00
Funding the working capital requirements of Our Subsidiary BSPL	500.00	500.00	-
Funding the working capital requirements of our Company	1050.00	1050.00	-
General Corporate Purpose*	749.08	-	749.08

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

To the extent our Company is unable to utilize any portion of the Net Proceeds towards the Objects, as per the estimated schedule of deployment specified above, Our Company shall deploy the Net Proceeds in the subsequent Financial Years towards the Objects.

## MEANS OF FINANCE

Expansion of our Company by way of opening retail stores for automobile part will be met entirely through Net proceeds of the Issue. Investment in our subsidiary (BSPL) for funding its working capital requirement will be met from the Net Issue proceeds to the extent of Rs. 500.00 lakhs and balance through internal accruals/net worth and unsecured loans of BSPL. The working capital requirement of Our Company under our Objects will be met through the Net Proceeds to the extent of Rs.1050.00 lakhs and balance through secured & unsecured loans/internal accruals/ net worth and bank finance.

*(Rs. in lakhs)*

Object of the Offer	Amount Required	IPO Proceeds	Secured & Unsecured Loans /Internal Accrual/Networth	Bank Finance (Cash Credit)
Expansion of our Company by way of opening retail stores for automobile parts all over the country;	750.00	750.00	-	-
Funding the working capital requirements of Our Subsidiary BSPL	1155.51	500.00	655.51	-

Object of the Offer	Amount Required	IPO Proceeds	Secured & Unsecured Loans /Internal Accrual/Networth	Bank Finance (Cash Credit)
Funding the working capital requirements of the Company	6510.82	1050.00	3150.82	2310.00
General Corporate purposes	749.08	749.08	-	-

Accordingly, we confirm that we are in compliance with the requirement to make firm arrangements of finance under Regulation 4(2)(g) of the SEBI ICDR Regulations through verifiable means towards at least 75% of the stated means of finance, excluding the amount to be raised through the Net Proceeds and existing identifiable internal accruals.

*(Rs in Lakhs)*

<i>Particulars</i>	<i>Amount</i>
<i>Total Amount Required</i>	<i>8416.33</i>
<i>Amount proposed to be financed from the Net Proceeds</i>	<i>2300.00</i>
<i>Funds required excluding funding through the Net Proceeds</i>	
<i>75% of funds required excluding the net proceeds for this object</i>	<i>4587.25</i>
<i>Firm arrangement for over 75% of the funds required excluding the Net Proceeds for this object:</i>	
<i>Funds from the existing identifiable secured &amp; unsecured loans/internal accruals/Networth*</i>	<i>2277.25</i>
<i>Bank Finance (Cash Credit)</i>	<i>2310.00</i>

*\*The Company has a networth of Rs. 2259.66 Lakhs and secured and unsecured long term borrowings (excluding current maturities of long term loan) of Rs 1398.21 lakhs at September 30, 2017 as per the restated financial statements, certified by Peer Review Auditor M/s Agarwal Jain & Gupta, Chartered Accountants vide certificate dated January 27, 2018.*

#### **APPRAISAL BY APPRAISING AGENCY**

The fund requirement and deployment is based on internal management estimates and has not been appraised by any bank or financial institution.

The fund requirements are based on current circumstances of our business and our Company may have to revise its estimates from time to time on account of various factors beyond its control, such as market conditions, competitive environment, costs of commodities and interest or exchange rate fluctuations. The actual costs would depend upon the negotiated prices with the suppliers/contractors and may vary from the above estimates. Consequently, the fund requirements of our Company are subject to revisions in the future at the discretion of the management. In the event of any shortfall of funds for the activities proposed to be financed out of the Net Proceeds as stated above, our Company

may re-allocate the Net Proceeds to the activities where such shortfall has arisen, subject to compliance with applicable laws. Further, in case of a shortfall in the Net Proceeds or cost overruns, our management may explore a range of options including utilising our internal accruals or seeking debt financing.

### **Detail of Objects**

#### **1. Expansion of our Company by way of opening retail stores for automobile parts across the country**

Our Company is currently engaged in manufacturing and sale of bearings, bushes, pistons, piston pin, piston rings, cylinder liners and sleeves and engine valves and camshafts. As part of our business strategy, we intend to further expand our business by penetrating in the retail market of automobile parts. We plan to open retail stores in cities across India. We will acquire the store premises on lease or leave and license basis and renovate the same as per our needs. We propose to open Ten (10) retail stores with an aggregate built-up area of 10,000 square feet in various cities across the country.

#### **Estimated Costs**

The total estimated cost of towards opening of retail stores for automobile parts all over the country is Rs. 750.00 lakhs. The total cost for expanding our capacity has been estimated by our management in accordance with our business plan approved by our Board of Directors pursuant to its meeting dated January 27, 2018 and is based on quotations received from third party suppliers:

The detailed breakdown of such estimated cost is set forth below:

<b>Particulars</b>	<b>Amount (Rs.in Lakhs)</b>
Initial Set-up cost including IT	700.00
Security Deposit	10.00
Pre- launch expenses	16.00
Contingencies and other costs	24.00
<b>Total</b>	<b>750.00</b>

#### *Initial Set-up cost including IT*

The initial set-up cost for stores primarily include turnkey job for interior design drawing, site visit and supervision, raw material, labour for civil, electrical, plumbing, graphics, information technology, using standard quality material and skilled labour, carpentry job with material and labour for all fixed and movable furniture items. Based on the Architect Quotation, the estimated cost of various items for the purposes of applying fit outs for an average built-up area of 1,000 square feet (the “Fit-Out Area”) is set out below:

<b>Sr. No</b>	<b>Description</b>	<b>Quotation By</b>	<b>Date of Quotation</b>	<b>Area Per Store</b>	<b>No. of Stores</b>	<b>Amount (Rs in Lakhs)<sup>(1)</sup></b>
1	Assuming shop size of 1000 square feet Turnkey job for interior design drawing, site visit and supervision, raw material, labour for civil, electrical, plumbing, graphics, IT, using standard quality material and skilled	Niks & Associates	January 25, 2018	1,000 square feet @ Rs 5000 per square	10	500.00

Sr. No.	Description	Quotation By	Date of Quotation	Area Per Store	No. of Stores	Amount (Rs in Lakhs) <sup>(1)</sup>
	labour			re feet		
2	Turnkey carpentry job with material and labour for all fixed and movable furniture items		January 25, 2018	1,000 square feet @ Rs 2000 per square feet	10	200.00
	<b>Total</b>					<b>700.00</b>

<sup>(1)</sup> The above quotations are exclusive of taxes.

*\* The Architect's Quotation indicates that the cost may vary depending on various factors such as existing shop condition, accessibility to site for man and material, availability of resources and raw material, proximity to market and transport hub, relation with local authorities and various departments, number of projects on-going parallelly, etc.*

#### *Security Deposit*

We have estimated expenses of Rs.10.00 lakhs towards security deposit for acquiring the properties on lease for running the stores, the estimated amount may vary based on various factors including location, city and the area of the stores.

#### *Pre- launch expenses*

We have estimated pre-launch expenses of Rs.16.00 lakhs to be incurred by our company during the development of, which comprises mainly of branding and advertising, deposit to various government authorities, rent during construction period, travelling, legal expenses, insurance, up-front fees, startup expenses and other miscellaneous expenses.

#### *Contingencies and other costs*

We have created a provision for contingency of Rs. 24.00 lakhs to cover legal fees, professional fees to various consultants, related taxes, levies and other duties, as applicable, and any increase in the estimated cost of our expansion plan.

## **2. Funding the Working Capital Requirements of Our Subsidiary Company Benara Solar Private Limited (BSPL)**

As on the date of this Prospectus, Our Company holds 100.00% of the equity share capital of BSPL.

Our Company propose to Invest Rs. 500.00 lakhs in BSPL to funds its working capital requirements from net proceeds of the issue.

The Investment is proposed to be undertaken by way of subscription to the equity shares of the Subsidiary for an aggregate amount Rs. 500.00 lakhs.

BSPL is engaged in the business of development and deployment of solar energy technologies including inter-alia planning and execution of solar power projects. For further details, see chapter titled “Our Business” beginning on page 163 of this Prospectus.

On the basis of our existing working capital requirements and the projected working capital requirements, our Board pursuant to the resolution dated January 27, 2018 has approved the business plan for the Fiscals 2018, 2019 and 2020. The projected working capital requirement for Fiscal 2018 is stated below:

**Basis of estimation of working capital requirement**

Particulars	Amount (Rs in Lakhs)
	As on March 31 2018
<b>Current Assets</b>	
Trade Receivable	1890.04
Cash and Bank Balances	18.91
Other Current Assets	0.20
<b>Total (A)</b>	<b>1909.15</b>
<b>Current Liabilities</b>	
Trade Payables	622.51
Other Current Liabilities and Provisions	131.13
<b>Total (B)</b>	<b>753.64</b>
<b>Total Working Capital (A)-(B)</b>	<b>1155.51</b>
<i>Source of meeting Working Capital Requirements</i>	
Issue Proceeds	500.00
Internal Accruals/ Secured & Unsecured Borrowings/Net worth	655.51
<b>Total Source</b>	<b>1155.51</b>

*Our Subsidiary Company has a networth of Rs. 57.14 lakhs and secured & unsecured borrowings of Rs. 463.33 lakhs as at September 30, 2017 as per the audited financial statements, as certified by the statutory auditor Agarwal Jain & Gupta, Chartered Accountants.*

**Assumption for working capital requirements**

Assumptions for Holding Levels\*

(In months)

Particulars	Holding Level as of March 31, 2018 (Estimated)
<b>Current Assets</b>	
Trade Receivables	7.56
<b>Current Liabilities</b>	
Trade Payables	3.00

**Justification for “Holding Period” levels**

The justifications for the holding levels mentioned in the table above are provided below:

Assets- Current Assets	
<b>Trade receivables</b>	We have assumed Trade Receivable holding period level of 7.56 months in financial year 2017-18. Our Subsidiary Company BSPL derives majority of its revenue from Government departments and payment is



<b>Assets- Current Assets</b>	
	received from them as per the contract between our Subsidiary Company and its customers.
<b>Liabilities- Current Liabilities</b>	
<b>Trade Payables</b>	In financial year 2017-18, we expect our trade payables' credit period to be 3.00 months, as our company will strive to obtain better credit terms as Our Subsidiary BSPL's business operations grow in size.

### 3. Funding the working capital requirements of our Company

We fund the majority of our working capital requirements in the ordinary course of our business from our internal accruals, net worth, financing from various banks and financial institutions, unsecured loans and capital raising through issue of Equity Shares. As on September 30, 2017, our sanctioned working capital facilities comprised fund based limit of Rs. 2310.00 lakhs and non- fund facilities of Rs. 310.00 lakhs. For further details, please refer to the chapter titled "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" beginning on page 308 of this Prospectus.

Our Company's existing working capital requirement and funding on the basis of Standalone Restated Financial Information as of March 31, 2016 and March 31, 2017:

#### Basis of estimation of working capital requirement

<b>Particulars</b>	<b>Amount (Rs in Lakhs)</b>	
	<b>Fiscal 2016</b>	<b>Fiscal 2017</b>
<b>Current Assets</b>		
Inventories		
- Raw Material	1171.11	926.39
- Other Consumable Spares	26.59	2.29
- Stock In Process	446.83	222.85
- Finished Goods	921.17	1594.08
Trade Receivables	786.28	1732.25
Short term loans & advances	610.79	409.27
Cash and Bank Balance	398.22	364.17
Other Current Assets	0.48	93.96
<b>Total (A)</b>	<b>4361.48</b>	<b>5345.26</b>
<b>Current Liabilities</b>		
Trade Payables	421.88	154.75
Other Current Liabilities and provisions	402.73	491.16
<b>Total (B)</b>	<b>824.61</b>	<b>645.91</b>
<b>Total Working Capital (A)-(B)</b>	<b>3536.87</b>	<b>4699.35</b>
<b>Existing Funding Pattern</b>		
Working Capital funding from Banks	1815.53	2316.05
Secured & Unsecured Loan/ Networth/ Internal Accrual	1721.34	2383.30

On the basis of our existing working capital requirements and the projected working capital requirements, our Board pursuant to its resolution dated January 27, 2018 has approved the business plan for the Fiscals 2017, 2018, 2019, 2020 and 2021. The projected working capital requirement for Fiscal 2018 is stated below:

*Amount (Rs in Lakhs)*

Particulars	Fiscal 2018
<b>Current Assets</b>	
Inventories	
- Raw Material	620.90
- Other Consumable Spares	1.32
- Stock In Process	202.47
- Finished Goods	2362.10
Trade Receivables	2969.50
Short term loans & advances	299.00
Cash and Bank Balance	1243.62
Other Current Assets	166.87
<b>Total (A)</b>	<b>7865.78</b>
<b>Current Liabilities</b>	
Trade Payables	556.10
Other Current Liabilities and provisions	798.86
<b>Total (B)</b>	<b>1354.96</b>
<b>Total Working Capital (A)-(B)</b>	<b>6510.82</b>
<b>Funding Pattern</b>	
IPO Proceeds	1050.00
Working Capital funding from Banks (Cash Credit)	2310.00
Secured Borrowings/ Unsecured Borrowings/ Internal accruals/Net Worth	3150.82

Assumption for working capital requirements

Assumptions for Holding Levels\*

*(In months)*

Particulars	Holding Level for Fiscal 2016	Holding Level for Fiscal 2017	Holding Level for Fiscal 2018 (Estimated)
<b>Current Assets</b>			
Raw Material	1.99	1.20	0.89
Other Consumable Spares	1.99	1.20	0.89
Stock In Process	0.83	0.32	0.33
Finished Goods	1.62	2.17	3.70
Trade Receivables	1.61	1.99	3.64
<b>Current Liabilities</b>			
Trade Payables	0.80	0.23	0.94

Justification for “Holding Period” levels

The justifications for the holding levels mentioned in the table above are provided below:

<b>Current Assets</b>	
Inventories	<p>Our Company intends to keep raw material &amp; other consumables inventory of around 0.89 months as we expect increase in growth of our business operations during the year.</p> <p>Our Company intends to maintain stock in process level of 0.33 months in Fiscal 2018 which is in line with previous year level.</p> <p>Our Company intends to maintain finished goods stock level of 3.70 months in Fiscal 2018 against 2.17 months in the Fiscal 2017, as we are expecting increase in our revenues from the sale of goods and therefore, expect to hold more inventories</p>
Trade receivables	<p>Our Company shall give credit facility of around 3.64 months to our debtors as compared to 1.99 months for the Fiscal 2017. Going forward our Company intends to provide liberal credit facility to our debtors for expanding our sales.</p>
<b>Current Liabilities</b>	
Trade Payables	<p>Our creditors for goods based on restated financial statements was 0.23 months for the Fiscal 2017. Going forward we have estimated trade payable level of 0.94 months, as our company will strive to obtain better credit terms as our business operations grow in size.</p>

Our Company proposes to utilize Rs. 1050.00 lakhs of the Net Proceeds in Fiscal 2017-18 towards our working capital requirements. The balance portion of our working capital requirement for the Fiscal 2017-18 will be arranged from existing Equity, Bank loans and internal accruals.

#### **4. General Corporate Purposes**

The Net Proceeds will be first utilized towards the Objects as mentioned as mentioned above. The balance is proposed to be utilized for general corporate purposes, subject to such utilization not exceeding 25 % of the Net Proceeds, in compliance with the SEBI ICDR Regulations. Our Company intends to deploy the balance Net Proceeds, if any, for general corporate purposes, subject to above mentioned limit, as may be approved by our management, including but not restricted to, the following:

- strategic initiatives
- brand building and strengthening of marketing activities; and
- On-going general corporate exigencies or any other purposes as approved by the Board subject to compliance with the necessary regulatory provisions.

The quantum of utilization of funds towards each of the above purposes will be determined by our Board of Directors based on the permissible amount actually available under the head 'General Corporate Purposes' and the business requirements of our Company, from time to time. We, in accordance with the policies of our Board, will have flexibility in utilizing the Net Proceeds for general corporate purposes, as mentioned above.

#### **ISSUE RELATED EXPENSES**

The expenses for this Issue include issue management fees, underwriting fees, registrar fees, legal advisor fees, printing and distribution expenses, advertisement expenses, depository charges and

listing fees to the Stock Exchange, among others. The total expenses for this Issue are estimated not to exceed Rs. 300 Lakhs.

Expenses	Expenses (Rs. in Lakhs)*	Expenses (% of total Issue expenses)	Expenses (% of Gross Issue Proceeds)
Payment to Merchant Banker including expenses towards printing, advertising, and payment to other intermediaries such as Registrars, Bankers etc.	264.00	88.00	
Regulatory fees	17.11	5.70	
Marketing and Other Expenses	18.89	6.30	
<b>Total estimated Issue expenses</b>	<b>300.00</b>	<b>100.00</b>	

*\*As on date of the Prospectus, our Company has incurred Rs. 45.22 Lakhs towards Issue Expenses out of internal accruals.*

*\*\*SCSBs will be entitled to a processing fee of Rs. 10/- per Application Form for processing of the Application Forms procured by other Application Collecting Intermediary and submitted to them on successful allotment.*

*Selling commission payable to Registered broker, SCSBs, RTAs, CDPs on the portion directly procured from Retail Individual Applicants and Non Institutional Applicants, would be 0.01 % on the Allotment Amount or Rs 10/- whichever is less on the Applications wherein shares are allotted.*

*The commissions and processing fees shall be payable within 30 working days post the date of receipt of final invoices of the respective intermediaries.*

*#Amount Allotted is the product of the number of Equity Shares Allotted and the Issue Price.*

## **BRIDGE FINANCING**

We have not entered into any bridge finance arrangements that will be repaid from the Net Issue Proceeds. However, we may draw down such amounts, as may be required, from an over arrangement / cash credit facility with our lenders, to finance project requirements until the completion of the Issue. Any amount that is drawn down from the overdraft arrangement / cash credit facility during this period to finance project requirements will be repaid from the Net Proceeds of the Issue.

## **INTERIM USE OF FUNDS**

Pending utilization of the Issue Proceeds for the Objects of the Issue described above, our Company shall deposit the funds only in Scheduled Commercial Banks included in the Second Schedule of Reserve Bank of India Act, 1934.

In accordance with Section 27 of the Companies Act, 2013, our Company confirms that, pending utilization of the proceeds of the Issue as described above, it shall not use the funds from the Issue Proceeds for any investment in equity and/or real estate products and/or equity linked and/or real estate linked products.

## **MONITORING UTILIZATION OF FUNDS**

As the size of the Issue does not exceed Rs 10,000 lakhs in terms of Regulation 16 of the SEBI Regulations, our Company is not required to appoint a monitoring agency for the purposes of this Issue. Our Board and Audit Committee shall monitor the utilization of the Net Proceeds.

Pursuant to Regulation 32 of the Listing Regulations, our Company shall on a half yearly basis disclose to the Audit Committee the uses and application of the Issue Proceeds. Until such time as any part of the Issue Proceeds remains unutilized, our Company will disclose the utilization of the Issue Proceeds under separate heads in our Company's balance sheet(s) clearly specifying the amount of and purpose for which Issue Proceeds have been utilized so far, and details of amounts out of the Issue Proceeds that have not been utilized so far, also indicating interim investments, if any, of such

unutilized Issue Proceeds. In the event that our Company is unable to utilize the entire amount that we have currently estimated for use out of the Issue Proceeds in a Fiscal Year, we will utilize such unutilized amount in the next financial year. Further, in accordance with Regulation 32(1) (a) of the Listing Regulations our Company shall furnish to the Stock Exchanges on a half yearly basis, a statement indicating material deviations, if any, in the utilization of the Issue Proceeds for the objects stated in this Prospectus.

#### **VARIATION IN OBJECTS**

In accordance with Section 13(8) and Section 27 of the Companies Act, 2013 and applicable rules, 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 through postal ballot. In addition, the notice issued to the Shareholders in relation to the passing of such special resolution (the “Postal Ballot Notice”) shall specify the prescribed details as required under the Companies Act and applicable rules. The Postal Ballot Notice shall simultaneously be published in the newspapers, one in English and one in the vernacular language of the jurisdiction where the Registered Office is situated. Our Promoters or controlling Shareholders will 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**

No part of the Net Proceeds will be paid by us to the Promoters and Promoter Group, the Directors, associates or Key Management Personnel, except in the normal course of business and in compliance with applicable law.

## BASIS FOR ISSUE PRICE

The Issue Price will be determined by our Company in consultation with the Book Running Lead Manager, on the basis of an assessment of market demand for the Equity Shares issued through the Book Building Process and on the basis of quantitative and qualitative factors as described below. The face value of the Equity Shares is Rs. 10 each and the Issue Price is 6.00 times the face value at the lower end of the Price Band and 6.30 times the face value at the higher end of the Price Band. Investors should also refer to the sections “*Our Business*”, “*Risk Factors*” and “*Financial Statements*” on pages 163, 21 and 238 of this Prospectus, respectively, to have an informed view before making an investment decision.

### QUALITATIVE FACTORS

Some of the qualitative factors, which form the basis for computing the price, are:

- Leveraging the experience of our promoter
- Experienced and dedicated management team
- Quality Certifications
- Wide Product Range

For further details, refer to heading “*Our Competitive Strengths*” under chapter titled “*Our Business*” beginning on page 163 of this Prospectus.

### QUANTITATIVE FACTORS

The information presented below relating to the Company is based on the restated standalone financial statements of the Company for Financial Year 2017, 2016, & 2015 and for the period ended September 30, 2017 prepared in accordance with Indian GAAP. Some of the quantitative factors, which form the basis or computing the price, are as follows:

#### 1) **Basic and Diluted Earnings per Share (EPS) as per Accounting Standard 20 as adjusted for changes in capital based on standalone restated financials**

Year/ Period Ended	Basic & Diluted EPS (Rs.)	Weight
March 31, 2015	0.39	1
March 31, 2016	0.64	2
March 31, 2017	3.67	3
Weighted Average		2.11
September 30, 2017*		2.08

\*Not Annualized

#### **Basic and Diluted Earnings per Share (EPS) as per Accounting Standard 20 as adjusted for changes in capital based on Consolidated restated financials**

Year/ Period Ended	Basic & Diluted EPS (Rs.)	Weight
March 31, 2015	N.A*	N.A*
March 31, 2016	0.64	1
March 31, 2017	3.40	2
Weighted Average		<b>2.48</b>
September 30, 2017**		<b>3.30</b>

\*Since Securitrans Trading Private Limited and Benara Solar Private Limited became the subsidiary of our company in the financial year 2015-16 & 2016-17 respectively, restated consolidated

financials statements have been prepared only for the financial year ended March 31, 2016 & 2017 and therefore Basic & Diluted EPS for the year ended March 31, 2015 on consolidated basis is not applicable.

\*\*Not Annualized

**Note:**

The earnings per share has been computed by dividing net profit as restated, attributable to equity shareholders by restated weighted average number of equity shares outstanding during the period / year. Restated weighted average number of equity shares has been computed as per AS-20. The face value of each Equity Share is Rs. 10/-. Basic EPS is Net profit attributable to equity shareholders divided by Weighted Average Number of Equity Shares outstanding during the year/ period.

On December 23, 2017 our Company allotted 92,93,466 Equity Shares in the ratio of 3 equity shares for every 1 share held as fully paid bonus shares. For the purpose of calculating the EPS above, the number of Equity Shares has been adjusted for these changes.

**2) Price to Earnings (P/E) ratio in relation to Issue Price of Rs. 63 per Equity Share of Rs. 10 each fully paid up**

Based on Restated Standalone Financials		
Particulars	P/E at the lower end of Price band (no. of times)	P/E at the higher end of Price band (no. of times)
P/E ratio based on Basic & Diluted EPS for FY 2016-17	16.35	17.17
P/E ratio based on Weighted Average Basic & Diluted EPS	28.44	29.86
Based on Restated Consolidated Financials		
Particulars	P/E at the lower end of Price band (no. of times)	P/E at the higher end of Price band (no. of times)
P/E ratio based on Basic & Diluted EPS for FY 2016-17	17.64	18.52
P/E ratio based on Weighted Average Basic & Diluted EPS	24.19	25.40
<b>Industry</b>		
<b>Highest</b>		<b>43.54</b>
<b>Lowest</b>		<b>17.59</b>
<b>Average</b>		<b>32.20</b>

\*Industry Composite comprises of Shriram Pistons & Rings Limited, Federal-Mogul Goetze (India) Limited and SAMKRG Pistons & Rings Limited.

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

Return on Net Worth ("RoNW") as per restated standalone financial statements

Year/ Period Ended	RoNW (%)	Weight
March 31, 2015	3.93	1
March 31, 2016	4.90	2
March 31, 2017	22.75	3

Year/ Period Ended	RoNW (%)	Weight
<b>Weighted average</b>		<b>13.66</b>
<b>September 30, 2017*</b>		<b>11.43</b>

\*Not Annualized

Return on Net Worth ("RoNW") as per restated consolidated financial statements

Year/ Period Ended	RoNW (%)	Weight
March 31, 2015	N.A*	N.A*
March 31, 2016	4.89	1
March 31, 2017	21.44	2
<b>Weighted average</b>		<b>15.92%</b>
<b>September 30, 2017**</b>		<b>17.52</b>

\*Since Securitrans Trading Private Limited and Benara Solar Private Limited became the subsidiary of our company in the financial year 2015-16 & 2016-17 respectively, consolidated financials statement were prepared only for the financial year ended March 31, 2016 & 2017 and therefore RoNW for the year ended March 31, 2015 based on consolidated basis is not applicable.

\*\*Not Annualized

*Note: The RoNW has been computed by dividing net profit after tax as restated, by Net Worth as at the end of the year/period.*

**4) Minimum Return on Total Net Worth Post Issue needed to maintain Pre-Issue EPS for the year ended March 31, 2017 based on standalone restated financial statements**

**To maintain pre-issue basic EPS**

- At the floor price – 12.54%
- At the cap price – 12.16%

**To maintain pre-issue diluted EPS**

- At the floor price – 12.54%
- At the cap price – 12.16%

**Minimum Return on Total Net Worth**

**Post Issue needed to maintain Pre-Issue EPS for the year ended March 31, 2017 based on consolidated restated financial statements**

**To maintain pre-issue basic EPS**

- At the floor price – 11.68%
- At the cap price – 11.33%

**To maintain pre-issue diluted EPS**

- At the floor price – 11.68%
- At the cap price – 11.33%

**1. Net Asset Value (NAV)**

NAV per Equity Share	Based on Standalone Restated Financial Statements
Net Asset Value per Equity Share as of March 31, 2017	16.15
Net Asset Value per Equity Share as of September 30, 2017	18.24



NAV per Equity Share	Based on Standalone Restated Financial Statements
Net Asset Value per Equity Share after the Issue-At Floor Price	30.77
Net Asset Value per Equity Share after the Issue-At Cap Price	31.67
Issue Price per equity share	63.00

NAV per Equity Share	Based on Consolidated Restated Financial Statements
Net Asset Value per Equity Share as of March 31, 2017	15.87
Net Asset Value per Equity Share as of September 30, 2017	18.83
Net Asset Value per Equity Share after the Issue-At Floor Price	31.19
Net Asset Value per Equity Share after the Issue-At Cap Price	32.09
Issue Price per equity share	63.00

**Notes-**

Net Asset Value per Equity Share has been calculated as net worth divided by number of equity shares at the end of the year

On December 23, 2017 our Company allotted 92,93,466 Equity Shares in the ratio of 3 equity shares for every 1 share held as fully paid bonus shares. For the purpose of calculating the EPS above, the number of Equity Shares has been adjusted for these changes.

**Comparison with other listed companies**

Comparison with other listed companies							Rs. in Lakhs		
Companies			CMP*	EPS (Basic and Diluted)	PE Ratio	RONW %	NAV (Per Share)	Face Value	Total Income (In Lakhs)
Benara Bearings and Pistons Limited			63	3.67	17.17	22.75%	16.15	10.00	10,437.82
Peer Groups**									
Shriram Pistons & Rings Limited			1,872.55	52.78	35.48	14.87%	355.11	10.00	1,65,475.00
Federal-Mogul (India) Limited	Goetze		563.40	12.94	43.54	12.80%	101.09	10.00	1,32,845.72
SAMKRG PISTONS & RINGS Limited			356.80	20.29	17.59	17.73%	111.76	10.00	25,279.54

\*CMP for our Company is considered as Issue Price

\*\*Source: [www.bseindia.com](http://www.bseindia.com) & [www.nseindia.com](http://www.nseindia.com)

**Notes:**

- Considering the size of business of the Company the peer are not strictly comparable. However same have been included for broad comparison;
- The figures for Benara Bearings and Pistons Limited are based on the restated standalone financial results for the year ended March 31, 2017;
- The figures for the peer group are based on standalone audited results for the year ended March 31, 2017;
- Current Market Price (CMP) is the closing prices of respective scripts as on January 16, 2018
- The Issue Price of Rs. 63/- per Equity Share will be determined by the Company in consultation with the BRLM and is justified based on the above accounting ratios.

For further details see section titled “Risk Factors” beginning on page 21 and the financials of the Company including profitability and return ratios, as set out in the section titled “Financial Statements” beginning on page 238 of this Prospectus for a more informed view



Head Office: - Shop No. 437, Opp. S.K. Soni Hospital, Sikar Road, Jaipur - 303702  
Mumbai office: - A 601, Vasundhara II, Poonam Sagar Complex, Mira Road East Thane-401107  
Ph: 0141-2236375, 97029-28280 e-mail: [ajngupta@gmail.com](mailto:ajngupta@gmail.com), [ca.narayanswami@gmail.com](mailto:ca.narayanswami@gmail.com),  
[Website:- www.ajngupta.com](http://www.ajngupta.com)

## **STATEMENT OF POSSIBLE TAX BENEFITS**

**The Board of Directors**  
**Benara Bearings and Pistons Limited**  
A-3 &-4, Site B Industrial  
Area Sikandra, Agra,  
Uttar Pradesh -282007

Dear Sirs,

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

We hereby confirm that the enclosed annexure, prepared by Benara Bearings and Pistons Limited ('the Company') states the possible special tax benefits available to the Company and the shareholders of the Company under the Income Tax Act, 1961 ('Act') and the Gift Tax Act, 1958, 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 the business imperatives, the company may or may not choose to fulfil.

The amendment since Finance Act, 2017 has been incorporated to the extent relevant in the enclosed annexure.

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

Our views are based on the existing provisions of the Act and its interpretations, which are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions. Any such change, which could also be retrospective, could have an effect on the validity of our views stated here in. 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.

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

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

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



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Head Office: - Shop No. 437, Opp. S.K. Soni Hospital, Sikar Road, Jaipur - 303702  
Mumbai office: - A 601, Vasundhara II, Poonam Sagar Complex, Mira Road East Thane-401107  
Ph: 0141-2236375, 97029-28280 e-mail: [ajngupta@gmail.com](mailto:ajngupta@gmail.com), [ca.narayanswami@gmail.com](mailto:ca.narayanswami@gmail.com),  
[Website:- www.ajngupta.com](http://www.ajngupta.com)

Encl: Annexure

**Yours Faithfully,**  
**For Agrawal Jain & Gupta**  
Chartered Accountants  
Firm Registration No.:013538C

**CA Narayan Swami**  
Partner  
M. No – 409759  
Place: Mumbai  
Date: November 25, 2017



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Head Office: - Shop No. 437, Opp. S.K. Soni Hospital, Sikar Road, Jaipur - 303702  
Mumbai office: - A 601, Vasundhara II, Poonam Sagar Complex, Mira Road East Thane-401107  
Ph: 0141-2236375, 97029-28280 e-mail: [ajngupta@gmail.com](mailto:ajngupta@gmail.com), [ca.narayanswami@gmail.com](mailto:ca.narayanswami@gmail.com),  
[Website:- www.ajngupta.com](http://www.ajngupta.com)

### **ANNEXURE TO THE STATEMENTS OF TAX BENEFITS**

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

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

Outlined below are the possible special tax benefits available to the Company and its shareholders under the Income Tax Act, 1961 ('the Act')

➤ **Special Tax Benefits available to the Company and its Subsidiaries under the Act:**

- There are no special Tax benefits available to the Company & its subsidiaries under the Act.

➤ **Special Tax Benefits available to the shareholders of the Company under the Act:**

- There are no special Tax Benefits available to the shareholders of the Company.

**Notes:**

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.

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

## **SECTION IV – ABOUT THE COMPANY**

### **OUR INDUSTRY**

The information in this section is derived from extracts from publicly available information, data and statistics and has been derived from various government publications and industry sources. The information has not been independently verified by us, the BRLMs, or any of our or their respective affiliates or advisors. The data may have been re-classified by us for the purposes of presentation. Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but that their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured.

Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates, projections, forecasts and assumptions that may prove to be incorrect and, accordingly, investment decisions should not be based on such information. You should read the entire Prospectus, including the information contained in the sections titled “Risk Factors” and “Financial Statements” and related notes beginning on page 21 and 238 respectively of this Prospectus before deciding to invest in our Equity Shares.

#### **INTRODUCTION TO INDIAN AUTOMOBILE INDUSTRY**

The Indian auto industry is one of the largest in the world. The industry accounts for 7.1 per cent of the country's Gross Domestic Product (GDP). The Two Wheelers segment with 80 per cent market share is the leader of the Indian Automobile market owing to a growing middle class and a young population. Moreover, the growing interest of the companies in exploring the rural markets further aided the growth of the sector. The overall Passenger Vehicle (PV) segment has 14 per cent market share.

India is also a prominent auto exporter and has strong export growth expectations for the near future. In April-March 2017 exports of PV and Commercial Vehicles (CV) registered a growth of 16.20 per cent and 4.99 per cent respectively, over April-March 2016. In addition, several initiatives by the Government of India and the major automobile players in the Indian market are expected to make India a leader in the 2W and Four Wheeler (4W) market in the world by 2020.

(Source: Auto Mobiles Industry in India, India Brand Equity Foundation [www.ibef.org](http://www.ibef.org))

#### **INTRODUCTION TO AUTO COMPONENTS INDUSTRY**

The Indian auto-components industry has experienced healthy growth over the last few years. Some of the factors attributable to this include: a buoyant end-user market, improved consumer sentiment and return of adequate liquidity in the financial system. The auto-component industry of India has expanded by 14.3 per cent because of strong growth in the after-market sales to reach at a level of Rs 2.92 lakh crore (US\$ 44.90 billion) in the year 2017.

The auto-components industry accounts for almost seven per cent of India's Gross Domestic Product (GDP) and employs as many as 25 million people, both directly and indirectly. A stable government framework, increased purchasing power, large domestic market, and an ever increasing development in infrastructure have made India a favourable destination for investment.

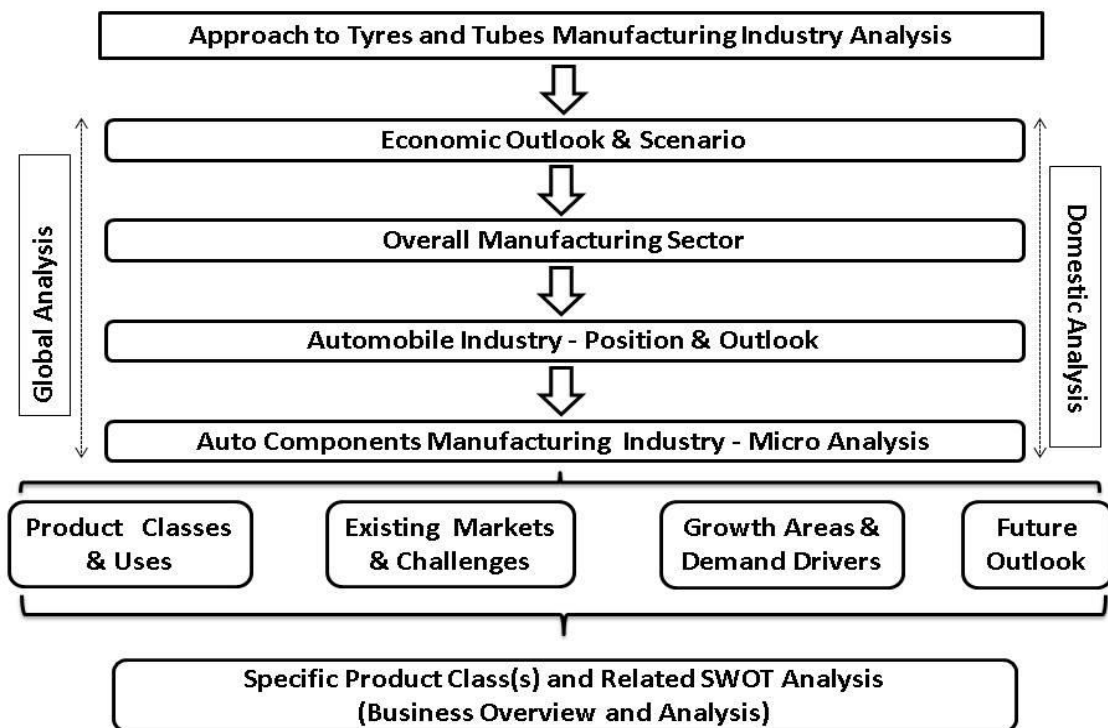
(Source: Auto Components Industry in India, India Brand Equity Foundation [www.ibef.org](http://www.ibef.org))

## APPROACH TO AUTO COMPONENTS MANUFACTURING INDUSTRY ANALYSIS

Analysis of Auto Components Manufacturing Industry needs to be approached at both macro and micro levels, whether for domestic or global markets. “Bearings and Pistons Manufacturing Industry” forms part of Automobile Industry at broad level and further classified into Auto Components Manufacturing Industry. It needs to be assessed with overall Manufacturing Sector at a macro level. Hence, broad picture of overall “Automobile Industry”, “Auto Components Manufacturing Industry” and “Manufacturing Sector” should be at preface while analysing the “Auto Components Manufacturing Industry”.

Manufacturing sector comprises various industries, which in turn, have numerous sub-classes or products. One such major industry in the overall manufacturing sector is Automobile Industry which if further classified into “Auto Components Manufacturing Industry”, which in turn encompasses various segments; one of them being “Auto Components Manufacturing Segment”.

Thus, “Auto Components Manufacturing Industry” should be analysed in the light of “Automobile Industry”, “Auto Components Manufacturing Industry” at large. An appropriate view on “Auto Components Manufacturing Industry”, then, calls for the overall economy outlook, performance and expectations of Manufacturing Sector, position and outlook of Auto Components Industry and Auto Components Manufacturing Industry micro analysis.



This Approach Note is developed by Pantomath Capital Advisors (P) Ltd (“Pantomath”) and any unauthorized reference or use of this Note, whether in the context of Engine Parts industry and Auto Components Manufacturing Industry / or any other industry, may entail legal consequences

## GLOBAL ECONOMIC OVERVIEW

For India, three external developments are of significant consequence. In the short run, the change in the outlook for global interest rates as a result of the US elections and the implied change in

expectations of US fiscal and monetary policy will impact on India's capital flows and exchange rates. Markets are factoring in a regime change in advanced countries, especially US macroeconomic policy, with high expectations of fiscal stimulus and unwavering exit from unconventional monetary policies. The end of the 20-year bond rally and end to the corset of deflation and deflationary expectations are within sight. Second, the medium-term political outlook for globalisation and in particular for the world's "political carrying capacity for globalisation" may have changed in the wake of recent developments. In the short run a strong dollar and declining competitiveness might exacerbate the lure of protectionist policies. These follow on on-going trends—documented widely—about stagnant or declining trade at the global level. This changed outlook will affect India's export and growth prospects.

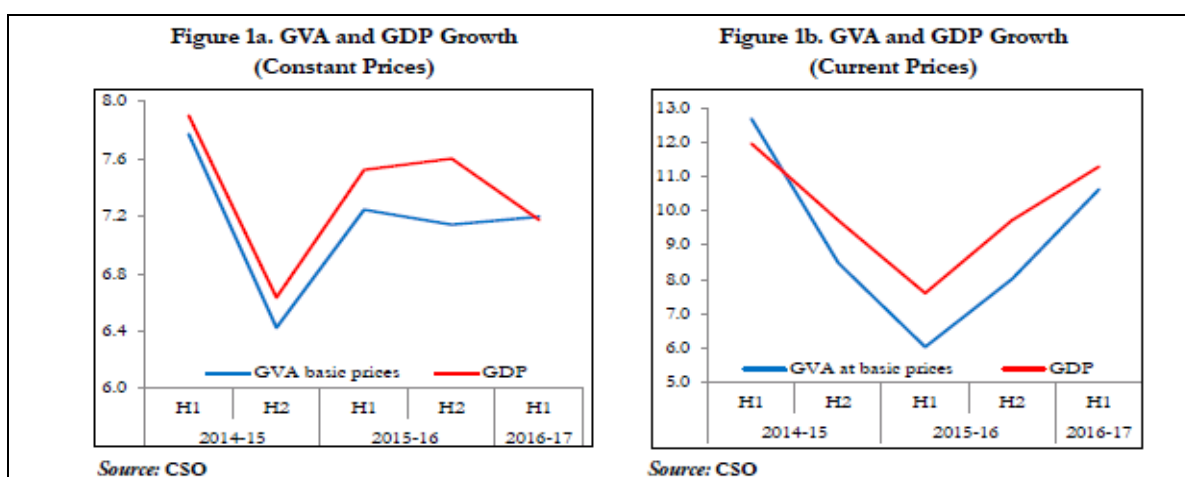
Third, developments in the US, especially the rise of the dollar, will have implications for China's currency and currency policy. If China is able to successfully re-balance its economy, the spill over effects on India and the rest of the world will be positive. On the other hand, further declines in the yuan, even if dollar-induced, could interact with underlying vulnerabilities to create disruptions in China that could have negative spill overs for India. For China, there are at least two difficult balancing acts with respect to the currency. Domestically, a declining currency (and credit expansion) props up the economy in the short run but delay rebalancing while also adding to the medium term challenges. Internationally, allowing the currency to weaken in response to capital flight risks creating trade frictions but imposing capital controls discourages FDI and undermines China's ambitions to establish the Yuan as a reserve currency. China with its underlying vulnerabilities remains the country to watch for its potential to unsettle the global economy.

(Source: Economic Survey 2016-17 [www.indiabudget.nic.in](http://www.indiabudget.nic.in))

## **REVIEW OF MAJOR DEVELOPMENTS IN INDIAN ECONOMY**

The Indian economy has continued to consolidate the gains achieved in restoring macroeconomic stability. Real GDP growth in the first half of the year was 7.2 percent, on the weaker side of the 7.0-7.75 per cent projection in the Economic Survey 2015-16 and somewhat lower than the 7.6 percent rate recorded in the second half of 2015-16 (Figure 1a). The main problem was fixed investment, which declined sharply as stressed balance sheets in the corporate sector continued to take a toll on firms' spending plans. On the positive side, the economy was buoyed by government consumption, as the 7th Pay Commission salary recommendations were implemented, and by the long-awaited start of an export recovery as demand in advanced countries began to accelerate. Nominal GDP growth recovered to respectable levels, reversing the sharp and worrisome dip that had occurred in the first half of 2015-16 (Figure 1b).

The major highlights of the sectoral growth outcome of the first half of 2016-17 were: (i) moderation in industrial and nongovernment service sectors; (ii) the modest pick-up in agricultural growth on the back of improved monsoon; and (iii) strong growth in public administration and defence services—dampeners on and catalysts to growth almost balancing each other and producing a real Gross Value Addition (GVA) growth (7.2 percent), quite similar to the one (7.1 per cent) in H2 2015-16 (Figure 1b).



Inflation this year has been characterized by two distinctive features. The Consumer Price Index (CPI)-New Series inflation, which averaged 4.9 per cent during April-December 2016, has displayed a downward trend since July when it became apparent that kharif agricultural production in general, and pulses in particular would be bountiful. The decline in pulses prices has contributed substantially to the decline in CPI inflation which reached 3.4 percent at end-December. The second distinctive feature has been the reversal of WPI inflation, from a trough of (-) 5.1 percent in August 2015 to 3.4 percent at end-December 2016, on the back of rising international oil prices. The wedge between CPI and WPI inflation, which had serious implications for the measurement of GDP discussed in MYEA (Box 3, Chapter 1, MYEA 2015-16), has narrowed considerably. Core inflation has, however, been more stable, hovering around 4.5 percent to 5 percent for the year so far. The outlook for the year as a whole is for CPI inflation to be below the RBI's target of 5 percent, a trend likely to be assisted by demonetisation.

### **External Sector**

Similarly, the external position appears robust having successfully weathered the sizeable redemption of Foreign Currency Non-Resident (FCNR) deposits in late 2016, and the volatility associated with the US election and demonetisation. The current account deficit has declined to reach about 0.3 percent of GDP in the first half of FY2017. Foreign exchange reserves are at comfortable levels, having have risen from around US\$350billion at end-January 2016 to US\$ 360 billion at end-December 2016 and are well above standard norms for reserve adequacy. In part, surging net FDI inflows, which grew from 1.7percent of GDP in FY2016 to 3.2 percent of GDP in the second quarter of FY2017, helped the balance-of-payments

The trade deficit declined by 23.5 per cent in April-December 2016 over corresponding period of previous year. During the first half of the fiscal year, the main factor was the contraction in imports, which was far steeper than the fall in exports. But during October- December, both exports and imports started a long-awaited recovery, growing at an average rate of more than 5 per cent. The improvement in exports appears to be linked to improvements in the world economy, led by better growth in the US and Germany. On the import side, the advantage on account of benign international oil prices has receded and is likely to exercise upward pressure on the import bill in the short to medium term. Meanwhile, the net services surplus declined in the first half, as software service exports slowed and financial service exports declined. Net private remittances declined by \$4.5 bn in the first half of 2016-17 compared to the same period of 2015-16, weighed down by the lagged effects of the oil price decline, which affected inflows from the Gulf region.



## **Fiscal Position**

Trends in the fiscal sector in the first half have been unexceptional and the central government is committed to achieving its fiscal deficit target of 3.5 percent of GDP this year. Excise duties and services taxes have benefitted from the additional revenue measures introduced last year. The most notable feature has been the over-performance (even relative to budget estimates) of excise duties in turn based on buoyant petroleum consumption: real consumption of petroleum products (petrol) increased by 11.2 percent during April-December 2016 compared to same period in the previous year. Indirect taxes, especially petroleum excises, have held up even after demonetisation in part due to the exemption of petroleum products from its scope. More broadly, tax collections have held up to a greater extent than expected possibly because of payment of dues in demonetised notes was permitted. Non-tax revenues have been challenged owing to shortfall in spectrum and disinvestment receipts but also to forecast optimism; the stress in public sector enterprises has also reduced dividend payments.

State government finances are under stress. The consolidated deficit of the states has increased steadily in recent years, rising from 2.5 percent of GDP in 2014-15 to 3.6 percent of GDP in 2015-16, in part because of the UDAY scheme. The budgeted numbers suggest there will be an improvement this year. However, markets are anticipating some slippage, on account of the expected growth slowdown, reduced revenues from stamp duties, and implementation of their own Pay Commissions. For these reasons, the spread on state bonds over government securities jumped to 75 basis points in the January 2017 auction from 45 basis points in October 2016. For the general government as a whole, there is an improvement in the fiscal deficit with and without UDAY scheme.

(Source: Economic Survey 2016-17 [www.indiabudget.nic.in](http://www.indiabudget.nic.in))

## **OUTLOOK FOR 2016-17**

This year's outlook must be evaluated in the wake of the November 8 action to demonetize the high denomination notes. But it is first important to understand the analytics of the demonetisation shock in the short run. Demonetisation affects the economy through three different channels. It is potentially: 1) an aggregate demand shock because it reduces the supply of money and affects private wealth, especially of those holding unaccounted money; 2) an aggregate supply shock to the extent that economic activity relies on cash as an input (for example, agricultural production might be affected since sowing requires the use of labour traditionally paid in cash); and 3) an uncertainty shock because economic agents face imponderables related to the magnitude and duration of the cash shortage and the policy responses (perhaps causing consumers to defer or reduce discretionary consumption and firms to scale back investments).

Demonetisation is also very unusual in its monetary consequences. It has reduced sharply, the supply of one type of money— cash—while increasing almost to the same extent another type of money— demand deposits. This is because the demonetized cash was required to be deposited in the banking system. In the third quarter of FY2017 (when demonetisation was introduced), cash declined by 9.4 percent, demand deposits increased by 43 percent, and growth in the sum of the two by 11.3 percent.

The price counterparts of this unusual aspect of demonetisation are the surge in the price of cash (inferred largely through queues and restrictions), on the one hand; and the decline in interest rates on the lending rate (based on the marginal cost of funds) by 90 basis points since November 9; on deposits (by about 25 basis points); and on g-secs on the other (by about 32 basis points).

There is yet another dimension of demonetisation that must be kept in mind. By definition, all these quantity and price impacts will self-correct by amounts that will depend on the pace at which the economy is remonetized and policy restrictions eased. As this occurs, consumers will run down their bank deposits and increase their cash holdings. Of course, it is possible, even likely that the self-

correction will not be complete because in the new equilibrium, aggregate cash holdings (as a share of banking deposits and GDP) are likely to be lower than before.

Anecdotal and other survey data abound on the impact of demonetisation. But we are interested in a macro-assessment and hence focus on five broad indicators: Agricultural (Rabi) sowing; Indirect tax revenue, as a broad gauge of production and sales; Auto sales, as a measure of discretionary consumer spending and two-wheelers, as the best indicator of both rural and less affluent demand; Real credit growth; and Real estate prices. Contrary to early fears, as of January 15, 2017 aggregate sowing of the two major rabi crops—wheat and pulses (gram)—exceeded last year's planting by 7.1 percent and 10.7 percent, respectively. Favourable weather and moisture conditions presage an increase in production. To what extent these favourable factors will be attenuated will depend on whether farmers' access to inputs—fertilizer, credit, and labour—was affected by the cash shortage.

To estimate a demonetisation effect, one needs to start with the counterfactual. Our best estimate of growth in the absence of demonetisation is 11¼ percent in nominal terms (slightly higher than last year's Survey forecast because of the faster rebound in WPI inflation, but lower than the CSO's advance estimate of 11.9 percent) and 7 percent in real terms (in line with both projections).

Finally, demonetisation will afford an interesting natural experiment on the substitutability between cash and other forms of money. Demonetisation has driven a sharp and dramatic wedge in the supply of these two: if cash and other forms are substitutable, the impact will be relatively muted; if, on the other hand, cash is not substitutable the impact will be greater.

(Source: Economic Survey 2016-17 [www.indiabudget.nic.in](http://www.indiabudget.nic.in))

## **OUTLOOK FOR 2017-18**

Turning to the outlook for 2017-18, we need to examine each of the components of aggregate demand: exports, consumption, private investment and government.

As discussed earlier, India's exports appear to be recovering, based on an uptick in global economic activity. This is expected to continue in the aftermath of the US elections and expectations of a fiscal stimulus. The IMF's January update of its World Economic Outlook forecast is projecting an increase in global growth from 3.1 percent in 2016 to 3.4 percent in 2017, with a corresponding increase in growth for advanced economies from 1.6 percent to 1.9 percent. Given the high elasticity of Indian real export growth to global GDP, exports could contribute to higher growth next year, by as much as 1 percentage point.

The outlook for private consumption is less clear. International oil prices are expected to be about 10-15 percent higher in 2017 compared to 2016, which would create a drag of about 0.5 percentage points. On the other hand, consumption is expected to receive a boost from two sources: catch-up after the demonetisation-induced reduction in the last two quarters of 2016-17; and cheaper borrowing costs, which are likely to be lower in 2017 than 2016 by as much as 75 to 100 basis points. As a result, spending on housing and consumer durables and semi-durables could rise smartly. It is too early to predict prospects for the monsoon in 2017 and hence agricultural production. But the higher is agricultural growth this year, the less likely that there would be an extra boost to GDP growth next year.

Since no clear progress is yet visible in tackling the twin balance sheet problem, private investment is unlikely to recover significantly from the levels of FY2017. Some of this weakness could be offset through higher public investment, but that would depend on the stance of fiscal policy next year, which has to balance the short-term requirements of an economy recovering from demonetisation

against the medium-term necessity of adhering to fiscal discipline—and the need to be seen as doing so. Putting these factors together, we expect real GDP growth to be in the 6¾ to 7½ percent range in FY2018. Even under this forecast, India would remain the fastest growing major economy in the world.

There are three main downside risks to the forecast. First, the extent to which the effects of demonetisation could linger into next year, especially if uncertainty remains on the policy response. Currency shortages also affect supplies of certain agricultural products, especially milk (where procurement has been low), sugar (where cane availability and drought in the southern states will restrict production), and potatoes and onions (where sowings have been low). Vigilance is essential to prevent other agricultural products becoming in 2017-18 what pulses were in 2015-16.

Second, geopolitics could take oil prices up further than forecast. The ability of shale oil production to respond quickly should contain the risks of a sharp increase, but even if prices rose merely to \$60-65/barrel the Indian economy would nonetheless be affected by way of reduced consumption; less room for public investment; and lower corporate margins, further denting private investment. The scope for monetary easing might also narrow, if higher oil prices stoked inflationary pressure.

Third, there are risks from the possible eruption of trade tensions amongst the major countries, triggered by geo-politics or currency movements. This could reduce global growth and trigger capital flight from emerging markets. The one significant upside possibility is a strong rebound in global demand and hence in India's exports. There are some nascent signs of that in the last two quarters. A strong export recovery would have broader spill over effects to investment.

### **Fiscal outlook**

The fiscal outlook for the central government for next year will be marked by three factors. First, the increase in the tax to GDP ratio of about 0.5 percentage points in each of the last two years, owing to the oil windfall will disappear. In fact, excise-related taxes will decline by about 0.1 percentage point of GDP, a swing of about 0.6 percentage points relative to FY2017.

Second, there will be a fiscal windfall both from the high denomination notes that are not returned to the RBI and from higher tax collections as a result of increased disclosure under the Pradhan Mantra Garib Kalyan Yojana (PMGKY). Both of these are likely to be one-off in nature, and in both cases the magnitudes are uncertain.

A third factor will be the implementation of the GST. It appears that the GST will probably be implemented later in the fiscal year. The transition to the GST is so complicated from an administrative and technology perspective that revenue collection will take some time to reach full potential. Combined with the government's commitment to compensating the states for any shortfall in their own GST collections (relative to a baseline of 14 percent increase), the outlook must be cautious with respect to revenue collections. The fiscal gains from implementing the GST and demonetisation, while almost certain to occur, will probably take time to be fully realized. In addition, muted non-tax revenues and allowances granted under the 7th Pay Commission could add to pressures on the deficit.

### **The macroeconomic policy stance for 2017-18**

An economy recovering from demonetisation will need policy support. On the assumption that the equilibrium cash-GDP ratio will be lower than before November 8, the banking system will benefit from a higher level of deposits. Thus, market interest rates—deposits, lending, and yields on g-secs—should be lower in 2017-18 than 2016-17. This will provide a boost to the economy (provided, of

course, liquidity is no longer a binding constraint). A corollary is that policy rates can be lower not necessarily to lead and nudge market rates but to validate them. Of course, any sharp uptick in oil prices and those of agricultural products, would limit the scope for monetary easing.

Fiscal policy is another potential source of policy support. This year the arguments may be slightly different from those of last year in two respects. Unlike last year, there is more cyclical weakness on account of demonetisation. Moreover, the government has acquired more credibility because of posting steady and consistent improvements in the fiscal situation for three consecutive years, the central government fiscal deficit declining from 4.5 percent of GDP in 2013-14 to 4.1 percent, 3.9 percent, and 3.5 percent in the following three years. But fiscal policy needs to balance the cyclical imperatives with medium term issues relating to prudence and credibility.

One key question will be the use of the fiscal windfall (comprising the unreturned cash and additional receipts under the PMGKY) which is still uncertain. Since the windfall to the public sector is both one off and a wealth gain not an income gain, it should be deployed to strengthening the government's balance sheet rather than being used for government consumption, especially in the form of programs that create permanent entitlements. In this light, the best use of the windfall would be to create a public sector asset reconstruction company so that the twin balance sheet problem can be addressed, facilitating credit and investment revival; or toward the compensation fund for the GST that would allow the rates to be lowered and simplified; or toward debt reduction. The windfall should not influence decisions about the conduct of fiscal policy going forward.

Perhaps the most important reforms to boost growth will be structural. In addition to those spelt out in Section 1—strategic disinvestment, tax reform, subsidy rationalization—it is imperative to address directly the twin balance sheet problem. The problem is large, persistent and difficult, will not correct itself even if growth picks up and interest rates decline, and current attempts have proved grossly inadequate. It may be time to consider something like a public sector asset reconstruction company.

Another area of reform relates to labour. Given the difficulty of reforming labor laws per se, the thrust could be to move towards affording greater choice to workers which would foster competition amongst service providers. Choices would relate to: whether they want to make their own contribution to the Employees' Provident Fund Organisation (EPFO); whether the employers' contribution should go to the EPFO or the National Pension Scheme; and whether to contribute to the Employee State Insurance (ESI) or an alternative medical insurance program. At the same time, there could be a gradual move to ensure that at least compliance with the central labour laws is made paperless, presence less, and cashless. One radical idea to consider is the provision of a universal basic income. But another more modest proposal worth embracing is procedural: a standstill on new government programs, a commitment to assess every new program only if it can be shown to demonstrably address the limitations of an existing one that is similar to the proposed one; and a commitment to evaluate and phase down existing programs that are not serving their purpose.

(Source: Economic Survey 2016-17 [www.indiabudget.nic.in](http://www.indiabudget.nic.in))

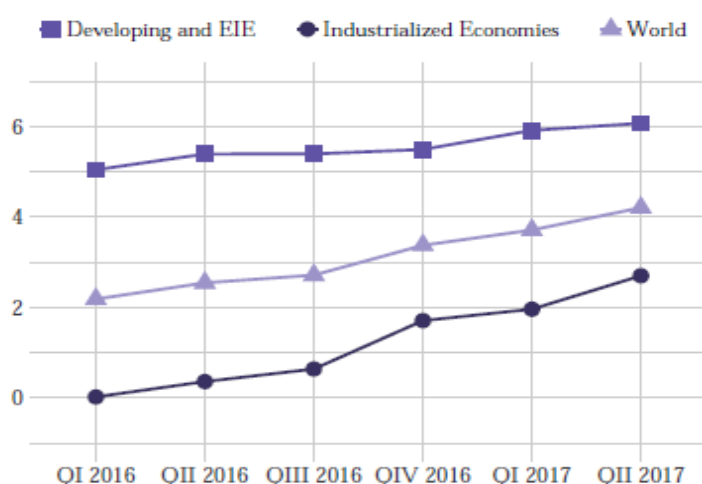
## **GLOBAL MANUFACTURING SECTOR**

### **World Manufacturing Growth in quarter II, 2017**

World manufacturing in the second quarter of 2017 has continued to show signs of expansion, following an upward trend observed throughout 2016 and improved growth rates in the first quarter of 2017. Both industrialized and developing and emerging industrial economies gained further strength in manufacturing production and confirmed their healthy dynamic growth.

Although the pace of growth indicates similar trends in both country groups (Figure 2), developing economies continuously performed better than industrialized ones. The current growth prospects are improving further on account of rising consumer spending and promising investment plans, which are favourably directed towards developing economies. Changing business conditions are driving industrial production growth and confidence for the overall outlook has been increasing. Moreover, the risks for global growth witnessed last year, such as political instability in Europe, unpredictability of the Brexit aftermath, the rising trade protectionism following the US election and an abrupt slowdown in China have certainly diminished, although they have not disappeared completely.

Figure 2: Growth of world manufacturing output in % compared to the same quarter of the previous year



(Source: *World Manufacturing Production, Statistics for Quarter II, 2017*, United Nations Industrial Development Organization, [www.unido.org](http://www.unido.org) )

Optimistic results reported in the first quarter have carried over into the second quarter of this year. Global manufacturing output rose by 4.2 per cent in the second quarter of 2017 compared to the same period of the previous year, building on the robust 3.7 per cent increase observed at the beginning of 2017. The major industrialized economies with a significant share in global manufacturing output, namely the United States, Japan, Germany, Italy and France, thrived in the second quarter of 2017. The growth prospects of China, the world's largest manufacturer, remained unchanged.

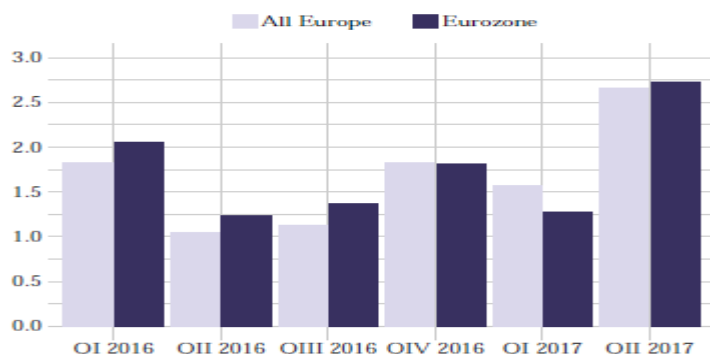
As depicted in Figure 2, steady progress over several consecutive quarters characterizes all country groups and the prospects for sustained global industrial growth in the coming periods are good.

### Manufacturing Growth in Industrialized economies

The manufacturing output growth of industrialized economies has progressively been improving over the last quarters. The upward growth trend-at a relatively moderate pace-is attributable to the robust dynamics in all industrialized regions, namely East Asia, Europe and North America.

The manufacturing sector gained increasing strength due to domestic and external demand in European economies and resulted in the solid performance recorded in the second quarter of 2017. Europe's manufacturing output jumped to 2.7 per cent in the second quarter of 2017 from 1.6 per cent growth in the previous quarter, while the growth rate in the Eurozone witness the same development during the second quarter of 2017 (Figure 3).

Figure 3: Growth rates of manufacturing output in Europe, in % to the same period of the previous year



The disaggregated data points to continued improvement in the already healthy economic momentum of leading Eurozone economies with growth figures of 2.9 per cent in Germany and Italy, and 2.4 per cent in France and Spain compared to year-to-year developments. The manufacturing production in other economies of the single currency block seemingly remained healthy in the second quarter. Strong growth of over 8.0 per cent was observed in Slovenia, and Estonia, while a fairly robust growth rate was recorded in the Netherlands (3.0 per cent), Austria (3.5 per cent), Belgium (4.2 per cent) and Finland (3.2 per cent). The manufacturing sector in the eurozone ended the second quarter on a strong note. The only exception was Ireland, where manufacturing output fell by 1.1 percent compared to the same period of the previous year.

Taking a closer look at individual countries beyond the eurozone, manufacturing output remained stagnant in the United Kingdom at only 0.2 per cent growth in the second quarter of 2017. Despite remaining in positive terrain, output dipped significantly considering that the previous quarter's result was the highest one in over two years. On the other hand, the pace of growth in Czechia and Hungary strengthened, where an increase of 7.4 per cent and 4.7 percent was recorded, respectively. Other exceptionally positive results were visible in Switzerland with a 2.4 per cent growth rate as well as in Sweden with a gain of 5.2 per cent compared to the same period of the previous year. Among the other Nordic countries, Denmark expanded its manufacturing production by 3.7 per cent, while Norway significantly moderated its contraction rate to roughly 0.4 per cent.

North America's overall manufacturing production grew by 1.6 per cent compared to the same period of 2016. The strengthening of the dollar and the consequent weak demand for U.S. goods caused the American manufacturing sector to go into recession in late 2015. However, the recent weakening of the U.S. dollar combined with a stronger global environment resulted in the opposite effect, and American total manufacturing output rose by 1.5 per cent compared to the same period of the previous year, representing the highest increase since the last recession. Improved performance was also witnessed in Canadian manufacturing, where manufacturing production expanded by 3.5 per cent in the second quarter of 2017.

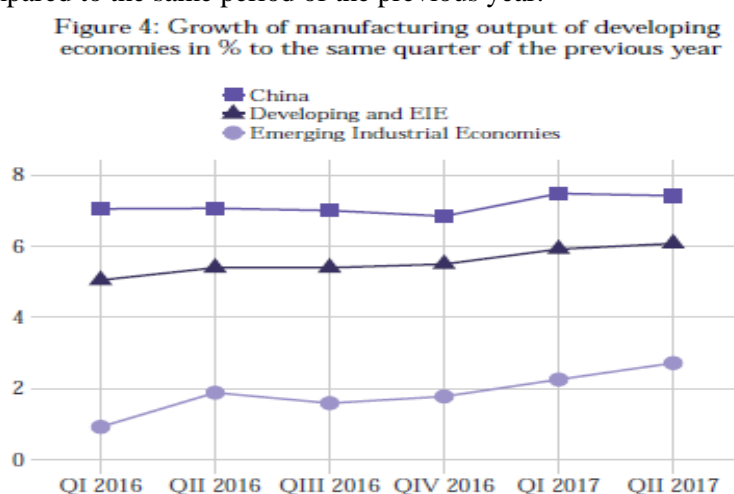
Another positive result was observed in industrialized East Asian economies in the second quarter of 2017 - a 4.4 per cent improvement compared to the same period of the previous year. The main forces that have been driving growth in Japan's manufacturing sector in recent quarters remained firmly in place in the second quarter of 2017. Japan, the major force behind the entire region's upward trend, reconfirmed the end of a long period of contractions with a growth rate of nearly 5.8 per cent. The Republic of Korea's manufacturing production, on the other hand, remained almost unchanged compared to the same period of the previous year. Malaysia's total manufacturing output recorded a 5.9 per cent rise in the second quarter of 2017; a very strong growth rate of 8.5 per cent was observed in Singapore. The manufacturing production of Taiwan, Province of China lost some steam in the second quarter of 2017 according to the latest figures, although it still expanded at a moderate 2.6 per

cent pace on a year-to-year basis.

(Source: *World Manufacturing Production, Statistics for Quarter II, 2017*, United Nations Industrial Development Organization, [www.unido.org](http://www.unido.org) )

### Manufacturing sector growth in Developing and emerging industrial economies

The second quarter of 2017 brought upward trends for all developing and emerging industrial regions. Latin America is continuing on the path to full recovery from last year's weak performance, Asian economies continue to prosper and production in Africa is profiting from boosted investor confidence. Stronger foreign demand is helping support manufacturing activity in China. Together with an improvement in domestic demand and support for the development of advanced manufacturing industries, this translated into a 7.4 per cent increase in total manufacturing production in China compared to the same period of the previous year.



Latin American economies have overcome a severe decline in economic growth, which affected the region for a long period with a 1.8 per cent upsurge in the second quarter of 2017 in a year-to-year comparison. Brazilian manufacturers are slowly emerging from the deep recession during which manufacturing production contracted at the beginning of 2014 and shrank uninterruptedly until early 2017. This steep fall was softened by a mild, but ultimately positive upward trend of 0.4 per cent recorded in the second quarter of 2017. Moreover, data for the second quarter of 2017 suggest that the recovery is finally gathering pace in Argentina's manufacturing sector. The country's manufacturing activity recorded a growth of 1.9 per cent - its best performance over the last five years. Production was driven by a broad-based expansion, with the food, automotive and metallurgic industries leading the way.

The positive momentum of manufacturing production in Mexico, the region's powerhouse, was largely retained with a positive increase of nearly 3.9 per cent. Looking at the other countries in the region, Chile recorded a minor upturn of 0.9 per cent, whereas manufacturing output in Colombia remained stagnant compared to the same period of 2016.

The Asia and the Pacific region saw an increase of 6.6 per cent in manufacturing output during the second quarter of 2017. Viet Nam, one of Asia's fast growing economies, maintained a solid growth rate of 11.1 per cent, continuing its long-term trajectory of double-digit year-to-year growth in manufacturing. On the other hand, a subdued export performance dampened the momentum in Indonesia, resulting in the country's manufacturing sector expanding by 3.8 per cent, a slight deceleration compared to the 4.5 per cent average growth rate in 2016. India's manufacturing production expanded by 1.8 per cent in the second quarter of 2017. Very positive developments in

growth were also observed in the Philippines, Pakistan, Kazakhstan and Mongolia. In Thailand, the weak performance of manufacturing production in the first quarter continued into the second quarter of 2017, and the manufacturing sector recorded a 0.1 per cent loss compared to the second quarter of the previous year.

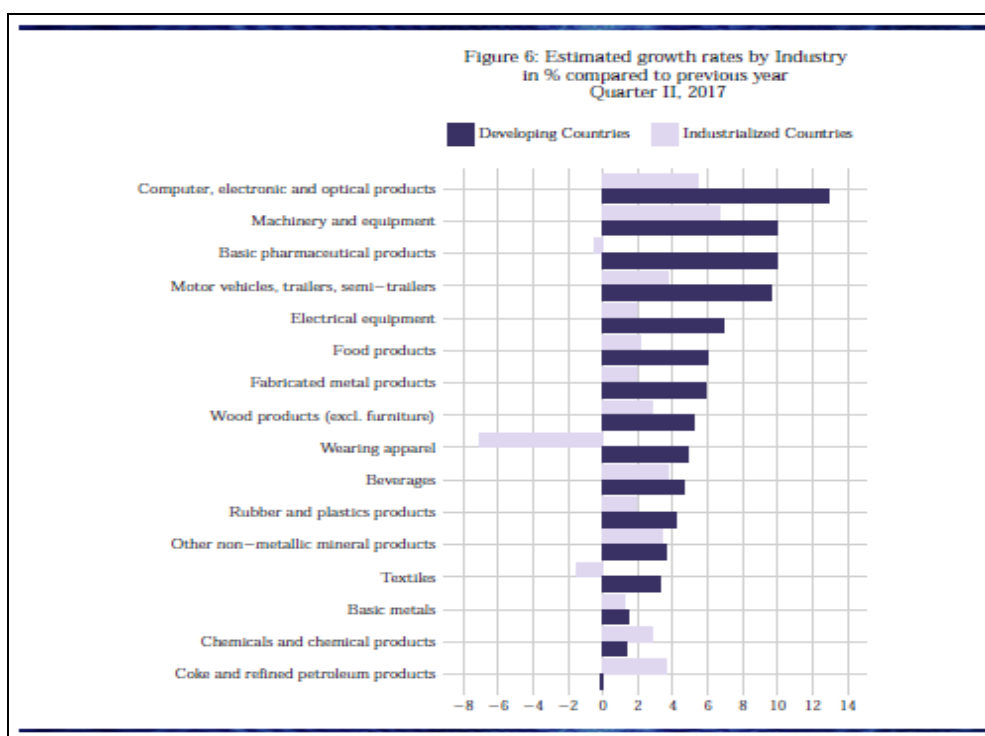
According to UNIDO estimates, Africa's manufacturing output increased to 10.5 per cent in the second quarter of 2017, however, it should be noted that estimates for Africa are based on limited data revealing high instability and volatility. A two-digit growth rate was registered in Egypt; Cote d'Ivoire only barely missed a two-digit growth rate, Morocco experienced a 2.3 per cent growth, while Senegal's and Tunisia's manufacturing output dropped by 3.0 per cent and 0.4 per cent, respectively, compared to the same period of the previous year. South Africa, the region's most industrialized economy, saw a contraction rate of 1.7 per cent in the second quarter of 2017, the third quarter of depressed manufacturing production in a row. Weak manufacturing together with a shrinking trade sector, uncertain political landscape and stunted investment signalizes potentially dim prospects, and perhaps not only for 2017.

Among other developing economies, the manufacturing output of Eastern European countries achieved relatively higher growth rates. Manufacturing output rose by 6.2 per cent in Poland, 10.6 per cent in Romania, 8.5 per cent in Bulgaria, 6.0 per cent in Serbia and 8.7 per cent in Latvia. Turkey's manufacturing sector also performed well, growing by 4.7 percent due to healthy export growth fueled by a weaker lira. Greek manufacturing marked 2.5 per cent growth in the second quarter of 2017 over the same period of 2016.

(Source: *World Manufacturing Production, Statistics for Quarter II, 2017*, United Nations Industrial Development Organization, [www.unido.org](http://www.unido.org) )

### Findings by industry Group

The growth rates for selected industries are presented below.





(Source: World Manufacturing Production, Statistics for Quarter II, 2017, United Nations Industrial Development Organization, [www.unido.org](http://www.unido.org) )

## MANUFACTURING SECTOR IN INDIA

### Introduction:

Manufacturing has emerged as one of the high growth sectors in India. Prime Minister of India, Mr Narendra Modi, had launched the 'Make in India' program to place India on the world map as a manufacturing hub and give global recognition to the Indian economy. India is expected to become the fifth largest manufacturing country in the world by the end of year 2020\*. The Gross Value Added (GVA) at basic constant (2011-12) prices from the manufacturing sector in India grew 7.9 per cent year-on-year in 2016-17, as per the 2nd provisional estimate of annual national income published by the Government of India. Under the Make in India initiative, the Government of India aims to increase the share of the manufacturing sector to the gross domestic product (GDP) to 25 per cent by 2022, from 16 per cent, and to create 100 million new jobs by 2022. Business conditions in the Indian manufacturing sector continue to remain positive.

### Investments:

With the help of Make in India drive, India is on the path of becoming the hub for hi-tech manufacturing as global giants such as GE, Siemens, HTC, Toshiba, and Boeing have either set up or are in process of setting up manufacturing plants in India, attracted by India's market of more than a billion consumers and increasing purchasing power.

- Cumulative Foreign Direct Investment (FDI) in India's manufacturing sector reached US\$ 70.51 billion by June 2017.
- India has become one of the most attractive destinations for investments in the manufacturing sector. Some of the major investments and developments in this sector in the recent past are:
- JSW Energy has signed a memorandum of understanding (MoU) with the Government of Gujarat, for setting up an electric vehicle (EV) manufacturing unit in Gujarat at an estimated cost of Rs 4,000 crore (US\$ 608.88 million).
- With an aim to increase its presence in India, Denmark-based heating ventilation and air-conditioning (HVAC) giant, Danfoss, is planning to take its manufacturing localisation to 50 per cent as well as double its supplier base in India by 2020.
- Cochin Shipyard Ltd, which recently completed its initial public offer (IPO), will utilize the funds from the issue to implement expansion projects worth Rs 2,800 crore (US\$ 437.3 million), which are already in its pipeline.
- Indian biscuits giant, Britannia Industries Ltd (BIL), is setting up its largest plant ever, in Ranjangaon, Maharashtra, with an investment of Rs 1,000 crore (US\$ 156.89 million). The plant will have an annual capacity of 120,000 tonne and will be completed by FY19.
- IKEA, a Swedish furniture company, aims to manufacture more than 30 per cent of its products in India in the coming years, stated Mr Patrik Antoni, Deputy Country Manager, IKEA.
- Volvo India Pvt Ltd, Swedish luxury car manufacturer, will start assembly operations near Bengaluru in India by the end of 2017. The company is targeting to double its share in India's luxury car segment to 10 per cent by 2020.
- Larsen & Toubro (L&T) has bagged a contract worth US\$ 669.34 million from the Ministry of Defence, Government of India, to supply 100 artillery of 155mm/52 caliber tracked self-propelled guns for the Indian Army, under the Make in India initiative.
- Berger Paints has entered into a partnership with Chugoku Marine Paints (CMP), thereby marking its entry into the marine paints segment, which has an estimated market size of Rs 250 crore (US\$ 38.82 million) and is expected to grow at 25 per cent annually for the next

- five years.
- SAIC Motor Corp, China's largest automaker, has signed a deal to buy General Motors (GM) India's Halol plant in Gujarat.
- Dabur India Ltd set up its largest manufacturing plant globally, spread over 30 acres, at a cost of Rs 250 crore (US\$ 38.82 million), in Tezpur, Assam, which will produce Dabur's complete range of ayurvedic medicines, health supplements, and personal care products among others.
- Apple Inc is looking to expand its Taiwanese contract manufacturer, Wistron's, production facility in Bengaluru, India, where it started manufacturing iPhone SE in May, 2017.
- China based LCD and touchscreen panel manufacturer, Holitech Technology, has announced plans to investing up to US\$ 1 billion in India by the end of 2017.
- Tristone Flowtech Group, the Germany-based flow technology systems specialist, has set up a new facility in Pune, which will manufacture surge tank as well as engine cooling and aircharge hose for the Indian market. The company plans to start the production at the plant in the fourth quarter of 2017.
- Honda Motorcycle & Scooter India plans to invest around Rs 600 crore (US\$ 90 million) to add a new line to produce additional 600,000 units at its Narsapura facility in Karnataka.
- Hindustan Coca-Cola Beverages plans to set up a bottling plant with an investment of Rs 750 crore (US\$ 112.5 million) in phases at the first industrial area being developed by Government of Madhya Pradesh under the public private partnership in Babai village of Hoshangabad, Bhopal.
- Tata Advanced Systems is collaborating with the world's largest defence contractor Lockheed Martin to manufacture the F-16 fighter jets in India.

### **Government Initiatives:**

In a bid to push the 'Make in India' initiative to the global level, Mr Narendra Modi, Prime Minister of India, pitched India as a manufacturing destination at the World International Fair in Germany's Hannover in 2015. Mr Modi showcased India as a business friendly destination to attract foreign businesses to invest and manufacture in the country.

The Government of India has taken several initiatives to promote a healthy environment for the growth of manufacturing sector in the country. Some of the notable initiatives and developments are:

The Government of India has introduced several policy measures in the Union Budget 2017-18 to provide impetus to the manufacturing sector. Some of which include reduction of income tax rate to 25 per cent for MSME companies having turnover up to Rs 50 crore (US\$ 7.5 million), MAT credit carry forward extended to 15 years from 10 years and abolishment of Foreign Investment Promotion Board (FIPB) by 2017-18.

The Government of India has launched a phased manufacturing programme (PMP) aimed at adding more smartphone components under the Make in India initiative thereby giving a push to the domestic manufacturing of mobile handsets.

The Government of India is in talks with stakeholders to further ease foreign direct investment (FDI) in defence under the automatic route to 51 per cent from the current 49 per cent, in order to give a boost to the Make in India initiative and to generate employment.

The Ministry of Heavy Industries and Public Enterprises, Government of India, has approved the setting up of four Centres of Excellence (CoE) in areas of textile machinery, machine tools, welding technology and smart pumps, which will help raise the technology depth of the Indian Capital Goods Industry.

The Ministry of Defence, Government of India, approved the “Strategic Partnership” model which will enable private companies to tie up with foreign players for manufacturing submarines, fighter jets, helicopters and armoured vehicles.

The Union Cabinet has approved the Modified Special Incentive Package Scheme (M-SIPS) in which, proposals will be accepted till December 2018 or up to an incentive commitment limit of Rs 10,000 crore (US\$ 1.5 billion).

### **Road Ahead:**

India is an attractive hub for foreign investments in the manufacturing sector. Several mobile phone, luxury and automobile brands, among others, have set up or are looking to establish their manufacturing bases in the country.

The manufacturing sector of India has the potential to reach US\$ 1 trillion by 2025 and India is expected to rank amongst the top three growth economies and manufacturing destination of the world by the year 2020. The implementation of the Goods and Services Tax (GST) will make India a common market with a GDP of US\$ 2 trillion along with a population of 1.2 billion people, which will be a big draw for investors.

With impetus on developing industrial corridors and smart cities, the government aims to ensure holistic development of the nation. The corridors would further assist in integrating, monitoring and developing a conducive environment for the industrial development and will promote advance practices in manufacturing.

Exchange Rate Used: INR 1 = US\$ 0.015 as on October 30, 2017

\*According to the Global Manufacturing Competitiveness Index published by Deloitte  
(Source: Manufacturing Sector in India, India Brand Equity Foundation [www.ibef.org](http://www.ibef.org))

## **INDIAN AUTOMOBILE INDUSTRY**

### **Introduction:**

The Indian auto industry is one of the largest in the world. The industry accounts for 7.1 per cent of the country's Gross Domestic Product (GDP). The Two Wheelers segment with 80 per cent market share is the leader of the Indian Automobile market owing to a growing middle class and a young population. Moreover, the growing interest of the companies in exploring the rural markets further aided the growth of the sector. The overall Passenger Vehicle (PV) segment has 14 per cent market share.

India is also a prominent auto exporter and has strong export growth expectations for the near future. In April-March 2017 exports of PV and Commercial Vehicles (CV) registered a growth of 16.20 per cent and 4.99 per cent respectively, over April-March 2016. In addition, several initiatives by the Government of India and the major automobile players in the Indian market are expected to make India a leader in the 2W and Four Wheeler (4W) market in the world by 2020.

### **Market Size:**

Production of passenger vehicles, commercial vehicles, three wheelers and two wheelers grew at 5.41 per cent in FY17 to 25,316,044 vehicles from 24,016,599 vehicles in FY16. The sales of passenger vehicles, commercial vehicles and two wheelers grew by 9.23 per cent, 4.16 per cent and 6.89 per cent respectively, during the period April-March 2017.

India's electric vehicle (EV) sales increased 37.5 per cent to 22,000 units during FY 2015-16 and are poised to rise further on the back of cheaper energy storage costs and the Government of India's vision to see six million electric and hybrid vehicles in India by 2020.

### **Investment:**

In order to keep up with the growing demand, several auto makers have started investing heavily in various segments of the industry during the last few months. The industry has attracted Foreign Direct Investment (FDI) worth US\$ 17.40 billion during the period April 2000 to June 2017, according to data released by Department of Industrial Policy and Promotion (DIPP).

Some of the major investments and developments in the automobile sector in India are as follows:

- JSW Energy, a subsidiary of Jindal Group, has signed a Memorandum of Understanding (MoU) with the Gujarat government to set up an electric vehicle-manufacturing company at a cost of Rs 4,000 crore (US\$ 613 million) which will have the capacity to produce 2,00,000 electric vehicles every year.
- Tata Motors will invest Rs 4,000 crore (US\$ 612 million) in the year 2017 and a major portion will go to passenger vehicles i.e. Rs 2,500 crores (US\$ 375 million) and the remaining Rs 1,500 crore (\$225 million) will be invested in the business over the next few years.
- Electric car maker Tesla Inc. is likely to introduce its products in India sometime in the summer of 2017.
- Kia Motors is expected to sign a memorandum of understanding (MoU) with the Government of Andhra Pradesh (AP) to set up a factory in Penukonda in Anantapur district and the company will invest around US\$ 2 billion on this plant and it will have manufacturing capacity of the 3 lakhs car per annum.
- Several automobile manufacturers, from global majors such as Audi to Indian companies such as Maruti Suzuki and Mahindra & Mahindra, are exploring the possibilities of introducing driverless self-driven cars for India.
- BMW plans to manufacture a local version of below-500 CC motorcycle, the G310R, in TVS Motor's Hosur plant in Tamil Nadu, for Indian markets.
- Hero MotoCorp Ltd seeks to enhance its participation in the Indian electric vehicle (EV) space by pursuing its internal EV Programme in addition to investing Rs 205 crore (US\$ 30.75 million) to acquire around 26-30 per cent stake in Bengaluru-based technology start-up Ather Energy Pvt Ltd.
- Ford Motor Co. plans to invest Rs 1,300 crore (US\$ 195 million) to build a global technology and business centre in Chennai, which will be designed as a hub for product development, mobility solutions and business services for India and other markets.

### **Government Initiatives:**

The Government of India encourages foreign investment in the automobile sector and allows 100 per cent FDI under the automatic route.

Some of the major initiatives taken by the Government of India are

- Government is planning to introduce biofuel vehicles for road and water transportation. India needs to cut fossil fuel imports and look for alternative and cheaper fuels like methanol.
- Government of India extended support to the industry by increasing custom duty on CBUs of commercial vehicles from 10 per cent to 40 per cent and reducing duty on chassis for ambulance manufacturing from 24 per cent to 12.5 per cent.
- The Government of India plans to introduce a new Green Urban Transport Scheme with a central assistance of about Rs 25,000 crore (US\$ 3.75 billion), aimed at boosting the growth of urban transport along low carbon path for substantial reduction in pollution, and providing

- a framework for funding urban mobility projects at National, State and City level with minimum recourse to budgetary support by encouraging innovative financing of projects.
- Government of India aims to make automobiles manufacturing the main driver of 'Make in India' initiative, as it expects passenger vehicles market to triple to 9.4 million units by 2026, as highlighted in the Auto Mission Plan (AMP) 2016-26.
- The government has formulated a Scheme for Faster Adoption and Manufacturing of Electric and Hybrid Vehicles in India, under the National Electric Mobility Mission 2020 to encourage the progressive induction of reliable, affordable and efficient electric and hybrid vehicles in the country.

### **Road Ahead:**

The automobile industry is supported by various factors such as availability of skilled labour at low cost, robust R&D centres and low cost steel production. The industry also provides great opportunities for investment and direct and indirect employment to skilled and unskilled labour.

The Indian automotive aftermarket is estimated to grow at around 10-15 per cent to reach US\$ 16.5 billion by 2021 from around US\$ 7 billion in 2016. It has the potential to generate up to US\$ 300 billion in annual revenue by 2026, create 65 million additional jobs and contribute over 12 per cent to India's Gross Domestic Product#.

According to Mr Guillaume Sicard, president, Nissan India Operations, the income tax rate cut from 10 per cent to 5 per cent for individual tax payers earning under Rs 5 lakh (US\$ 7,472) per annum will create a positive sentiment among likely first time buyers for entry level and small cars.

Exchange Rate Used: INR 1 = US\$ 0.015 as of October 6, 2017

References: Media Reports, Press Releases, Department of Industrial Policy and Promotion (DIPP), Automotive Component Manufacturers Association of India (ACMA), Society of Indian Automobile Manufacturers (SIAM), Union Budget 2015-16, Union Budget 2017-18

# - As per the Automotive Mission Plan 2016-26 prepared jointly by the Society of Indian Automobile Manufacturers (SIAM) and government

## **INDIAN AUTO COMPONENTS INDUSTRY**

### **Introduction:**

The Indian auto-components industry has experienced healthy growth over the last few years. Some of the factors attributable to this include: a buoyant end-user market, improved consumer sentiment and return of adequate liquidity in the financial system. The auto-component industry of India has expanded by 14.3 per cent because of strong growth in the after-market sales to reach at a level of Rs 2.92 lakh crore (US\$ 44.90 billion) in the year 2017.

The auto-components industry accounts for almost seven per cent of India's Gross Domestic Product (GDP) and employs as many as 25 million people, both directly and indirectly. A stable government framework, increased purchasing power, large domestic market, and an ever increasing development in infrastructure have made India a favourable destination for investment.

### **Market Size:**

The Indian auto-components industry can be broadly classified into the organised and unorganised sectors. The organised sector caters to the Original Equipment Manufacturers (OEMs) and consists of

high-value precision instruments while the unorganised sector comprises low-valued products and caters mostly to the aftermarket category.

The total value of India's automotive aftermarket stood at Rs 56,098 Crore (US\$ 8.4 billion) in FY 2016-17 and exports were at Rs 73,128 crore (US\$11.15 billion) as compared Rs 70,916 crore (\$10.82 billion) in the year 2015-16, up by 3.1 per cent whereas imports in the year 2016-17 has decreased from Rs 90,662 (US\$13.83 billion) to Rs 90,571(US\$13.81 billion), down by 0.1per cent. This has been driven by strong growth in the domestic market and increasing globalisation (including exports) of several Indian suppliers.

The Indian automotive aftermarket is expected to grow at a CAGR of 10.5 per cent and reach Rs 75,705 crore (US\$ 13 billion) by the year 2019-20, according to the Automotive Component Manufacturers Association of India (ACMA). These estimates are in sync with the targets of the Automotive Mission Plan (AMP) 2016-26.

The Indian Auto Component industry is expected to grow by 8-10 per cent in FY 2017-18, based on higher localisation by Original Equipment Manufacturers (OEM), higher component content per vehicle, and rising exports from India, as per ICRA Limited.

According to the Automotive Component Manufacturers Association of India (ACMA), the Indian auto-components industry is expected to register a turnover of US\$ 100 billion by 2020 backed by strong exports ranging between US\$ 80- US\$ 100 billion by 2026, from the current US\$ 11.2 billion.

### **Investment:**

The cumulative Foreign Direct Investment (FDI) inflows into the Indian automobile industry during the period April 2000 - June 2017 were recorded at US\$ 17.40 billion, as per data by the Department of Industrial Policy and Promotion (DIPP).

Some of the major investments made into the Indian auto components sector are as follows:

- A joint venture between SMC (Japanese parent of Maruti Suzuki India), Denso Corporation and Toshiba Corporation has been implemented and work has been started to set up a Rs 1,151-crore (\$175.62 million) lithium-ion battery manufacturing unit in the Suzuki Motor Gujarat suppliers park in Hansalpur, Gujarat which will be operational by 2020.
- The investment in the automobile component sector by the private equity investors has rose 607 per cent between January-May 2017 and the mergers and acquisition deals have reached US\$ 254.8 million, up by 170 per cent.
- Piramal Finance Ltd, through its Corporate Finance Group (CFG), has invested in two auto components firms; Rs 275 crore (US\$ 42.55 million) in RSB Group and Rs 290 crore (US\$ 44.87 million) in Indoshell Mould Ltd.
- Gestamp, a Spanish automobile component manufacturing company, has invested Rs 260 crore (US\$ 38.63 million) in a new hot stamping plant in Pune, in order to cater to the increasing demand for lighter vehicles in India.
- Exide Industries, India's biggest automotive battery maker, plans to invest around Rs 300 crore (US\$ 45 million) in West Bengal to expand its capacity for advanced motorcycle batteries over a period of 18 months.
- Motherson Sumi Systems Ltd, an automobile components manufacturer, has acquired Finland-based truck wire maker PKC Group Pic for € 571 million (US\$ 609.57 million), which will help the company expand its presence in the global wiring harness business for commercial vehicles.
- Sundaram Clayton, part of the TVS group, plans to invest US\$ 50 million in US and Rs 400 crore (US\$ 59.76 million) in India over the next three years.
- Mercedes Benz India Private Limited has set up India's largest spare parts warehouse in Pune,

- with an area of 16,500 square meters which can stock up to 44,000 parts. It will also include a vehicle preparation centre that can stock up to 5,700 cars to customise them before delivery.
- German auto components maker Bosch Ltd opened its new factory at Bidadi, near Bengaluru, which is its fifth manufacturing plant in Karnataka. The company has also signed a memorandum of understanding (MoU) with Indian Institute of Science (IISc), Bengaluru with a view to strengthen Bosch's research and development in areas including mobility and healthcare thereby driving innovation for India-centric requirements.

### **Government Initiatives:**

The Government of India's Automotive Mission Plan (AMP) 2006–2016 has come a long way in ensuring growth for the sector. Indian Automobile industry is expected to achieve a turnover of \$300 billion by the year 2026 and will grow at a rate of CAGR 15 per cent from its current revenue of \$74 billion.

Government has drafted Automotive Mission Plan (AMP) 2016-26 which will help the automobile industry to grow and will benefit Indian economy in the following ways:-

- Contribution of auto industry in the country's GDP will rise to 13 per cent, currently which is less than 10 per cent
- More than 100 million jobs will be created in the economy
- Companies will invest around US \$80 billion as a part of their capital expenditure.
- End of life Policy will be implemented for old vehicles

### **Road Ahead:**

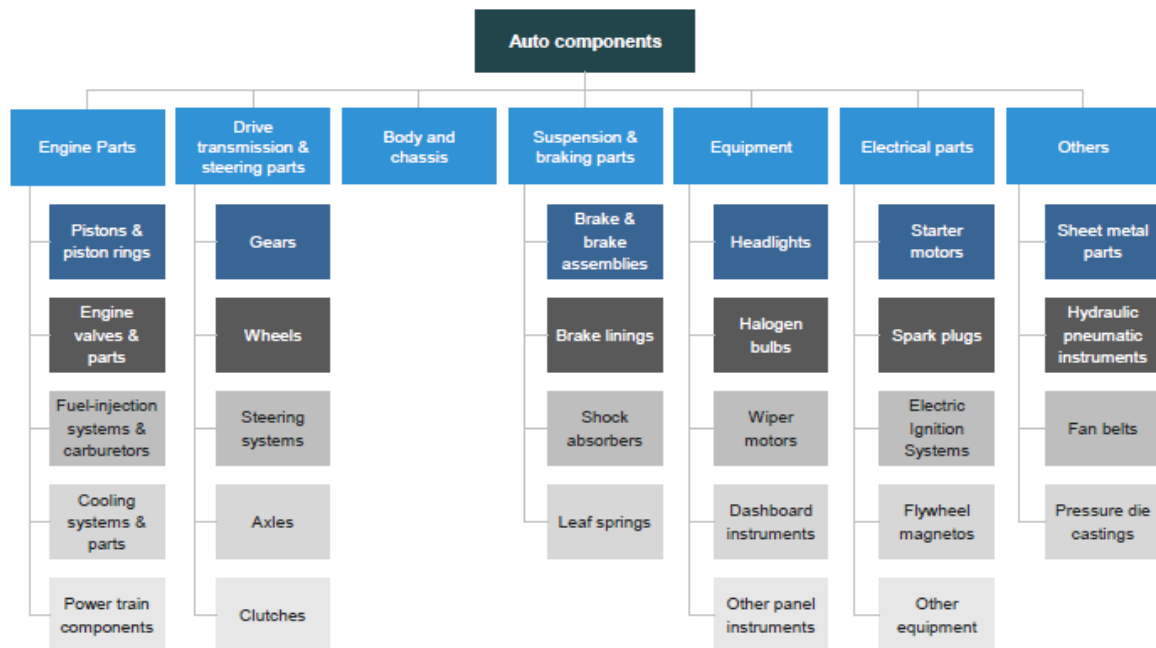
The rapidly globalising world is opening up newer avenues for the transportation industry, especially while it makes a shift towards electric, electronic and hybrid cars, which are deemed more efficient, safe and reliable modes of transportation. Over the next decade, this will lead to newer verticals and opportunities for auto-component manufacturers, who would need to adapt to the change via systematic research and development.

The Indian auto-components industry is set to become the third largest in the world by 2025 Indian auto-component makers are well positioned to benefit from the globalisation of the sector as exports potential could be increased by up to four times to US\$ 40 billion by 2020.

Exchange Rate Used: INR 1 = US\$ 0.015 as of October 06, 2017

(Source: Auto component Industry in India, India Brand Equity Foundation [www.ibef.org](http://www.ibef.org))

## **THE AUTO COMPONENTS MARKET IS SPLIT INTO SIX PRODUCT SEGMENTS**



(Source: Auto Components Industry in India, India Brand Equity Foundation [www.ibef.org](http://www.ibef.org))

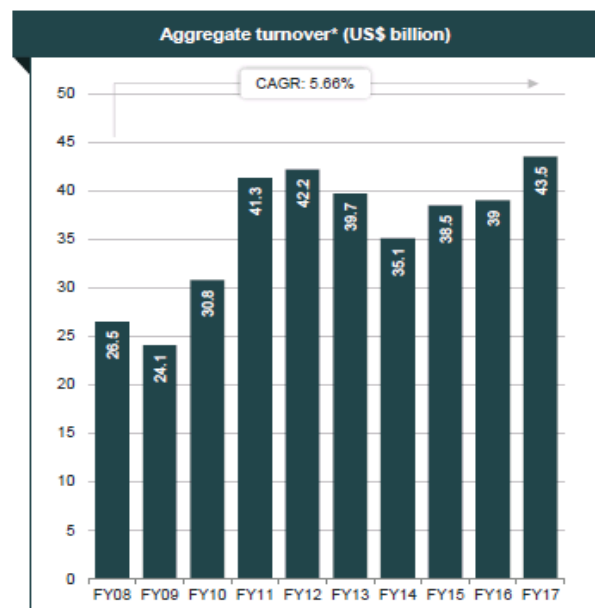
## THE AUTO COMPONENTS SECTOR HAS RECORDED ROBUST GROWTH OVER THE YEARS

Over the last decade, the automotive components industry has registered a CAGR of 14 per cent and has scaled three times to US\$ 43.5 billion in 2016-17 while exports have grown at a CAGR of 14 per cent to US\$ 10.9 billion. The growth of global OEM sourcing from India & the increased indigenisation of global OEMs is turning the country into a preferable designing and manufacturing base. The Indian auto-components industry is expected to register a turnover of US\$ 100 billion by 2020 backed by strong exports ranging between US\$ 80- US\$ 100 billion by 2026.

The auto-components industry accounts for almost seven per cent of India's Gross Domestic Product (GDP) and employs as many as 19 million people. India is expected to become the 4th largest automobiles producer globally by 2020 after China, US & Japan. The auto components industry is also expected to become the 3rd largest in the world by 2025. In 2016, India overtook Japan to become the 2nd largest producer of stainless steel in the world. Also, it is one of the lowest cost stainless steel producers in the world.

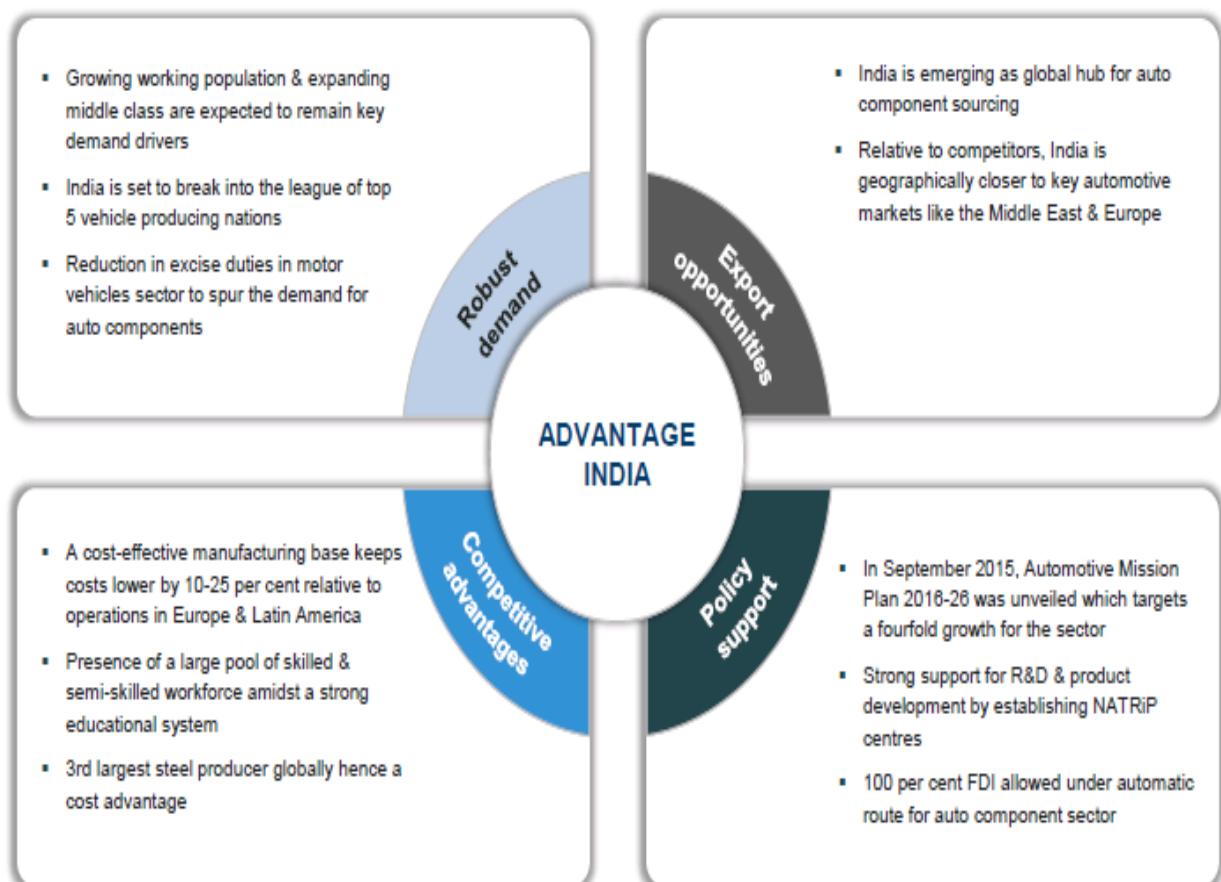


- Revenues have risen from US\$ 26.5 billion in FY08 to US\$ 43.5 billion in FY17 at a CAGR of 5.66 per cent during FY08-17.
- The market size for auto component sector increased by 11.5 per cent reaching to US\$ 43.5 billion in FY17 from US\$ 39 billion in FY16.
- As per Automobile Component Manufacturers Association (ACMA) forecasts, automobile component exports from India are expected to reach US\$ 70-billion by 2026 from US\$ 10.8-billion in FY15-16. The Indian auto component industry aims to achieve US\$ 200 billion in revenues by 2026.



Note: CAGR – Compound Annual Growth Rate, \*Turnover data covers supplies to OEMs, aftermarket sales and exports  
Source: ACMA

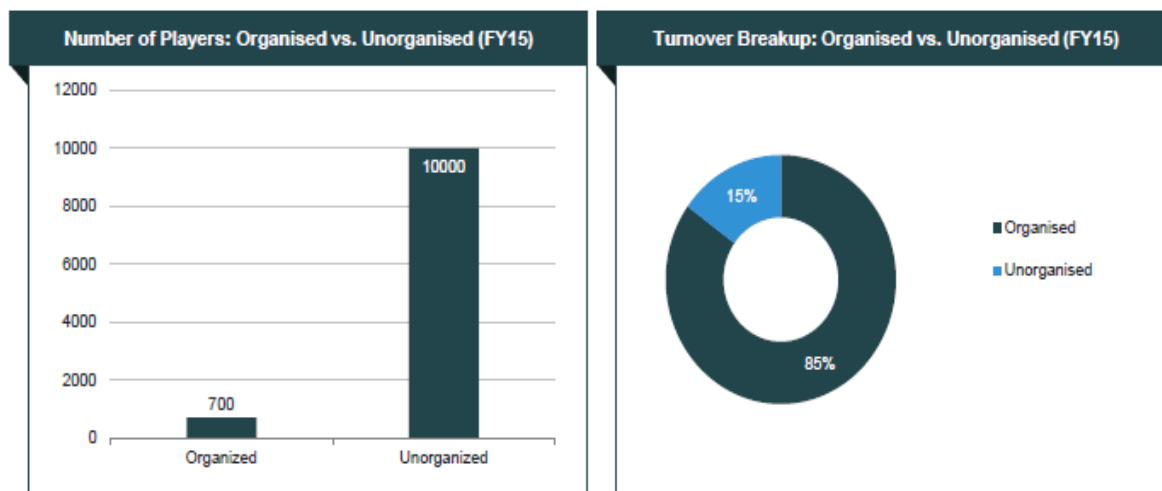
## ADVANTAGES



Notes: NATRiP - National Automotive Testing and R&D Infrastructure Project; FY - Indian Financial Year (April to March); FY21E – Estimated figure for the financial year 2021; Estimates are from Automotive Component Manufacturers Association of India (ACMA); R&D – Research and Development

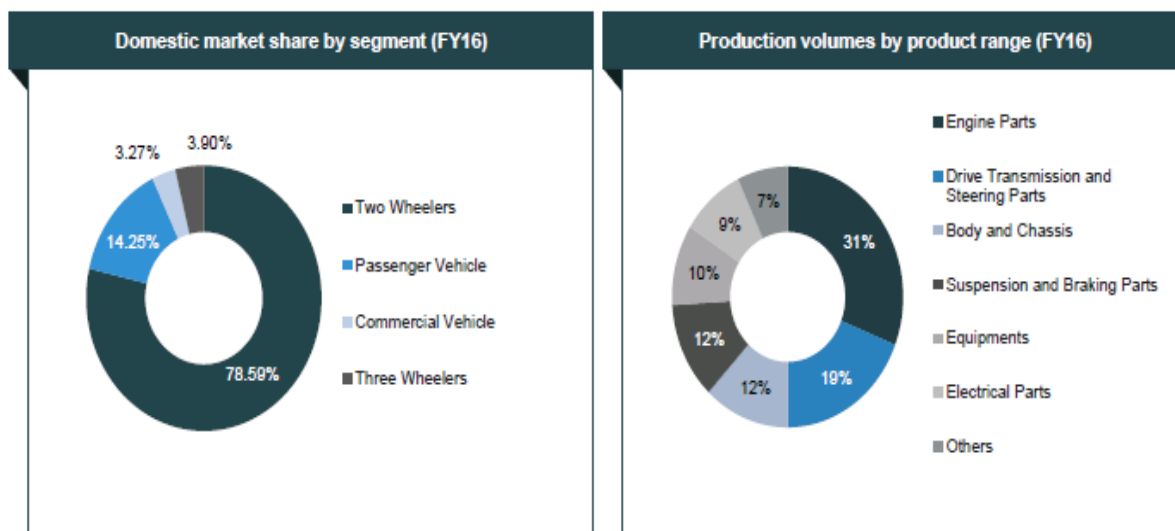
## STATISTICAL OVERVIEW

### Organised and Unorganised Sector:



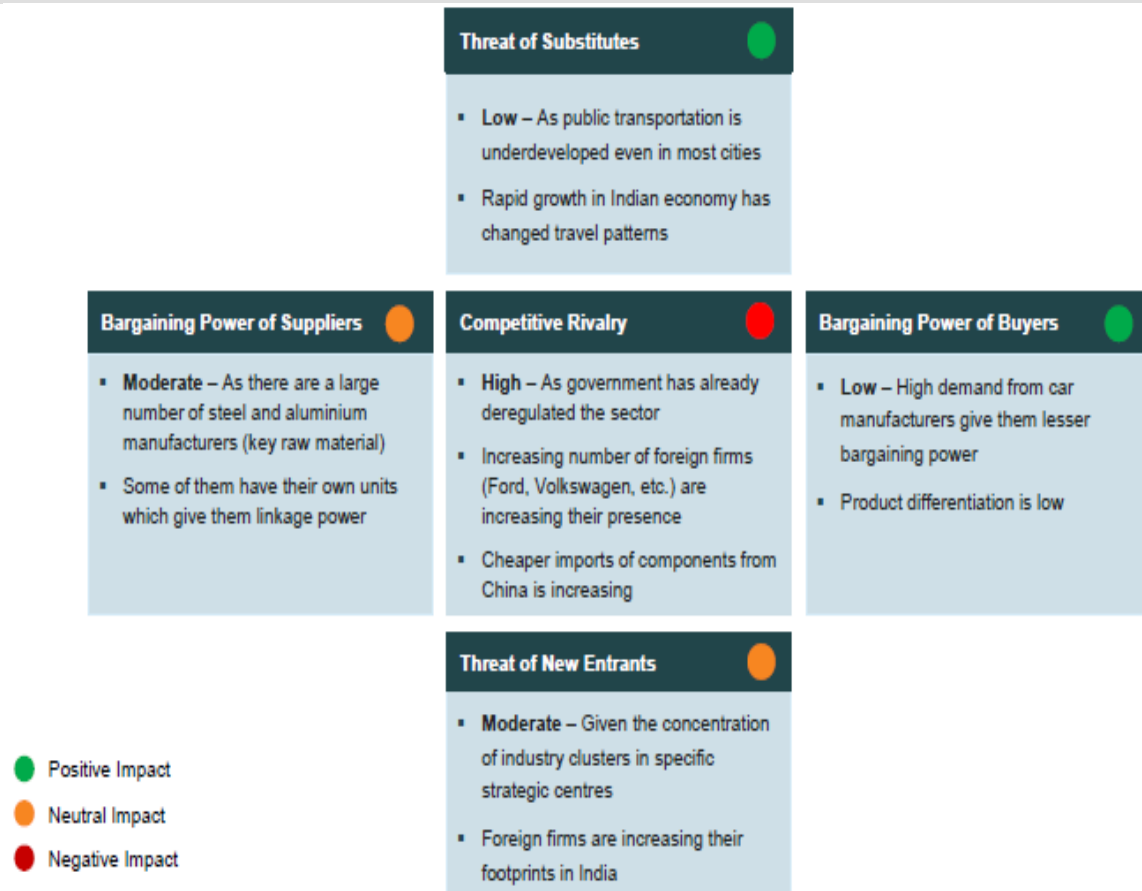
- The number of manufacturing units in the unorganised sector are far higher than those in the organised one
- Although lesser in number, the organised sector accounts for 85 per cent of total industry turnover (FY15)
- India auto component aftermarket is expected to grow at 10.5 per cent to touch US\$ 13 billion by 2019-20, as compared to US\$ 8.4 billion in 2016-17.

### Production:

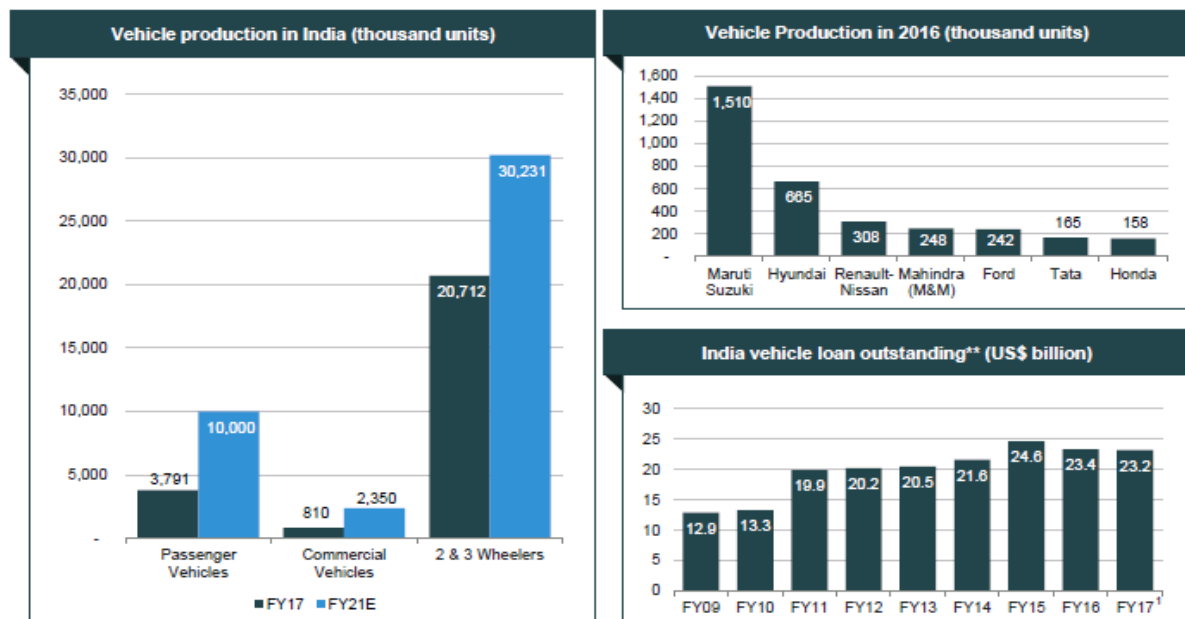


- 'Engine parts' accounts for 31 per cent of the entire product range of the auto components sector followed by 'drive transmission & steering parts' (19 per cent)
- '2 wheelers' is the largest domestic customer segment for the auto components industry
- Original Equipment Manufacturers (OEMs) dominate production volumes by market range; encouragingly, exports account for around 28 per cent.

## PORTER'S FIVE FORCE FRAMEWORK ANALYSIS



## GROWTH IN AUTOMOBILES SECTOR



Note: (E) – Estimate; \*\*Loan outstanding at the end of financial year, <sup>1</sup>As of December 2016  
Source: ACMA, Reserve Bank of India, Aranca Research

## **Growth Drivers:**

### **Demand Side Drivers:**

- Robust growth in domestic automotive industry
- Increasing investment in road infrastructure
- Growth in the working population & middle class income to drive the market

### **Supply Side Drivers:**

- Competitive advantages facilitating emergence of outsourcing hub
- Technological shift; focus on R&D

### **Policy Support:**

- Establishing special auto parks & virtual SEZs for auto components
- Lower excise duty on specific parts of hybrid vehicles
- Policies such as Automotive Mission Plan 2016-26, Faster Adoption & Manufacturing of Electric Hybrid Vehicles (FAME, April, 2015), NMEM 2020, likely to infuse growth in the auto component sector of the country.

## **OPPORTUNITIES IN ENGINEERING PRODUCTS**

Engine & engine parts	<ul style="list-style-type: none"><li>▪ New technological changes in this segment include introduction of turbochargers &amp; common rail systems</li><li>▪ The trend of outsourcing may gain traction in this segment in the short to medium term</li></ul>
Transmission & steering parts	<ul style="list-style-type: none"><li>▪ Share of the replacement market in sub-segments such as clutches is likely to grow due to rising traffic density</li><li>▪ The entry of global players is expected to intensify competition in sub-segments such as gears &amp; clutches</li></ul>
Suspension & braking parts	<ul style="list-style-type: none"><li>▪ The segment is estimated to witness high replacement demand, with players maintaining a diversified customer base in the replacement &amp; OEM segments besides the export market</li><li>▪ The entry of global players is likely to intensify competition in sub-segments such as shock absorbers</li></ul>
Equipment	<ul style="list-style-type: none"><li>▪ Companies operating in the replacement market are likely to focus on establishing a distribution network, brand image, product portfolio &amp; pricing policy</li></ul>
Electrical	<ul style="list-style-type: none"><li>▪ Manufacturers are expected to benefit from the growing demand for electric start mechanisms in the 2 wheeler segment</li></ul>
Others (Metal Parts)	<ul style="list-style-type: none"><li>▪ Metal part manufacturers are likely to benefit from rising demand for body &amp; chassis, pressure die castings, sheet metal parts, fan belts, hydraulic pneumatic instruments, mainly in 2 wheelers industry</li><li>▪ The prominent companies in this business are constantly working towards expanding their customer base</li></ul>

*Note: OEM means Original Equipment Manufacturer  
Source: Make in India*

## **NOTABLE TRENDS IN THE INDIAN AUTO COMPONENTS SECTOR:**

### **Global components sourcing hub**

Major global OEMs have made India a component sourcing hub for their global operations. Several

global Tier-I suppliers have also announced plans to increase procurement from their Indian subsidiaries. India is also emerging as a sourcing hub for engine components, with OEMs increasingly setting up engine manufacturing units in the country. For companies like Ford, Fiat, Suzuki & General Motors, India has established itself as a global hub for small engines

### **Improving product development capabilities**

Increased investments in R&D operations & laboratories, which are being set up to conduct activities such as analysis, simulation & engineering animations. The growth of global OEM sourcing from India & the increased indigenisation of global OEMs is turning the country into a preferred designing & manufacturing base. ACT established to offer technical services to ACMA members for enhancing process & quality abilities through various cluster programmes

### **Inorganic route to expansion**

Mahindra Group agreed to form a 60:40 joint venture by acquiring Italy based car designer firm, Pininfarina SPA. In February 2017, with an investment of US\$ 29.74 million, Pricol inaugurated a 6.58 acres factory in Pune, to develop infrastructure & cater the growing electronic cluster business for off road, commercial vehicles, 2 wheelers, etc. Ansysco Anand collaborated with Japan's Seiken Chemical to sell coolant & brake fluids in Japan. At a cost of US\$14 million, Bharat Forge acquired US based - WFT & PMT Holding Inc., for expanding their product portfolio in automotive and other industrial segments. In May 2017, Rockman Industries Ltd, a Gurugram-based auto components manufacturer, which acquired Moldex Composites in January, has set up an office in the U.K. through which Moldex will be expand into the U.S. & Europe.

(Source: Auto Components Industry in India, India Brand Equity Foundation [www.ibef.org](http://www.ibef.org))

## **FAVOURABLE POLICY MEASURES AIDING GROWTH**

### **Auto Policy 2002**

Automatic approval for 100 per cent foreign equity investment in auto component manufacturing facilities. Manufacturing & imports are exempt from licensing & approvals.

### **NATRIP**

Set up at a total cost of USD388.5 million to enable the industry to adopt & implement global performance standards. Focus on providing low-cost manufacturing & product development solutions.

### **Department of Heavy Industries & Public Enterprises**

Created a USD200 million fund to modernise the auto components industry by providing an interest subsidy on loans & investment in new plants & equipment. Provided export benefits to intermediate suppliers of auto components against the Duty Free Replenishment Certificate (DFRC).

### **FAME (April, 2015)**

Planning to implement Faster Adoption & Manufacturing of Electric Hybrid Vehicles (FAME) till 2020 which would cover all vehicle segments, all forms of hybrid & pure electric vehicles.

### **Automotive Mission Plan 2016-26 (AMP 2026)**

AMP 2026 targets a 4-fold growth in the automobiles sector in India which includes the manufacturers of automobiles, auto components & tractor industry over the next 10 years. It is expected to generate an additional employment of 65 million.

### **Union Budget 2017–18**

The Union Budget 2017-18 has tried to boost skill development by announcing to increase the establishment of skill centers by ten folds. A reduction in tax on Liquefied Natural Gas (LNG) from 5 per cent to 2.5 per cent was also announced under the union budget.

(Source: Auto Components Industry in India, India Brand Equity Foundation [www.ibef.org](http://www.ibef.org))

## **OUTLOOK OF THE AUTOMOBILE INDUSTRY**

Category	Apr-Dec FY17 (Actual)	FY17 E*	FY18 E*
CVs	4.5%	5-7%	12-13%
PVs	10.3%	10-12%	12-13%
Two & Three wheelers	6.2%	8-10%	10-12%
Tractors	16.8%	16-18%	18-20%

Tyre OEM segment is expected to witness growth in 2016-17 largely driven by the buoyancy witnessed in automobile sales. Post demonetisation, growth estimation of two-wheelers and small cars has been hit slightly. However, lower cost of ownership of auto vehicles triggered by series of interest rate cuts, push on manufacturing and infrastructure segment by the government combined with lower fuel prices have resulted in recovery of auto sector. Tyre industry stands to benefit from this turnaround in OEM demand and stable replacement demand. However, tyre manufacturers supplying to CV, PV and tractors segment are expected to benefit the most in the near term as the outlook for these auto segments in the Indian market is relatively more positive than TW.

Capacity utilisation levels for manufacturing TBRs have come down to 60-65% from 80-85% in couple of years ago due to increasing dumping of TBR tyres from China. Also, the tyres and tubes industry was expected to witness completion of about 5 projects worth Rs 45.9 billion in 2016-17 adding an incremental capacity of about 13.7 million units to the industry. In the next two years (FY18 and FY19) about Rs 70 billion worth projects are to be completed adding another 12 million unit capacity to the industry. Going forward, significant capex will put pressure on the utilization levels and hamper the operational margins of the players.

Over the past few years, the trend in tyre production and sales for OEM market has been in line with the automobile sales for the period i.e., production of tyres has been about 1.5 times that of a vehicle produced. While the demand from replacement market has comparatively been higher. Sales are expected to grow in the range of 10-11% per annum during 2017-18. Both, domestic and export demand for tyres is expected to remain robust during this period on the back of strong growth prospects for Auto OEMs as well as the stable replacement market.

(Source: Tyre Industry: Wheeling around April 2017 CARE Ratings - Credit Analysis & Research Limited [www.careratings.com](http://www.careratings.com))

## **AUTO COMPONENTS: ADVANTAGE INDIA**

### **Robust Demand**

Growing working population & expanding middle class are expected to remain key demand drivers. India is set to break into the league of top 5 vehicle producing nations. Reduction in excise duties in motor vehicles sector to spur the demand for auto components

### **Export Opportunities**

India is emerging as global hub for auto component sourcing. Relative to competitors, India is geographically closer to key automotive markets like the Middle East & Europe

### **Competitive advantages**

A cost-effective manufacturing base keeps costs lower by 10-25 per cent relative to operations in Europe & Latin America. Presence of a large pool of skilled & semi-skilled workforce amidst a strong educational system. 3rd largest steel producer globally hence a cost advantage

### **Policy support**

Continued policy support in the form of Auto Policy 2002 In September 2015, Automotive Mission Plan 2016-26 was unveiled which targets a fourfold growth for the sector. Strong support for R&D & product development by establishing NATRIP centers. 100 per cent FDI allowed under automatic route for auto component sector

FY 16 Market size: USD39 billion

FY 21E Market size: USD115 billion

(Source: Auto Components Industry in India, India Brand Equity Foundation [www.ibef.org](http://www.ibef.org))

## OUR BUSINESS

*Some of the information contained in the following discussion, including information with respect to our business plans and strategies, contain forward-looking statements that involve risks and Uncertainties. You should read the chapter titled “Forward-Looking Statements” beginning on page 20 of this Prospectus, 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.*

*The financial information used in this section, unless otherwise stated, is derived from our Financial Information, as restated prepared in accordance with Indian GAAP, Companies Act and SEBI Regulations. The following information is qualified in its entirety by, and should be read together with, the more detailed financial and other information included in this Prospectus, including the information contained in the sections titled “Risk Factors” and “Financial Information” beginning on pages 21 and 69, respectively.*

### OVERVIEW

ur Company was incorporated in the year 1990 and is engaged in the manufacturing of engine bearings, bushes, pistons, piston pin, piston rings, cylinder liners and sleeves and engine valves. We are an ISO 9001:2015 company.

Additionally, we are also engaged in the marketing of products like ball bearings, spark plugs, rocker arms, timing chains, connecting rods, valve guides, valve seals & batteries (Motorcycle / Inverter / E Rickshaws) under our own brand which we source through third party contract manufacturing.

Our Company is promoted by Mr. Panna Lal Jain and Mr. Vivek Benara. Mr. Panna Lal Jain has been associated with the Company since its inception, and is the driving force behind the BENARA brand. He holds a bachelor's degree in engineering from IIT Roorkee and has more than three decades of experience in the bearing industry. Our Promoter, Mr. Vivek Benara has more than two decades of experience in the field of auto component industry, real estate/retailing and having a profound knowledge of renewable and new energy business models.

Our Company markets its product in OEM and Replacement market. Our Company majorly focus on two wheeler parts replacement market. For the fiscal year 2016-17, OEM and Parts Replacement market contribute Rs. 464.39 Lakhs and Rs. 7,266.04 Lakhs respectively towards the revenue operations of the Company on a standalone basis.

The Registered Office of our Company is situated at A-3 & 4, Site B, Industrial Area, Sikandra, Agra – 282007. Currently, our Company has two manufacturing facilities, which are situated at A3/ A4, Site B, Industrial Area, Sikandra, Agra ("Unit I") and at 15 K.M Milestone, Artoni, Agra-Mathura Road, Agra, Uttar Pradesh 282007 ("Unit II").

Our Company manufactures piston pin, piston ring and engine bearing and bushes in Unit I and piston, cylinder block / liner and engine valve in Unit II.

As of December 31, 2017, our work force consisted of around 184 full time employees at Unit I, 86 full time employees at Unit II, 41 employees in marketing department and 6 directors. We adhere to



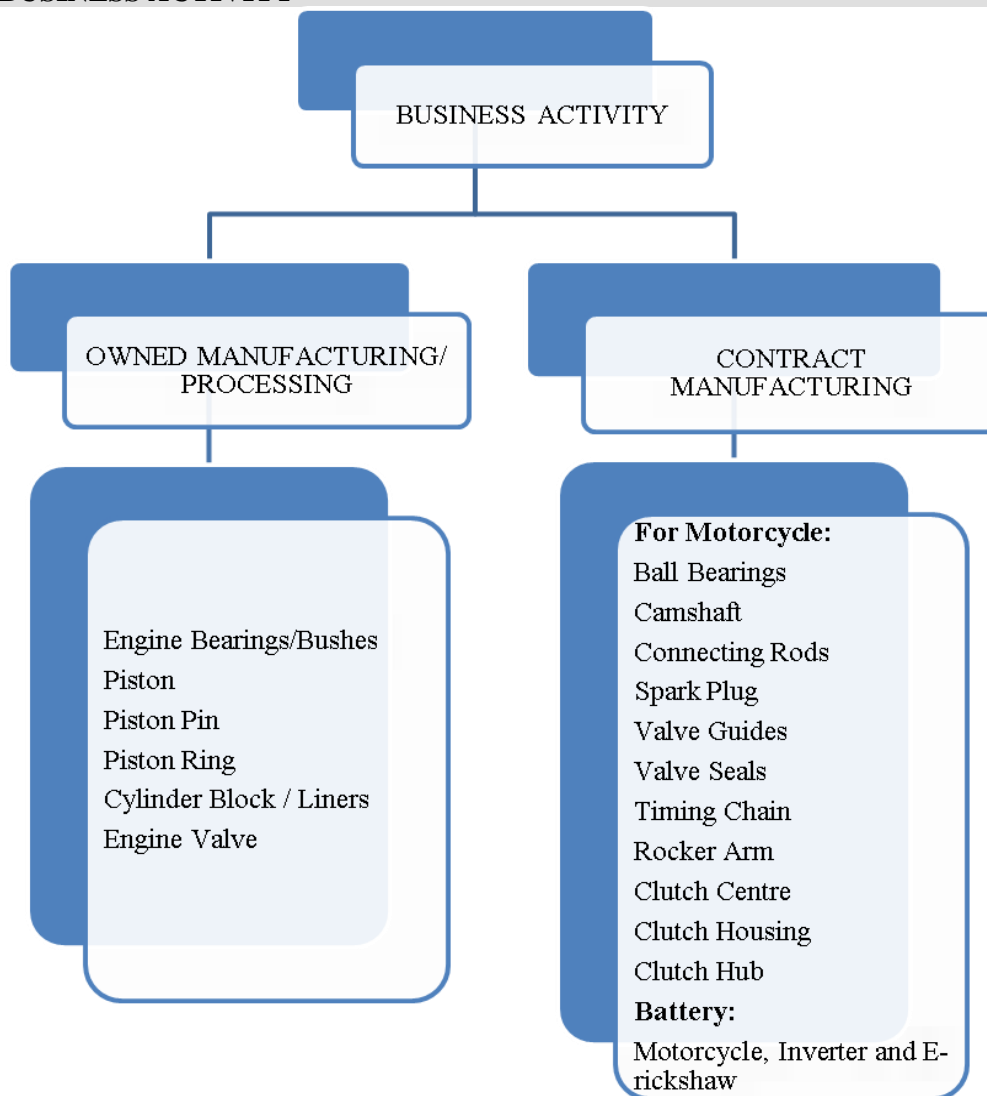
the quality manufacturing standards and are committed to developing products and services where quality assurance is a systematic process of checking whether a product or service being developed meets the specified requirements. We have a separate department devoted to quality assurance.

Our subsidiary, Benara Solar Private Limited, is engaged in the business of development and deployment of solar energy technologies including inter-alia planning and execution of solar power projects.

Further, we have another subsidiary Securitrans Trading Private Limited, which is engaged in trading of various types of goods and materials.

Our revenues from operations increased from Rs. 4,960.08 lakhs in Fiscal 2013 to Rs. 10,411.47 lakhs in Fiscal 2017, representing CAGR of 20.37 %. Our profit after tax increased from Rs. 22.77 Lakhs in Fiscal 2013 to Rs. 455.38 Lakhs in Fiscal 2017, representing CAGR of 111.47 %.

## OUR BUSINESS ACTIVITY



## OUR COMPETITIVE STRENGTHS

### 1. *Leveraging the experience of our promoter*

Our Promoters Mr. Panna Lal Jain and Mr. Vivek Benara have collectively more than five decades of experience in bearing industry and automotive components manufacturing industry and are the guiding force behind all the corporate decisions. They are responsible for the entire business operations of our Company along with the team of professionals from various departments. Their industry knowledge and understanding also gives us the key competitive advantage enabling us to expand our geographical and customer reach in existing as well as targeted markets, while exploring new growth avenues. Our Promoters are supported by a management team with several years of experience in their respective domains of sales, marketing, strategy and finance.

### 2. *Extensive dealer network*

We have been supplying products on pan India basis and hence are not dependent on any particular region. Our widespread domestic presence not only mitigates the risk of dependence on limited regions but also helps us to leverage our brand value. For our distribution channel, we have more than 450 dealers spread throughout the country.

### 3. *Diversified Product Portfolio:*

Our Company manufactures

- engine bearings and bushes
- piston (from 30mm to 250mm diameter)
- piston pins (from 9mm to 61mm diameter and 26mm to 148mm length)
- piston rings (from 30mm to 170mm diameter)
- cylinder blocks and liners (from 65mm to 170mm bore and 112mm to 350mm length)
- engine valve (from 4mm to 25mm bore and 60mm to 400mm length)

Our Company also markets various products under our own brand name such as ball bearings, camshafts, connecting rods, spark plugs, valve guides, valve seals, timing chain, rocker arm, clutch center, clutch housing and clutch hub for motorcycles getting it contract manufactured by ISO certified companies. In 2016, our Company entered into contracts with third parties for the manufacturing of motorcycle batteries and further forayed into inverter and e-rickshaw battery range. Due to this varying size advantage and diversification of products, we have been able to develop varieties of products for our clients as per the specifications mentioned by them

### 4. *Strong Brand Focus*

We believe that a strong brand reputation plays a key role in our industry. Brand image also drives customer preference for buying our products. Our products are well known in Uttar Pradesh, Madhya Pradesh, Bihar, Rajasthan, Haryana, Gujarat, Delhi NCR and West Bengal. Our products have consistently achieved repeat orders from our customers which strengthens our brand equity. We also believe that the strength of our brands helps us in many aspects of our business, including expanding to new markets, maintaining relationships with our customers and other stakeholders.

## BUSINESS STRATEGY

### 1. *One Stop Retail Solution*

Our Company plans to open retail stores in the name of “**Parts Bazaar**” in Delhi and expanding its reach to other Tier I and Tier II cities. The purpose of the store is to provide quality original spare parts at factory rates to the end users. We plan to collaborate with all the major brands and suppliers in Tier I and Tier II cities for providing the aftermarket of spares and accessories for two wheelers and three wheelers in the Indian market.

### 2. *Diversification of Product range*

We have recently introduced motorcycle, e- rickshaw and inverter battery to our product range. Further, we propose to launch BENPRO Lubricants 4T Oil which is suitable for two wheelers and three wheelers. Our Company intends to supply all major and allied products in the engine bearing industry.

### 3. *Leveraging our market skills and relationship*

Leveraging our marketing skills and relationships is a continuous process in our organization and the skills that we impart in our people gives us an edge in the market. We aim to do this by leveraging our market skills and relationships and further enhancing customer satisfaction.

### 4. *Continue to improve operating efficiencies through technology enhancements*

We continue to develop our technology systems to increase asset productivity, operating efficiencies and strengthen our competitive position. We believe that our in-house technology capabilities will continue to play a key role in effectively managing and expanding our operations, maintain strict operational and fiscal controls and continue to enhance customer service levels. We intend to continue to invest in our in-house technology capabilities to develop customized systems and processes to ensure effective management control.

### 5. *Create a global presence*

Currently, we undertake both direct and deemed exports. However our revenue from export operations is not contributing significantly to our revenue from operations. Our strategy is to expand our export in different countries, to market our product and reach out to foreign customers.

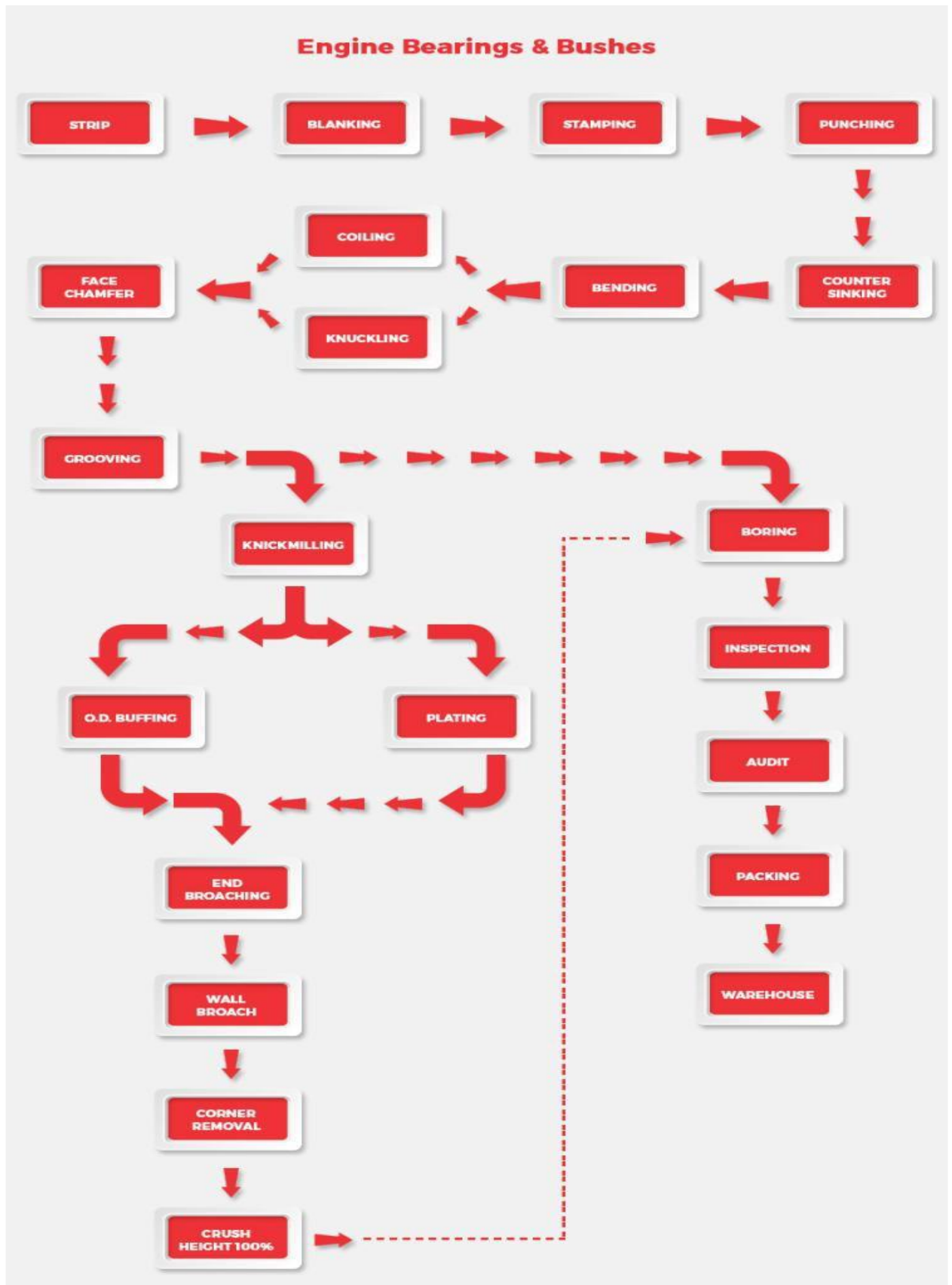
## MANUFACTURING PROCESS FLOW CHART

### **Engine Bearings and Bushes Manufacturing process:**

Starting from the raw material for bearing (strips) to the final product, all processes are undertaken by our Company.

Material used in manufacturing of engine bearings and bushes includes copper, lead, HF-2, HF-16 and HF-24, aluminium tin and white metal tin base, lead base, Hf-24.

Manufacturing process is elaborated in the below chart:

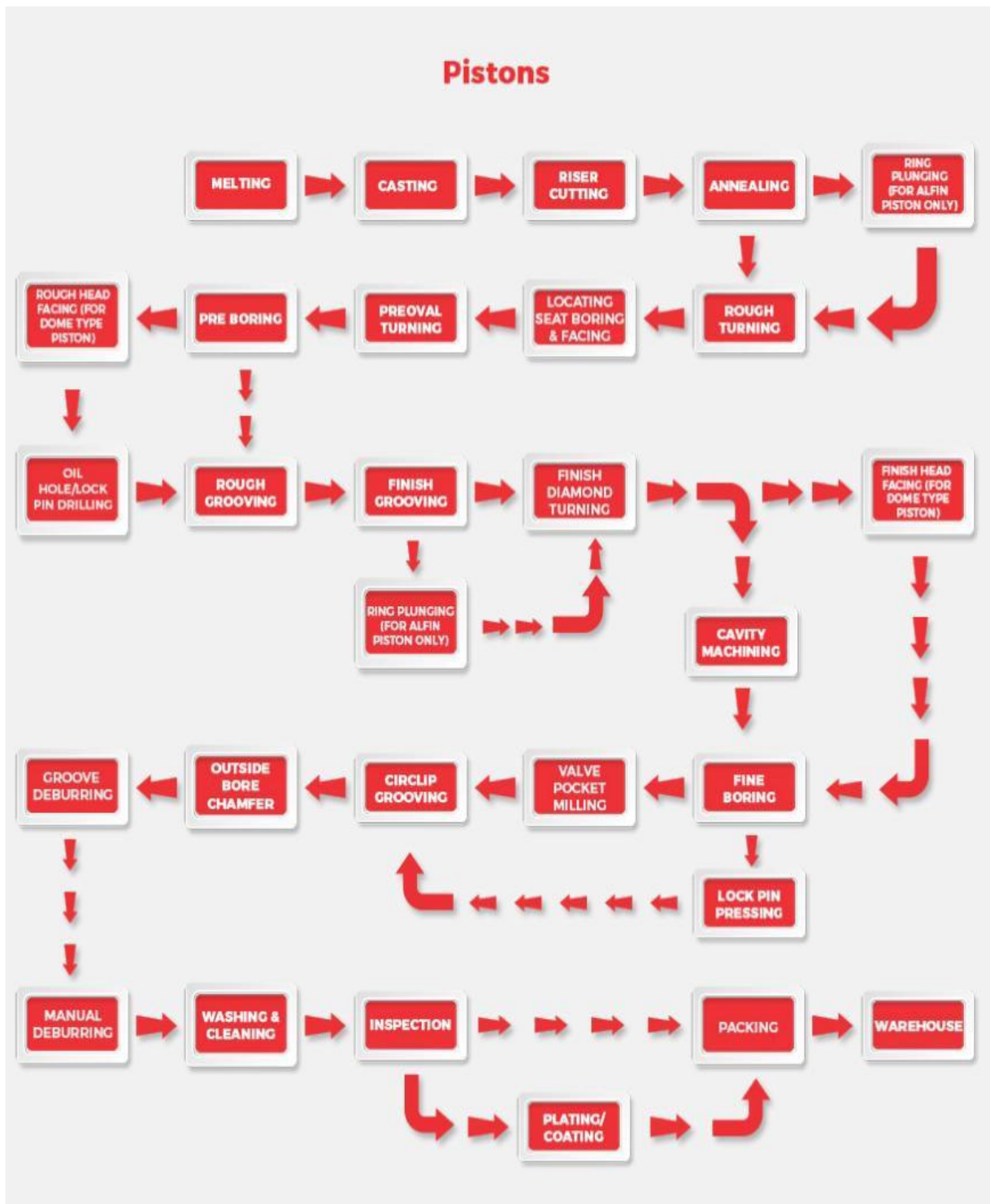


Piston Manufacturing Process:

We manufacture various types of pistons including plain, strut, alfin (ring carrier) and oil cooling gallery whose diameter range varies from 30mm to 250 mm.

The material that we use for manufacturing of pistons includes aluminum alloy of LM13 and LM 28 grade and is also tested on spectrometer for complete analysis.

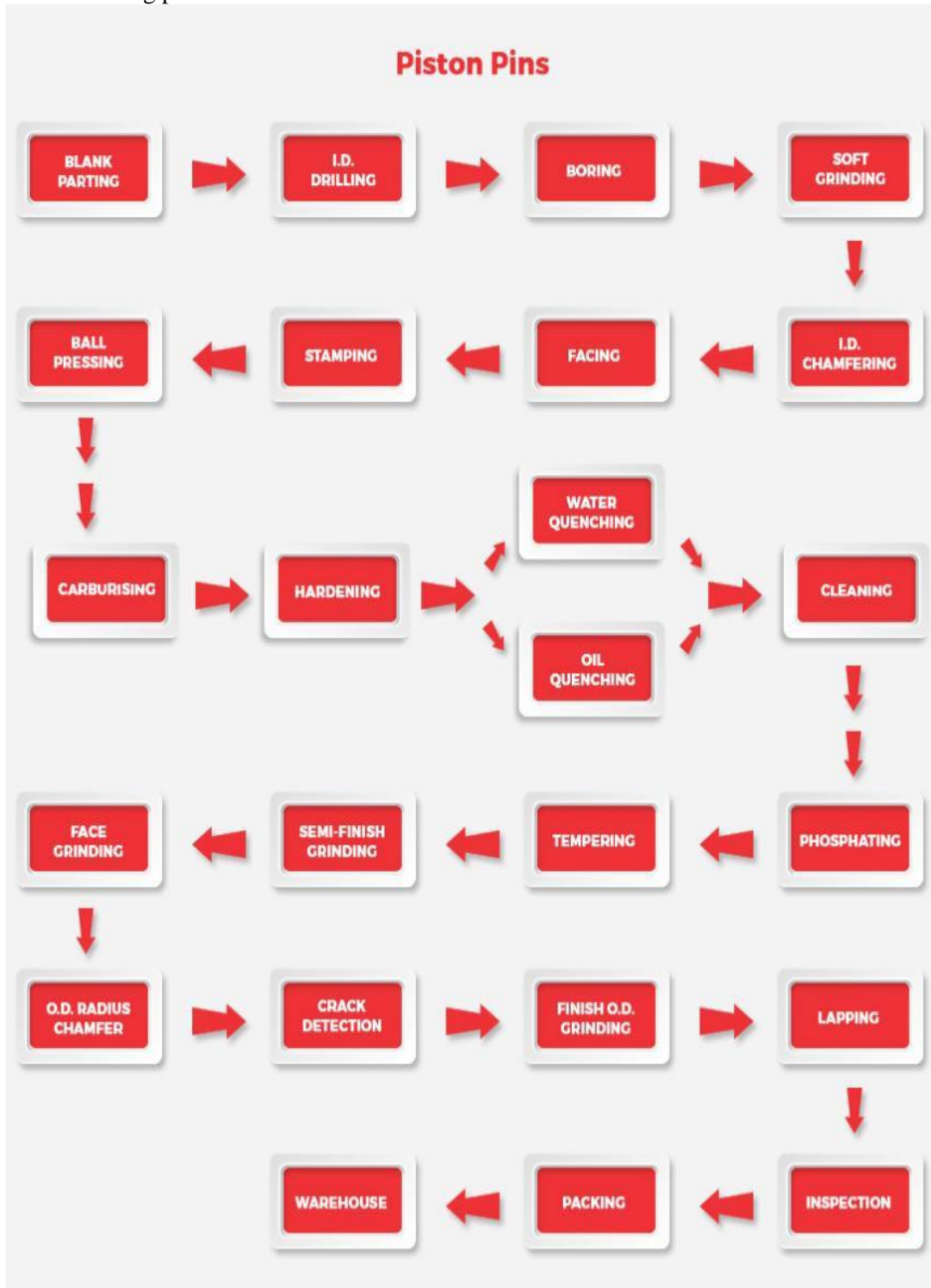
Manufacturing process is elaborated in the below chart:



### Piston Pin Manufacturing Process:

The machines used for manufacturing piston pins are equipped with cylindrical grinders imported from Japan, USA and Germany. We manufacture piston pins of various diameters and lengths. The material used by us includes SAE8620, En 353, En32B, 15Crni6 and 15Cr3. However, we also use special materials to manufacture the products based on our customer's requirement.

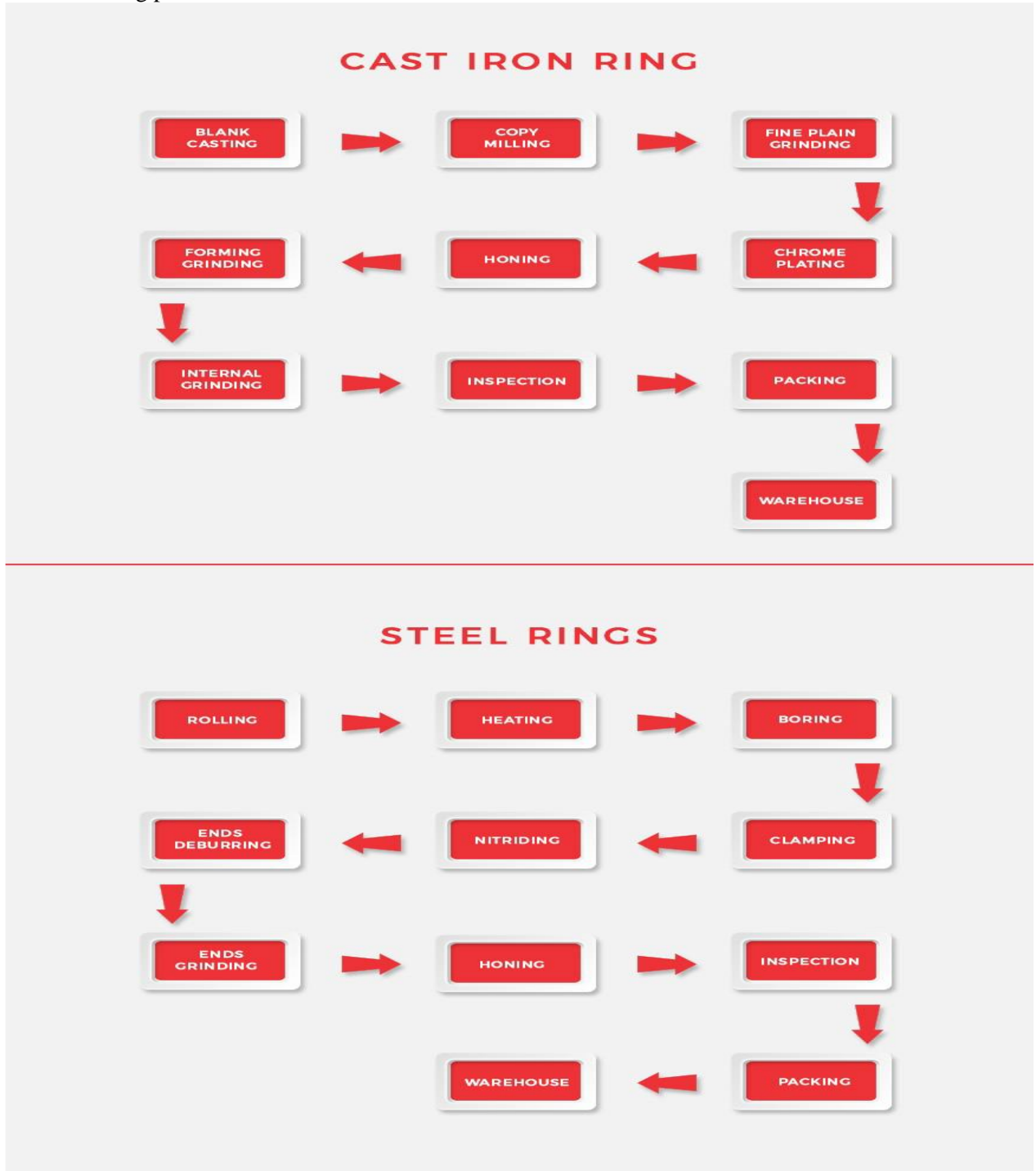
Manufacturing process is elaborated in the below chart:



### Piston Ring Manufacturing Process:

The types of piston rings manufactured by our Company include plain compressed rings, taper faced rings, scraper rings and oil control rings. The material that we use includes grey cast iron, alloyed cast iron, steel, stainless and steel. The diameter range varies from 30mm to 170mm.

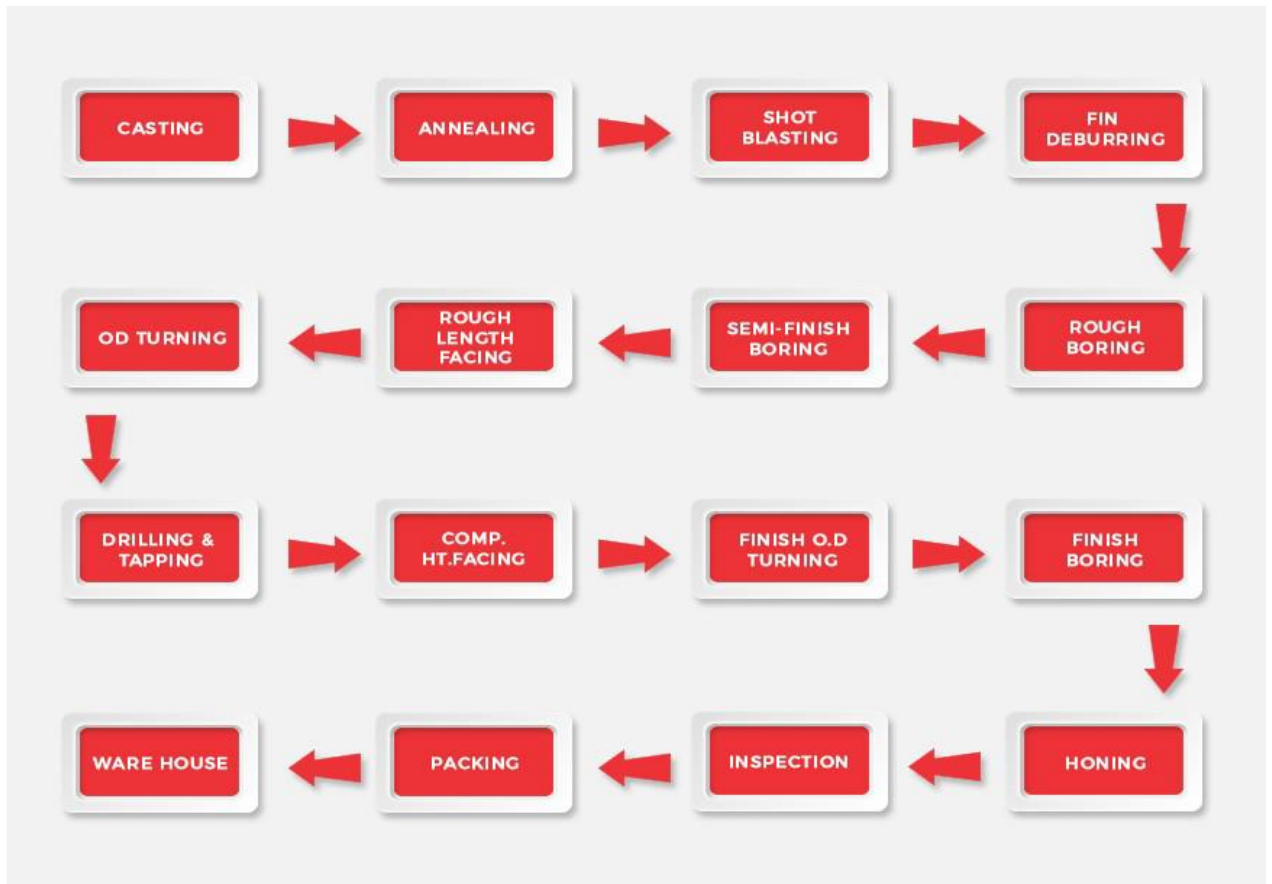
Manufacturing process is elaborated in the below chart:



### Air Cooled Block Manufacturing Process:




The types of cylinder liners/sleeves manufactured by us consists of dry and wet blocks, semi-finished, flanged and unflanged, heat treated blocks, hardened phosphate blocks, nitrate blocks, chromium plated blocks. The machinery used in the manufacturing of blocks is imported from Italy and Japan.




The material that we use consists of graded cast iron with required chemical composition and metallurgical structure.






## PRODUCT PROFILE

Name of the Product	Product Image	Description
Engine Bearings and Bushes		<p><b>Use:</b> It supports the operating loads of the engine at all engine speeds and along with lubricant, minimize friction. Most engine bearings are plain or sleeve bearing, in contrast to roller, ball and needle bearings, called anti-friction bearings, which are used where minimum lubrication is available. The lubricating system in automotive engines continuously supplies lubricant to each bearing so that the shaft actually rolls on a film of lubricant in plain bearings.</p> <p><b>Raw Material:</b> These are made of steel strips backed by layer of copper alloy, aluminium-tin alloy, white metal.</p> <p><b>Brand:</b> BENARA, PHB</p>
Pistons		<p><b>Use:</b> A piston is a component of <a href="#">reciprocating engines</a>. It is located in a <a href="#">cylinder</a> and is made gas-tight by <a href="#">piston rings</a>. Its purpose is to transfer force from expanding gas in the cylinder to the <a href="#">crankshaft</a> via a <a href="#">piston rod</a> and/or <a href="#">connecting rod</a>.</p> <p><b>Raw Material:</b> Aluminum alloys like LM-13 &amp; LM-28.</p> <p><b>Brand:</b> BENARA, BP</p>
Piston Rings		<p><b>Use:</b> Preventing (sealing) the passage of gas from the combustion chamber into the crank case to avoid loss of gas pressure and, consequently, of engine performance:</p> <ul style="list-style-type: none"> <li>• Sealing, i.e. preventing the passage of lubricating oil from the crankcase into the combustion chamber.</li> <li>• Ensuring an exactly defined thickness of</li> </ul>

Name of the Product	Product Image	Description
		<p>lubricating film on the cylinder wall.</p> <ul style="list-style-type: none"> <li>• Distributing the lubricating oil over the cylinder wall.</li> <li>• Stabilising the piston movements (piston rocking), in particular whenever the engine is cold and the running clearance of the pistons in the cylinder bore is still great.</li> <li>• Heat transfer (heat dissipation) from the piston to the cylinder bore.</li> </ul> <p><b>Raw Material:</b> Pig Iron.</p> <p><b>Brand:</b> BENARA, BP</p>
Piston Pin		<p><b>Use:</b> Gudgeon Pin hold Piston and Connecting Rod.</p> <p><b>Raw Material:</b> Alloy Steel like En32B, 17Cr3, SAE8620 &amp; SAE1018.</p> <p><b>Brand:</b> BENARA, BP</p>
Cylinder Block		<p><b>Use:</b> Air cooled cylinder blocks has fins on its outer body to allow air circulating through these fins to keep the engine cool. Piston mounted with rings also moves up and down in the bore of cylinder block.</p> <p><b>Raw Material:</b> Pig Iron and Aluminum.</p> <p><b>Brand:</b> BENARA, BP</p>
Cylinder Liners		<p><b>Use:</b> These are barrel shaped and unlike air cooled cylinder blocks, water is the cooling media for such engines. These are mostly used in multi cylinder engines.</p> <p><b>Raw Material:</b> Pig Iron.</p> <p><b>Brand:</b> BENARA, BP</p>

Name of the Product	Product Image	Description
Engine Valve		<p><b>Use:</b> In piston engines, the valves are grouped into 'inlet valves' which admit the entrance of fuel and air and 'Exhaust valves' which allow the exhaust gases to escape. Each valve opens once per cycle.</p> <p><b>Raw Material:</b> Graded special steel.</p> <p><b>Brand:</b> BENARA</p>

**Application:**

Products	Stationary Diesel Engines	Marine Engines	Air Compressors	HCV/LCV/ SUV/MUV	2 & 3 Wheelers	Tractor
Engine Bearing & Bushes	✓	✓	✓	✓	✓	✓
Pistons	✓	✓	✓	✓	✓	✓
Piston Ring	✓	✓	✓	✓	✓	✓
Piston Pin	✓	✓	✓	✓	✓	✓
Cylinder Block	✓	✓	✓	✗	✓	✓
Cylinder Liners	✓	✓	✓	✓	✓	✓
Engine Valve	✓	✓	✓	✓	✓	✓

**Product wise Revenue Breakup (FY 16-17)**

( Rs. In Lakhs)

Product Name	Amount*	%
Piston Assembly	3,933.92	50.89 %
Engine Bearing & Bushes	2,120.71	27.43 %
Piston Rings	346.19	4.48 %
Batteries	278.55	3.60 %
Piston Sets	241.12	3.12 %
Engine Valves	192.09	2.48 %
Cylinder Blocks & Liners	121.80	1.58 %
Cylinder Kits	120.14	1.55 %
Piston Pins	21.99	0.28 %
Others	353.91	4.58 %
<b>Total**</b>	<b>7,730.42</b>	<b>100 %</b>

\*Figures include both deemed and direct exports by our Company.

\*\* Figures of FY 16-17 exclude sales of Solar as the business has now been completely handled by the subsidiary Company "Benara Solar Private Limited (BSPL)".

## OUR MANUFACTURING FACILITY

<b>Bearings</b>	 	
<b>Piston</b>		
<b>Piston Pin</b>		
<b>Piston Rings</b>		
<b>Air Cooled Blocks</b>		



#### CONCEPT STORE: PARTS BAZAAR

We propose to set up Master Retail Stores in Delhi and then proceed to set up the stores in major Tier I and Tier II cities. In three years we target to open 150 stores across the country. The sole purpose of the store is to provide quality spare parts, OEM approved/ certified products at factory rates to the end user. We intend to collaborate with the major brands and suppliers in tier I and II cities for providing aftermarket spares and accessories for two wheelers and three wheelers in the Indian market.

#### Our OEM Clientele



#### Our Subsidiary

##### Benara Solar Private Limited

Our subsidiary Company, Benara Solar Private Limited started providing solutions for Solar Home Lighting system, Solar Street Lighting system and water pumps in the year 2016. We procure solar panels from MNRE approved suppliers and successfully install them on the sites. We have penetrated our business into rooftop solar market for commercial, Industrial, home and institutional requirements.



We have been awarded Category “A” certificate channel partner of Ministry of New & Renewable Energy.





Company was recently awarded Winner in Emerging Company: Rooftop Sales under Solar Innovation & Excellence Award -2017 organized by Mission Energy Foundation.



### Solar Award



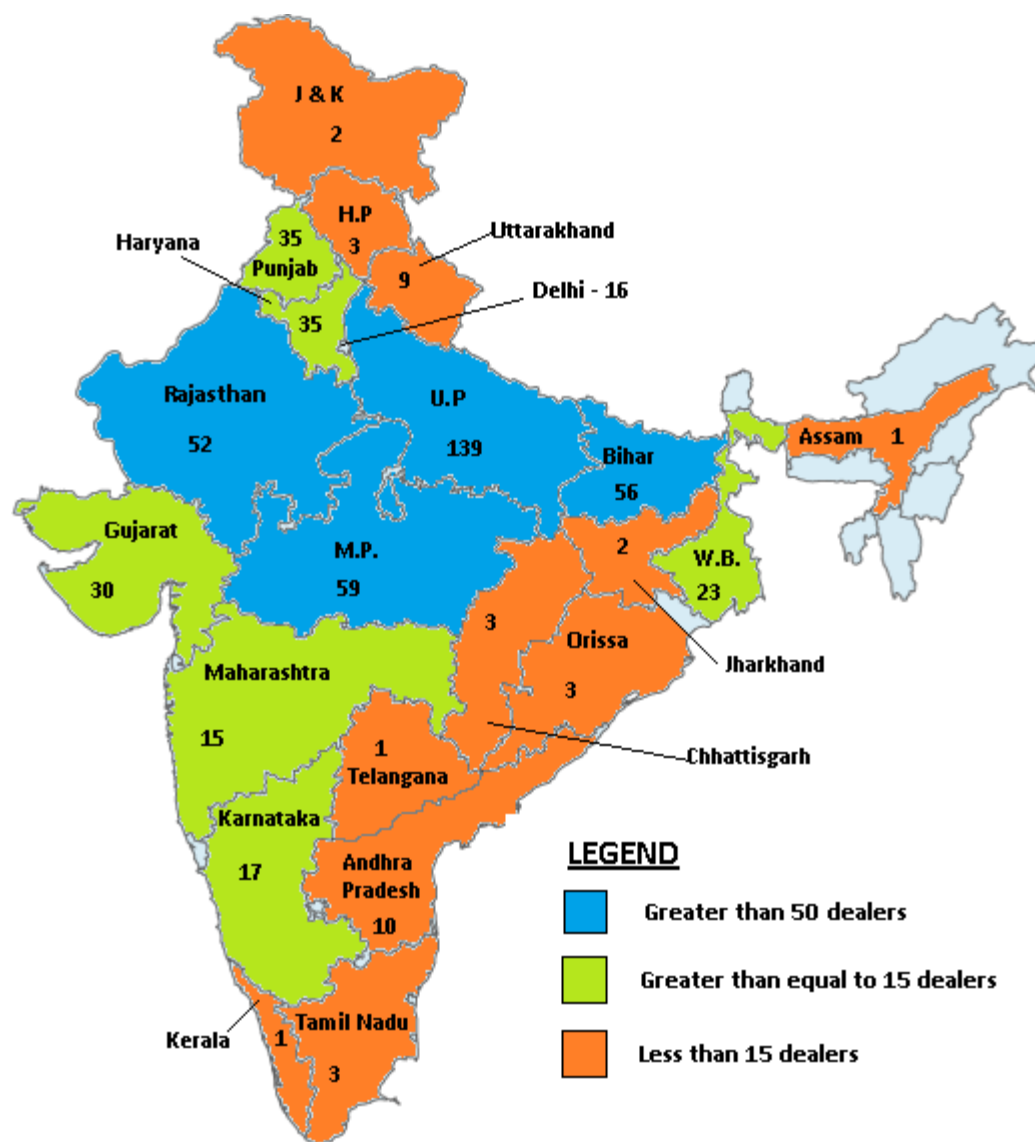
### Our Brands

Brands		
		
Genuine Engine Parts		
Brand wise Revenue (FY 16-17)		(Rs. In Lakhs)
Brand Name	Amount*	%
BP	5,220.31	67.73 %
BENARA	2,143.98	27.73 %
Others	366.13	4.74 %
<b>Total**</b>	<b>7,730.42</b>	<b>100 %</b>

\*Figures include both deemed and direct exports by the Company.

\*\* Figures of FY 16-17 exclude sales of Solar as the business has now been completely handled by the subsidiary Company “Benara Solar Private Limited (BSPL)”.

## Dealer Distribution



### Export/Domestic Revenue Breakup

Category	(Rs. In Lakhs)		
	FY 16-17	FY 15-16	FY 14-15
Export Market*	132.71	238.13	397.51
Domestic Market	7,597.71	7,761.99	6,771.30
<b>Total**</b>	<b>7,730.42</b>	<b>8,000.12</b>	<b>7,168.81</b>

### Geography wise Revenue Breakup – Domestic (FY 16-17)

Category	(Rs. In Lakhs)	
	Amount	%
North	5,098.87	65.96 %
East	1,242.99	16.08 %
West	853.15	11.04 %

Category	Amount	%
South	535.41	6.92 %
<b>Total**</b>	<b>7,730.42</b>	<b>100%</b>

#### **Export Revenue – Country wise**

(Rs. In Lakhs)







Name of the Country***	FY 16-17	% of the Export Revenue	FY 15-16	% of the Export Revenue	FY 14-15	% of the Export Revenue
United Arab Emirates	16.55	52.76%	74.21	86.02%	96.78	58.90%
Germany	10.92	34.80%	3.29	3.81%	29.79	18.13%
Bangladesh	3.90	12.43%	8.77	10.17%	7.49	4.56%
Sri Lanka	-	-	-	-	30.24	18.40%

\*Figures include both deemed and direct exports by the Company.

\*\* Figures of FY 16-17 exclude sales of Solar as the business has now been completely handled by the subsidiary Company “Benara Solar Private Limited (BSPL)”.

\*\*\*We have provided the figures of only direct exports.

#### **MEMBERSHIP**

Sr. No.	Association	Logo
1	Automotive Component Manufacturers Association of India	
2	Engineering Export Promotion Council of India (EEPC)	
3	Confederation of Indian Industry (CII)	
4	Indo-German Chamber of Commerce (IGCC)	
5	India Trade Promotion Organisation (ITPO)	
6	National Chamber of Industries & Commerce, UP	

#### **COLLABORATIONS**

As on date of this Prospectus, our Company has not entered into any collaboration / Tie Ups / Joint Ventures.

#### **OUR RAW MATERIALS**

The major raw materials used in manufacturing of bearings, pistons, piston pins, piston rings, cylinder blocks and liners, and engine valves are copper, lead, aluminum tin, white metal, aluminum alloy, grey cast iron, alloyed cast iron, steel, stainless steel, graded cast iron, chemicals and metallurgical



structure. Most of the raw materials required is procured from domestic market and the balance raw material requirements are met through import from international suppliers. The raw material for bearing (strips) is manufactured by the Company.

#### SWOT ANALYSIS:

<b>Strength</b> <ul style="list-style-type: none"> <li>• Wide product range</li> <li>• Strong distribution network</li> <li>• Brand recall for consumption markets</li> <li>• Strong technical experience</li> </ul>	<b>Weakness</b> <ul style="list-style-type: none"> <li>• OEM presence</li> <li>• Export penetration</li> <li>• Geographical absence in South India</li> <li>• Technology upgradation</li> </ul>
<b>Opportunity</b> <ul style="list-style-type: none"> <li>• Huge market share up for grabs</li> <li>• OEM customer acquisition</li> <li>• "Make in India" to be utilised with reduced market acceptance of Chinese imports</li> </ul>	<b>Threat</b> <ul style="list-style-type: none"> <li>• Raw material prices</li> <li>• Chinese imports</li> </ul>

#### UTILITIES & INFRASTRUCTURE FACILITIES

<b>Plant Location</b>	<b>Unit I:</b> A3 & A4, Site B, Industrial Area, Sikandra, Agra, Uttar Pradesh <b>Unit II:</b> 15 K.M Milestone, Artoni, Agra-Mathura Road, Agra, Uttar Pradesh 282007
<b>Plant Area</b>	<b>Admeasures :</b> <b>Unit I:</b> 3,600 Sq. Mt. <b>Unit II:</b> 6,139.78 Sq. Mt. which is jointly being used by Benara Bearing & Pistons Limited and M/s Vinay Iron Foundry.
<b>Infrastructure</b>	Our units are well equipped with computer system, internet connectivity, other communication equipment, security and other facilities which are required for our business operations to function smoothly. Our manufacturing facilities are equipped with the requisite plant and machineries and other resources.
<b>Utilities</b>	<b>Power:</b> <b>Unit I:</b> Sanctioned limit at Unit I is 550 KVA. <b>Unit II:</b> Sanctioned limit at Unit II is 400 KVA. Further, our Company uses DG sets and natural resources as an alternate power supply. <b>Water Supply:</b> Water required for manufacturing and allied process is procured from ground water through submersible pumps. <b>Fuel:</b> The requirement of fuel for operating the machinery/equipment is met by supplies from local market. <b>Effluent Treatment:</b> Effluents generated in the manufacturing process mainly include smoke and waste oils which are discharged through ducting and disposal through small manufacturers respectively. <b>Safety Precautions:</b> Water tank, open space, fire extinguishers and earth pits.

#### EXPORT AND EXPORT OBLIGATIONS

As on the date of Prospectus, our Company does not have any export obligations under EPCG scheme.

## HUMAN RESOURCE

We believe that our employees are key contributors to the success of our business. 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 the kind of business that we are engaged in.

Our manpower is a prudent mix of the experienced and youth which gives us the dual advantage of stability and growth. Our work processes and skilled/ semi-skilled/ unskilled resources together with our management team have enabled us to implement our growth plans. As on December 31, 2017, we have 317 full time employees on our payroll detailed as follows:

Category	
Directors / KMP	6
Marketing	41
Admin	4
Human Resource	2
Packing	14
Plant Heads	8
Plant Operators	242
<b>Total</b>	<b>317</b>

Being a non-seasonal business, we do not hire contract labour except for the security guards in our premises which are below the statutory limit of 20 workers. Hence, our Company has not obtained any registration under the Contract Labour (Regulation and Abolition) Act, 1970.

## CAPACITY AND CAPACITY UTILISATION

Product Name	Existing			Projected		
	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
<b>Pins</b>						
Installed Capacity (Units In Numbers)	3,60,000	3,60,000	3,60,000	3,60,000	3,60,000	3,60,000
Actual Production (Units In Numbers)	1,23,624	1,24,160	1,40,042	1,61,459	2,09,900	2,51,880
% of Utilization	34.34%	34.49%	38.90%	44.85%	58.31%	69.97%
<b>Piston</b>						
Installed Capacity (Units In Numbers)	1,44,000	1,44,000	1,44,000	1,44,000	1,44,000	1,44,000
Actual Production (Units In Numbers)	49,750	48,247	40,203	62,450	81,185	97,400
% of Utilization	34.55%	33.50%	27.92%	43.37%	56.38%	67.64%
<b>Bearings &amp; bushes</b>						
Installed Capacity (Units In Numbers)	60,00,000	60,00,000	60,00,000	60,00,000	60,00,000	60,00,000
	0	0	0	0	0	0
Actual Production (Units In Numbers)	29,17,215	24,58,384	21,82,854	23,00,000	29,90,000	35,88,000
% of Utilization	48.62%	40.97%	36.38%	38.33%	49.83%	59.80%

Product Name	Existing			Projected		
	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
<b>Ring</b>						
Installed Capacity (Units In Numbers)	6,50,000	6,50,000	6,50,000	6,50,000	6,50,000	6,50,000
Actual Production (Units In Numbers)	85,244	2,09,033	2,03,589	2,75,000	3,02,500	3,32,750
% of Utilization	13.11%	32.16%	31.32%	42.31%	46.54%	51.19%

**Note:**

The Company intends to achieve higher production by utilising its current unutilised installed capacity and increase its installed capacity by purchasing/hiring new machineries in the future. The projected capacity for the next three years cannot be accurately estimated as the production depends upon the demand of the products and various other factors.

## **COMPETITION**

Our Company is into manufacturing of bearings and pistons and contract manufacturing of ball bearings, camshafts, connecting rods, spark plugs, valve guides and batteries which faces competition from domestic as well as international players. Competition emerges not only from the organized and unorganized sector but also from small and big players in this industry. Its competitiveness depends on several factors including quality, price and customer service. Internationally, competition typically comes from low-cost operations in other emerging countries.

We compete with the other players in the industry on the basis of product quality, price and reliability. We continuously strive to increase our distribution channel to increase our domestic and international presence. We intend to continue our efforts to capture more market share and manage our growth in an optimal way by improving our satisfying customer's demands, achieving operating efficiencies, etc.

## **END USERS**

Our end users are mechanics, automobile and passenger vehicle manufacturers.

## **MARKETING**

The efficiency of the marketing and sales network is critical to the success of our business. Our success lies in the strength of our relationship with the customers who have been associated with our Company. Our team through their relevant experience and good rapport with our customers due to the timely delivery of quality products has played an instrumental role in creating and expanding a work platform for our Company.

We believe our relationship with our customers is strong and established as we consistently receive repeat orders from them. To retain our customers, our team regularly interacts with them and focuses on gaining an insight into the current and additional needs of our customers. We intend to expand our existing customer base by increasing our presence in existing markets and expanding into other geographical areas. Our marketing team is ready to take up the challenge so as to scale to new heights.

## **INSURANCE**





Our Company has an insurance coverage which we consider reasonably sufficient to cover all normal risks associated with our operations and which we believe is in accordance with the industry standards. We have taken Standard Fire and Special Perils policies for a most of our assets at our

offices and manufacturing facilities. Our policies are subject to customary exclusions and customary deductibles.

We believe that our insurance coverage is adequate for our business needs and operations. We will continue to review our policies to ensure adequate insurance coverage is maintained.


## INTELLECTUAL PROPERTY

- Our Company markets its products under the following trademarks as set out below:

Sr. No.	Trademark	Trademark Type	Class	Applicant	Application No.	Status	Date of Application	
1		Brand	7	Benara Bearings and Pistons Limited	2824344	Pending	October 9, 2014	
2		Brand	12	Benara Bearings and Pistons Limited	2824345	Pending	October 9, 2014	
3*		Brand	12	Benara Automart Private Limited	01274678	Registered	March 24, 2004	
4*		Brand	7	Benara Automart Private Limited	01274678	Registered	March 24, 2004	

\*Company markets its product under the brand Benara Power & BP. Although, the trademarks are registered in the name of “Fore Square Retail Private Limited” formerly known as “Benara Automart Private Limited”, which is the group Company of Benara Bearings and Pistons Limited.

- Our Company has following copyright filed with the Registrar of Copyrights as below:

Sr. No.	Copyright	Applicant	Registration No.	Date of Application
1		Benara Bearings and Pistons Limited	A-65606/2003	March 11, 2003

## Our Properties

### Owned Properties:

Sr. No	Address of the Property	Area of the Property	Usage
1	*7203, Floor no. 72, Lodha Markis, B Wing, Panduranga Budhkar Mar, Worli, Mumbai	1,556.89 Sq. Ft.	Residential Flat
2	Wake, Bhavna Tower, Sector	1,605.5 Sq. Ft.	Shop

Sr. No	Address of the Property	Area of the Property	Usage
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16-B, Sikandra, Agra

\*Property is jointly purchased by M/s. Benara International Pvt. Ltd., Mr. Vivek Benara, M/s Benara Bearings & Pistons Limited, Mrs. Ketaki Benara, Mrs. Sarla Jain and Mr. Panna Lal Jain.

#### Leased/Licensed Properties

Sr. No	Address of the Property	Licensor / Lessor	Lease Rent / License Fees	Tenor From	To	Use
1	*A-3, Site-B Industrial Area - Sikandra, Agra	U.P. State Industrial Development Corporation Limited, Agra	Rent- Rs. 45 per year till first thirty years, Rs.67 per year for next thirty years, Rs. 112 per year for next thirty years  Land Premium – Rs. 1,36,020	17 April 1985	16 April 2074	Manufacturing Unit
2	*A-4, Site-B Industrial Area - Sikandra, Agra	U.P. State Industrial Development Corporation Limited, AGRA	Rent- Rs. 45 per year till first thirty years, Rs.67 per year for next thirty years, Rs. 112 per year for next thirty years  Land Premium – Rs. 2,12,400	30 January 1986	29 January 2075	Manufacturing Unit
3	**15 KM Mile stone, Arthoni Agra-282007	Vinay Iron Foundry	Rent - 37,500 per month	01 February 2013	01 February 2018	Manufacturing Unit

\* Comprises Unit I

\*\* Comprises Unit II

## KEY INDUSTRY REGULATIONS AND POLICIES

*The following description is a summary of the relevant sector specific regulations and policies, as prescribed by the Government of India or State Governments which are applicable to our Company and our business. The information detailed in this chapter has been obtained from publications available in the public domain. The regulations set out below may not be exhaustive, and are only intended to provide general information to the investors and are neither designated nor intended to substitute for professional legal advice. The statements below are based on the current provisions of Central and the State laws, and the judicial and administrative interpretations thereof, which are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions.*

### **I. Industry Legislations**

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

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

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

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

#### ***Shops and Establishment Act, 1948***

Under various State laws dealing with shops and establishments, any shop or commercial establishment has to obtain a certificate of registration from the supervising inspector and also has to comply with certain rules laid down in the act governing that particular State. These rules and regulations regulate the opening and closing hours of shops and commercial establishments, daily and weekly work hours, closing dates and holidays, health and safety of persons working in shops and commercial establishments, payment of wages and maintenance of records and registers by the employers, among others.

### **II. Labour Legislations**

We are required to comply with certain labour and industrial laws, which includes the Factories Act, 1948, Industries (Development and Regulation) Act, 1951, Industrial Disputes

Act, 1947, the Employees' Provident Funds and Miscellaneous Provisions Act 1952, the Minimum Wages Act, 1948, the Payment of Wages Act, 1948, the Payment of Bonus Act, 1965, Employees Compensation Act, 1923, Contract Labour (Regulation and Abolition) Act, 1970 and the Maternity benefit Act and others.

### ***The Factories Act, 1948***

The Factories Act, 1948, as amended ("**Factories Act**") seeks to regulate the employment of workers in factories and makes provisions for the health, safety and welfare of the workers while at work in the factory including requiring adequate maintenance of plant, systems and other places of work, and provision of adequate training and supervision. The Factories Act defines a 'factory' to be any premises which employs 10 or more workers on any day of the preceding 12 months and in which a manufacturing process is carried on with the aid of power, or a premises where there are at least 20 workers who are engaged in a manufacturing process without the aid of power. Each State Government has set out rules in respect of the prior submission of plans, their approval for the registration of the establishment, and licensing of factories.

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

The Employees' Provident Funds and Miscellaneous Provisions Act, 1952, as amended ("**EPF Act**") applies to factories employing 20 or more employees and such other establishments and industrial undertakings as notified by the Government of India 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.

### ***Employees State Insurance Act, 1948***

The promulgation of Employees' State Insurance Act, 1948 ("**ESI Act**"), by the Parliament was the first major legislation on social security for workers in independent India. It was a time when the industry was still in a nascent stage and the country was heavily dependent on an assortment of imported goods from the developed or fast developing countries. The deployment of manpower in manufacturing processes was limited to a few select industries such as jute, textile, chemicals etc. The legislation on creation and development of a fool proof multidimensional social security system, when the country's economy was in a very fledgling state was obviously a remarkable gesture towards the socio-economic amelioration of a workforce though limited in number and geographic distribution. India, notwithstanding, thus, took the lead in providing organized social protection to the working class through statutory provisions.

The ESI Act, encompasses certain health related eventualities that the workers are generally exposed to; such as sickness, maternity, temporary or permanent disablement, Occupational disease or death due to employment injury, resulting in loss of wages or earning capacity-total or partial. Social security provision made in the ESI Act to counterbalance or negate the resulting physical or financial distress in such contingencies, are thus, aimed at upholding human dignity in times of crises through protection from deprivation, destitution and social degradation while enabling the society the retention and continuity of a socially useful and productive manpower.

### ***The Industrial Disputes Act, 1947***

The Industrial Disputes Act, 1947, as amended provides the procedure for investigation and settlement of industrial disputes. When a dispute exists or is apprehended, the conciliation officer may settle such dispute or the appropriate government may refer the dispute to a labour court, tribunal or arbitrator, to prevent the occurrence or continuance of the dispute, or a strike or lock-out while a proceeding is pending. The labour courts and tribunals may grant appropriate relief including ordering modification of contracts of employment or reinstatement of workmen.

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

The Minimum Wages Act, 1948, as amended provides a framework for State Governments to stipulate the minimum wage applicable to a particular industry. The minimum wage may consist of a basic rate of wages and a special allowance, or a basic rate of wages and the cash value of concessions in respect of supplies of essential commodities, or an all-inclusive rate allowing for the basic rate, the cost of living allowance and the cash value of the concessions, if any. Workmen are to be paid for overtime at overtime rates stipulated by the appropriate government.

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

The Payment of Wages Act, 1936, as amended ("**Payment of Wages Act**") is applicable to factories and industrial or other establishments where the monthly wages payable are less than Rs. 6,500. The Payment of Wages Act inter alia seeks to regulate the payment of wages in terms of the duration of employment (work hours, overtime wages, and holidays), quantum of wages including overtime wages, deductions from wages, of certain classes of employed persons. The Payment of Wages Act also regulates minimum wages to be fixed by the appropriate governments for the employees, bonus entitlements, disbursements of wages by the employers within the stipulated time frame without unauthorized deductions, etc.

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

The Payment of Bonus Act, 1965, as amended provides for payment of minimum bonus to factory employees and every other establishment in which 20 or more persons are employed and requires maintenance of certain books and registers and filing of monthly returns showing computation of allocable surplus, set on and set off of allocable surplus and bonus due. The minimum bonus to be paid to each employee is either 8.33% of the annual salary or wage or Rs. 100, whichever is higher.

### ***The Employee's Compensation Act, 1923***

The Employee's Compensation Act, 1923, as amended provides that if personal injury is caused to a workman by accident during employment, his employer would be liable to pay him compensation. However, no compensation is required to be paid if the injury did not disable the workman for more than three days or the workman was at the time of injury under the influence of drugs or alcohol, or the workman willfully disobeyed safety rules. Where death results from the injury, the workman is liable to be paid the higher of 50% of the monthly wages multiplied by the prescribed relevant factor (which bears an inverse ratio to the age of the affected workman) or Rs. 50,000. Where permanent total disablement results from injury, the workman is to be paid the higher of 60% of the monthly wages multiplied by



the prescribed relevant factor or Rs. 60,000. The maximum wage which is considered for the purposes of reckoning the compensation is Rs. 4,000.

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

The Payment of Gratuity Act, 1972 ("**PG Act**") was enacted with the objective to regulate the payment of gratuity, to an employee who has rendered for his long and meritorious service, at the time of termination of his services. A terminal lump sum benefit paid to a worker when he or she leaves employment after having worked for the employer for a prescribed minimum number of years is referred to as "gratuity." The provisions of the PG Act are applicable to all the factories. The PG Act provides that within 30 days of opening of the establishment, it has to notify the controlling authority in Form A and thereafter whenever there is any change in the name, address or change in the nature of the business of the establishment a notice in Form B has to be filed with the authority.

The Employer is also required to display an abstract of the PG Act and the rules made thereunder in Form U to be affixed at the or near the main entrance. Further, every employer has to obtain insurance for his Liability towards gratuity payment to be made under PG Act, with Life Insurance Corporation or any other approved insurance fund.

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

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

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

The Maternity Benefit Act, 1961, as amended ("**Maternity Benefit Act**") provides that a woman who has worked for at least 80 days in the 12 months preceding her expected date of delivery, is eligible for maternity benefits. Under the Maternity Benefit Act, a woman working in a factory may take leave for six weeks immediately preceding her scheduled date of delivery and for this period of absence she must be paid maternity benefit at the rate of the average daily wage. The maximum period during which a woman shall be paid maternity benefit is 12 weeks. Women entitled to maternity benefit are also entitled to a medical bonus of Rupees 2,500, if no prenatal and post-natal care has been provided free of charge by the employer.

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

The Industries (Development and Regulation) Act, 1951 (the "**IDR Act**") Act provides for the development and regulation of specified industrial undertakings. The IDR Act has been liberalized under the New Industrial Policy dated July 24, 1991, and all industrial undertakings are exempt from licensing except for certain industries such as distillation and brewing of alcoholic drinks, cigars and cigarettes of tobacco and manufactured tobacco substitutes, all types of electronic aerospace and defense equipment, industrial explosives

including detonating fuses, safety fuses, gun powder, nitrocellulose and matches and hazardous chemicals and those reserved for the small scale sector.

### ***Child Labour (Prohibition and Regulation) Act, 1986***

This statute prohibits employment of children below 14 years of age in certain occupations and processes and provides for regulation of employment of children in all other occupations and processes. Under this Act the employment of child labour in the building and construction industry is prohibited.

### ***Workmen's Compensation Act, 1923***

This Act came into force on April 01, 1924. It aims at providing financial protection to workmen and their dependents in case of accidental injury by means of payment of compensation by the employers. However, here the employer shall not be liable in respect of any injury that does not result in the total or partial disablement of the workmen for a period exceeding 3 days in respect of any injury not resulting in death, caused by an accident which was due to the reason that workman was under the influence of drugs, or due to his wilful disobedience of an order expressly given to him, or a wilful removal or disregard of any safety device by the workmen, or when the employee has contracted a disease which is not directly attributable to a specific injury caused by the accident or to the occupation.

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

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

## **III. *Environment Legislations***

### ***The Environment (Protection) Act, 1986***

The Environment (Protection) Act, 1986 (the "**EPA**") is an umbrella legislation designed to provide a framework for the Government to co-ordinate the activities of various central and state authorities established under other laws, such as the Water (Prevention and Control of Pollution) Act, 1974 (the "**Water Act**") and the Air (Prevention and Control of Pollution) Act, 1981 (the "**Air Act**"). The EPA vests the Government with various powers including the power to formulate rules prescribing standards for emission of discharge of environment pollutants from various sources, as given under the Environment (Protection) Rules, 1986,

inspection of any premises, plant, equipment, machinery, and examination of processes and materials likely to cause pollution.

#### ***The Water Act***

The Water Act requires a person to obtain the consent of the relevant central or state pollution control board, which is empowered to establish standards and conditions for 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.

#### ***The Air Act***

The Air Act requires any person establishing or operating any industrial plant within an air pollution control area to obtain the prior consent of the relevant central or state pollution control board. Further, no person operating any industrial plant in any air pollution control area is permitted to discharge any air pollutant in excess of emission standards prescribed by the relevant pollution control board.

#### ***The Hazardous Wastes (Management Handling and Transboundary Movement) Rules, 2008***

The Hazardous Wastes (Management Handling and Transboundary Movement) Rules, 2008 require every occupier and operator of a facility generating hazardous waste to obtain prior approval from the relevant central or state pollution control board. The occupier, the transporter and the operator are liable for damage to the environment resulting from improper handling and disposal of hazardous waste. The operator and the occupier are liable for any fine that may be levied by the relevant pollution control board.

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

The Public Liability Insurance Act, 1991 (the “**PLI Act**”) imposes liability on the owner or controller of hazardous substances for any damage arising out of an accident involving such hazardous substances. A list of ‘hazardous substances’ covered by the legislation has been notified under the PLI Act. The owner or handler is also required to take out an insurance policy insuring against liability under the PLI Act.

### **IV. Tax Related Legislations**

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

The *Central Goods and Services Tax Act, 2017* (the “**GST Act**”) levies tax on supply of goods and services throughout India to replace multiple taxes levied by the Central and State Governments on production, supply and sale of goods and providing of services in India. The GST Act is applicable from July 1, 2017 and bound together the Central Excise Duty, Commercial Tax, Value Added Tax (VAT), Food Tax, Central Sales Tax (CST), Introit, Octroi, Entertainment Tax, Entry Tax, Purchase Tax, Luxury Tax, Advertisement Tax, Service Tax, Customs Duty, Surcharges. Under GST, goods and services are taxed under different categories of tax slabs. GST is levied on all transactions such as supply, transfer, purchase, barter, lease, or import of goods and/or services. Transactions made within a single state are levied with Central GST (CGST) by the Central Government and State GST (SGST) by the government of that state. For inter-state transactions and imported goods or services, an Integrated GST (IGST) is levied by the Central Government. GST is a consumption based

tax, therefore, taxes are paid to the state where the goods or services are consumed and not the state in which they were produced.

### ***Income Tax Act, 1961 (“IT Act”)***

The IT Act is applicable to every company, whether domestic or foreign whose income is taxable under the provisions of the IT Act or Rules made thereunder 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. Every company assessable to income tax under the IT Act is required to comply with the provisions thereof, including those relating to Tax Deduction at Source, Advance Tax, Minimum Alternative Tax and like. Every such company is also required to file its returns by September 30 of each assessment year.

### ***Professional Tax***

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

## **V. *Intellectual Property Laws***

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

The Patents Act, 1970 (“**Patents Act**”) is the primary legislation governing patent protection in India. In addition to broadly requiring that an invention satisfy the requirements of novelty, utility and non obviousness in order for it to avail patent protection, the Patents Act further provides that patent protection may not be granted to certain specified types of inventions and materials even if they satisfy the above criteria. The term of a patent granted under the Patents Act is for a period of twenty years from the date of filing of application for the patent. The Patents Act deems that computer programmes per se are not ‘inventions’ and are therefore not entitled to patent protection.

### ***Trademarks Act, 1999***

A trademark is used in relation to goods so as to indicate a connection in the course of trade between the goods and a person having the right as proprietor or user to use the mark. The Trademarks Act, 1999, (Trademarks Act) governs the registration, acquisition, transfer and infringement of trademarks and remedies available to a registered proprietor or user of a

trademark. Registration is valid for a period of 10 years but can be renewed in accordance with the specified procedure.

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

The Copyright Act governs copyright protection in India. Under the Copyright Act, a copyright may subsist in original literary, dramatic, musical or artistic works, cinematograph films, and sound recordings. Following the issuance of the International Copyright Order, 1999, subject to certain exceptions, the provisions of the Copyright Act apply to nationals of all member states of the World Trade Organization.

While copyright registration is not a prerequisite for acquiring or enforcing a copyright, registration creates a presumption favoring the ownership of the copyright by the registered owner. Copyright registration may expedite infringement proceedings and reduce delay caused due to evidentiary considerations. Once registered, the copyright protection of a work lasts for 60 years.

The remedies available in the event of infringement of copyright under the Copyright Act include civil proceedings for damages, account of profits, injunction and the delivery of the infringing copies to the copyright owner. The Copyright Act also provides for criminal remedies including imprisonment of the accused and the imposition of fines and seizures of infringing copies.

### ***Designs Act, 2000***

Industrial Designs are governed by the Designs Act, 2000 and Designs Rules 2001 and administered by the Controller General of Patents, Designs and Trade Marks. The registration of a design confers on the registered proprietor the right to take action against third parties who apply the registered design without licence or consent. The registration is valid for 10 years from the date of application i.e. date of filing or the date of priority whichever is earlier. The period may be extended by another period of 5 years on filing an application for extension of copy right before the expiry of the said period of 10 years. Under the Designs Act, “Design” has been defined as the features of shape, configuration, pattern, ornament or composition of lines or colours applied to any article whether in two dimensional or 3D or in both forms. The Design should be new and original and has not been disclosed to the public in India or any other country.

## **VI. *Other Legislations***

### ***The Companies Act, 1956***

The Companies Act, 1956 dealt with laws relating to companies and certain other associations. It was enacted by the Parliament in 1956. The Act primarily regulated the formation, financing, functioning and winding up of companies. The Act prescribed regulatory mechanism regarding all relevant aspects, including organizational, financial and managerial aspects of companies. Regulation of the financial and management aspects constituted the main focus of the Act. In the functioning of the corporate sector, although freedom of companies was important, protection of the investors and shareholders, on whose funds they flourish, was equally important. The Act played the balancing role between these two competing factors, namely, management autonomy and investor protection.

### ***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 vide its notification dated September 12, 2013 has notified 98 sections of the Companies Act, 2013 and the same are applicable from the date of the aforesaid notification. Further 183 sections have been notified on March 26, 2014 and have become applicable from April 1, 2014. Further, the Ministry of Corporate Affairs issues notifications for applicability of other Sections of Companies Act, 2013 from time to time and the same are applicable from the date of the aforesaid notification. 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 Indian Contract Act, 1872***

The Indian Contract Act, 1872 codifies the way in which a contract maybe entered into, execution, implementation of the provisions of a contract and effects of breach of contract. A person is free to contract on any terms he chooses. The Contract Act consists of limiting factors subject to which a contract will be entered into, executed and breach enforced. It contains framework of rules and regulations that govern formation and performance of contract.

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

The Foreign Exchange in India is primarily governed by the provisions of FEMA which relates to regulations primarily by the RBI and the rules, regulations and notifications thereunder, and the policy prescribed by the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India. As laid by the FEMA Regulations no prior consent and approvals are required from the Reserve Bank of India for Foreign Direct Investment under the 'automatic route' within the specified sectoral caps. In respect of all industries not specified as FDI under the automatic route, and respect of investment in excess of specified sectoral limits under the automatic route, consent may be required from FIPB and/or the RBI. The RBI in exercise of its powers under FEMA, has notified the Foreign Exchange Management (Transfer or Issue of Security by Person Resident Outside of India) Regulations, 2000 ("**FEMA Regulations**") to prohibit, restrict or regulate, transfer by or issue security to a person resident outside India and the Foreign Exchange Management (Export of Good and Service) Regulations, 2000 for regulations on exports of goods and services.

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

The Competition Act, 2002 is an act to prevent practices having adverse effect on competition, to promote and sustain competition in markets, to protect interest of consumer and ensure freedom of trade in India. The act deals with the prohibition of agreements and Anti-competitive agreements. No enterprise or group shall abuse the dominant position in various circumstances as mentioned in the Act.

The prima facie duty of the Competitive Commission of India ("**CCI**") is to eliminate practices having adverse effect on competition, promote and sustain competition, protect interest of consumer and ensure freedom of trade. The CCI shall issue notice to show cause to the parties to combination calling upon them to respond within 30 days in case it is of the opinion that there has been appreciable adverse effect on the competition of India. In case a person fails to comply with directions of CCI and the Director General, he shall be

punishable with a fine which may exceed to Rs 1 lakh for each day during such failure subject to maximum of Rs 1Crore.

***Foreign Trade (Development & Regulation) Act, 1992***

The Foreign Trade (Development & Regulation) Act, 1992 provide for regulation and development of foreign trade by facilitating imports into and augmenting exports from India and for matters connected therewith or incidental thereto. The Import-Export code number and license to import or export includes a custom clearance permit and any other permission issued or granted under this act. The Export and Import policy, provision for development and regulation of foreign trade shall be made by the Central Government by publishing an order. The Central Government may also appoint the Director General for Foreign Trade (DGTF) for the purpose of import-export policy formulation.

If any person makes any contravention to law or commits any economic offence or import/exports in in a manner prejudicial to trade of India or to the interest of other person engaged in import or export then there shall be no Import Export granted by the Director-General to such person and if in case granted then shall remain suspended or cancelled. Provision of search and seizure of Code of Criminal Code, 1973 shall apply to every search and seizure under this Act.

The EXIM Policy is a set of guidelines and instructions set by the DGTF in matters related to the export and import of goods in India. This policy is regulated under the said Act. The DGTG is the main governing body in matters related to the EXIM Policy.

## OUR HISTORY AND CERTAIN OTHER CORPORATE MATTERS

### CORPORATE PROFILE AND BRIEF HISTORY

Our Company was originally incorporated as "Benara Automotives Private Limited" at Kanpur, as a private limited company under the provisions of the Companies Act, 1956 *vide* Certificate of Incorporation dated November 26, 1990 bearing registration number 20-12518 issued by the Registrar of Companies, Uttar Pradesh, Kanpur. Subsequently, pursuant to a special resolution passed on February 20, 1993, our Company was converted into a public limited company following which our name was changed to "PHB Engineerings Limited" and a fresh Certificate of Incorporation dated April 27, 1993 consequent upon conversion of our Company from private limited to public limited and change of name was issued to our Company by the Registrar of Companies, Uttar Pradesh, Kanpur. Further, pursuant to a special resolution dated July 29, 1993, the name of our Company was changed to "PHB Engineering Limited" from PHB Engineerings Limited and a fresh Certificate of Incorporation dated October 6, 1993 consequent upon the change of name was issued to our Company by the Registrar of Companies, Uttar Pradesh, Kanpur. Later, pursuant to a special resolution dated March 15, 2002, the name of our Company was changed to "Benara Bearings & Pistons Limited" from PHB Engineering Limited and a fresh Certificate of Incorporation dated March 28, 2002 consequent upon the change of name was issued to our Company by the Assistant Registrar of Companies, Uttar Pradesh, Kanpur. The Corporate Identification Number of our Company is U50300UP1990PLC012518.

Mr. Pannalal Jain and Mr. Vivek Benara are the promoters of our Company. Mr. Pannalal Jain and Mr. Sanjay Benara were the initial subscribers to the MoA of our Company. Our Company is engaged in the business of producing engine spare parts such as engine bearings and bushes, pistons, piston pins, piston rings, cylinder liners, sleeves & air cooled blocks, engine valves and cam shafts and total solutions for engine parts.

For information on our Company's profile, activities, market, service, etc., market of each segment, capacity built-up, standing of our Company in comparison with prominent competitors, with reference to its services, management, managerial competence, technology, market, major suppliers and customers, environmental issues, geographical segment, etc. wherever applicable, please refer to the chapters titled "*Our Business*", "*Our Industry*", "*Financial Statements as Restated*", "*Management's Discussion and Analysis of Financial Condition and Results of Operation*", "*Government and Other Statutory Approvals*" beginning on pages 163, 136, 238, 308 and 337 respectively of this Prospectus.

### CORPORATE PROFILE AND BRIEF HISTORY

At the time of Incorporation, registered office of our Company was situated at Bharatpur Road, Bodla, Agra. The details of change in the address of our registered office since incorporation are given below:

Effective Date	From	To	Reason
May 7, 1993	Bharatpur Road, Bodla, Agra	Plot No. A-4, Site B, Industrial Area, Sikandra Agra	Administrative convenience
August 1, 2003	Plot No. A-4, Site B, Industrial Area, Sikandra Agra	A-3 & 4, Site B Industrial Area Sikandra Agra, Uttar Pradesh India 282007.	Administrative convenience

### KEY EVENTS AND MILESTONES IN THE HISTORY OF OUR COMPANY



<b>Year</b>	<b>Event</b>
1990	Incorporation of our Company
1993	Conversion of our Company from a private limited to a public limited Company and change of name to PHB Engineerings Limited Change of Registered Office from Bharatpur Road, Bodla, Agra to Plot No. A-4, Site B, Industrial Area, Sikandra Agra Change of name from PHB Engineerings Limited to PHB Engineering Limited
2002	Change of name from PHB Engineering Limited to Benara Bearings & Pistons Limited
2003	Change of Registered Office from Plot No. A-4, Site B, Industrial Area, Sikandra Agra to A-3 &-4, Site B Industrial Area Sikandra Agra, Uttar Pradesh India 282007.
2016	Certified as an ISO 9001:2015 Company

## **MAIN OBJECTS OF OUR COMPANY**

The main objects of our Company, as contained in our Memorandum of Association, are as set forth below:

- To carry on the business of manufacturing buying, selling, importing, and exporting and otherwise dealing in bi-metal and tri-metal strips, bearings, bushes, crank-shaft, thick ball bearings, thrust, washers, strips, used in Engines.*
- To carry on the business of manufacturing, buying, selling, importing, and exporting of Engine Parts used in Diesel Engine and all types of Auto mobile Engines.*
- To carry on in India or abroad the business of import, export, manufacturing, transmitting, generating, setting up, operating, supplying, trading, establishing, commissioning and maintaining power generated by solar energy and use of the solar energy power for SPV Cells/Modules/systems/power plants/solar panel, solar battery-(lead acid, any others), PV systems, all types of solar water pumping sets, all types of solar street lights, all types of solar lanterns, all types of solar torches, all types of solar home lights (CFL, LED & etc.), all types of solar drinking systems, all types of solar water heating/cooling systems, solar LED lamps, AC fans, DC Fans, high voltage and low voltage current lines and all other items that can be issued with solar power.*
- To carry on lubricants, oils, greases of all types, lead acid batteries and other batteries used for two wheelers, three wheelers and four wheelers, ball bearings/clutch parts/bread parts/and all other & LCV's/HCV's/MPV's/Tractors/Automobiles/Stationary Diesel Engines/Marine engines cables, wires, moters, meters, accumulators.*

## **AMENDMENT TO THE MOA OF OUR COMPANY SINCE INCORPORATION**

Since incorporation, the following Changes have been made to our Memorandum of Association:

<b>Date of AGM/EGM</b>	<b>Amendment</b>
February 20, 1993	Alteration of the name Clause I - Conversion from private to public and consequent change in the name of the Company from Benara Automotives Private Limited to PHB Engineerings Limited
July 29, 1993	Alteration of the name Clause I - Change in the name of the Company from PHB Engineerings Limited to PHB Engineering Limited.
January 20, 1995	Alteration of the Clause V – Increase in Authorised Capital from Rs.

Date of AGM/EGM	Amendment
	20,00,000 consisting of 2,00,000 Equity Shares of Rs.10/- each to Rs. 50,00,000 consisting of 5,00,000 Equity Shares of Rs.10/- each.
March 14, 1996	Alteration of the Clause V – Increase in Authorised Capital from Rs. 50,00,000 consisting of 5,00,000 Equity Shares of Rs.10/- each to Rs. 1,00,00,000 consisting of 10,00,000 Equity Shares of Rs.10/- each.
July 19,1999	Alteration of the Clause V – Increase in Authorised Capital from Rs. 1,00,00,000 consisting of 10,00,000 Equity Shares of Rs.10/- each to Rs. 1,25,00,000 consisting of 12,50,000 Equity Shares of Rs.10/- each.
March 15, 2002	Alteration of Clause II - Change of the name of the Company from PHB Engineering Limited to Benara Bearings & Pistons Limited.
March 30, 2002	Alteration of the Clause V – Increase in Authorised Capital from Rs. 1,25,00,000 consisting of 12,50,000 Equity Shares of Rs.10/- each to 1,50,00,000 consisting of 15,00,000 Equity Shares of Rs.10/- each.
January 27, 2005	Alteration of the Clause V – Increase in Authorised Capital from Rs. 1,50,00,000 consisting of 15,00,000 Equity Shares of Rs.10/- each to Rs. 2,25,00,000 consisting of 2,25,00,00 Equity Shares of Rs. 10 each.
March 25, 2013	Alteration of the Clause V – Increase in Authorised Capital from Rs. 2,25,00,000 consisting of 2,25,00,00 Equity Shares of Rs. 10 each to Rs. 2,75,00,000 consisting of 27,50,000 Equity Shares of Rs. 10 each.
October 3, 2015	Addition to following in Clause III – Main objects of the MoA:-  <p><i>3. To carry on in India or abroad the business of import, export, manufacturing, transmitting, generating, setting up, operating, supplying, trading, establishing, commissioning and maintaining power generated by solar energy and use of the solar energy power for SPV Cells/Modules/systems/power plants/solar penal, solar battery-(lead acid, any others), PV systems, all types of solar water pumping sets, all types of solar street lights, all types of solar lanterns, all types of solar torches, all types of solar home lights (CFL, LED &amp; etc.), all types of solar drinking systems, all types of solar water heating/cooling systems, solar LED lamps, AC fans, DC Fans, high voltage and low voltage current lines and all other items that can be issued with solar power.</i></p> <p><i>4. To carry on lubricants, oils, greases of all types, lead acid batteries and other batteries used for two wheelers, three wheelers and four wheelers, ball bearings/clutch parts/bread parts/and all other &amp; LCV's/HCV's/MPV's/Tractors/Automobiles/Stationary Diesel Engines/Marine engines cables, wires, moters, meters, accumulators.</i></p>
January 7, 2016	Alteration of the Clause V – Increase in Authorised Capital from Rs. 2,75,00,000 consisting of 27,50,000 Equity Shares of Rs. 10 each to Rs. 3,10,00,000 consisting of 31,00,000 Equity Shares of Rs. 10 each.
February 4, 2016	Alteration of the Clause V – Increase in Authorised Capital from Rs. 3,10,00,000 consisting of 31,00,000 Equity Shares of Rs. 10 each to Rs. 3,60,00,000 consisting of 36,00,000 Equity Shares of Rs. 10 each.
November 28, 2017	Alteration of the Clause V – Increase in Authorised Capital from Rs. 3,60,00,000 consisting of 36,00,000 Equity Shares of Rs. 10 each to Rs. 20,00,00,000 consisting of 2,00,00,000 Equity Shares of Rs. 10 each.

#### COUNTRYWISE EXPORT SALES FOR THE PERIOD ENDED SEPTEMBER 30, 2017

(Rs. In Lakhs)		
Country Name	Amount	% of total sales
Europe	Rs. 5.73	0.12%
Dubai	Rs. 8.93	0.19%

#### **HOLDING COMPANY OF OUR COMPANY**

Our Company has no holding Company as on date of filing of this Prospectus.

#### **SUBSIDIARY COMPANY OF OUR COMPANY**

Our Company has following companies as its subsidiaries:

##### **1. Benara Solar Private Limited**

##### **Corporate Information**

Benara Solar Private Limited ("**BSPL**") was incorporated as a private limited company under the Companies Act, 2013 *vide* Certificate of Incorporation dated January 22, 2016 issued by the Registrar of Companies, Delhi bearing Corporate Identification Number U74900DL2016PTC290034.

##### **Registered Office of the Company**

The Registered Office of the Company is situated at A-55-56, Gali No. 18, Madhu Vihar, I.P Extn, Delhi - 110092, India.

##### **Main object of the BSPL**

BSPL is engaged in the business of development and deployment of solar energy technologies including *inter-alia* planning and execution of solar power projects.

##### **Capital Structure and Shareholding Pattern**

The authorized share capital of the Company is Rs. 1,00,000/- divided into 10,000 equity shares of Rs. 10/- each and the issued and paid up capital of Rs. 10,000/- divided into 10,000 equity shares of Rs. 10/- each. The shareholding pattern of BSPL as on the date of this Prospectus is as mentioned below:

Sr. No	Name of Shareholders	Number of Shares	Percentage (in %)
1.	Benara Bearings and Pistons Limited	9,900	99
2.	Vivek Benara (as nominee of Benara Bearings and Pistons Limited)	100	1
<b>Total</b>		<b>10,000</b>	<b>100</b>

##### **Board of Directors**

The Board of Directors of BSPL as on the date of this Prospectus is as follows:

- Mr. Vivek Benara
- Mr. Aditya Benara
- Mr. Vipin Jain

##### **Securitrans Trading Private Limited**

## Corporate Information

Securitans Trading Private Limited ("STPL") was incorporated as a private limited company under the Companies Act, 1956 *vide* Certificate of Incorporation dated August 18, 2005 issued by the Assistant Registrar of Companies, Maharashtra, Mumbai bearing Corporate Identification Number U51909MH2005PTC155453. Our Company acquired the entire shareholding of STPL *vide* Share Purchase Agreement dated February 24, 2016 from the erstwhile shareholders of STPL.

## Registered Office of the Company

The Registered Office of the Company is situated at 21, Jalaram Nagar, II Flr, Ganja Wala Lane, Opp. Chamunda Circle, S.V.P. Road, Borivli (W), Mumbai 400 092.

## Main object of the STPL

STPL is engaged in trading of various types of goods and materials.

## Capital Structure and Shareholding Pattern

The authorized share capital of the Company is Rs. 1,00,000/- divided into 10,000 equity shares of Rs. 10/- each and the issued and paid up capital of Rs. 10,000/- divided into 10,000 equity shares of Rs. 10/- each. The shareholding pattern of STPL as on the date of this Prospectus is as mentioned below:

Sr. No	Name of Shareholders	Number of Shares	Percentage
1.	Benara Bearings & Pistons Limited	9,900	99
2.	Mr. Pannalal Jain (Nominee of Benara Bearings & Pistons Limited)	100	1
<b>Total</b>		<b>10,000</b>	<b>100</b>

## Board of Directors

The Board of Directors of BSPL as on the date of this Prospectus is as follows:

- Mr. Panna Lal Jain
- Mr. Vivek Benara
- Mr. Vipin Jain

## CAPITAL RAISING ACTIVITIES THROUGH EQUITY OR DEBT

For details in relation to our capital raising activities through equity and debt, please refer to the chapter titled "*Capital Structure*" beginning on page 93 of this Prospectus.

## REVALUATION OF ASSETS

There has been no revaluation of our assets and we have not issued any Equity Shares including bonus shares by capitalizing any revaluation reserves.

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

There has been no change in the activities being carried out by our Company in the last five years.

## INJUNCTIONS OR RESTRAINING ORDERS

Our Company is not operating under any injunction or restraining order.

#### **MERGERS AND ACQUISITIONS IN THE HISTORY OF OUR COMPANY**

Our Company has not merged / amalgamated itself nor has acquired any business / undertaking, since incorporation.

#### **SHAREHOLDER'S AGREEMENT**

Our Company has not entered into any shareholders agreement as on date of filing of this Prospectus.

#### **OTHER AGREEMENTS**

Our Company has not entered into any agreements / arrangements except under normal course of business of the Company, as on date of filing of this Prospectus.

#### **STRIKES AND LOCK-OUTS**

There have been no strikes or lockouts in our Company since incorporation.

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

As on the date of this Prospectus, there have been no time and cost overruns in any of the projects undertaken by our Company.

#### **STRATEGIC PARTNERS**

Our Company does not have any strategic/financial partner as on the date of filing of this Prospectus..

#### **CONVERSION OF LOANS INTO EQUITY SHARES**

There has been no incident of conversion of loans availed from financial institutions and banks into Equity Shares as on the date of this Prospectus.

#### **FINANCIAL PARTNERS**

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

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

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

#### **NUMBER OF SHAREHOLDERS**

Our Company has 8 shareholders as on date of this Prospectus. For further details, please refer to the chapter titled "*Capital Structure*" beginning on page 93 of this Prospectus.



## OUR MANAGEMENT

### Board of Directors

As per the Articles of Association, our Company is required to have not less than 3 directors and not more than 15.

Currently, our Company has six (6) Directors out of which 2 are Executive Directors, 2 are Non-Executive Directors and 2 are Independent Directors. The following table sets forth details regarding the Board of Directors as on the date of this Prospectus:

Name, Father's Name, Nature of Directorship, Residential Address, Date of Appointment/ Re-appointment, Term, Period of Directorship, Occupation, and DIN	Nationality	Age	Other Directorships as on the date of this Prospectus
<p>Name: Mr. Panna Lal Jain</p> <p>Father's Name: Mr. Misri Lal Jain</p> <p>Nature of Directorship: Chairman</p> <p>Residential Address: 1/205, Hari Parvat, Professor Colony, Agra, Civil Line, Uttar Pradesh – 282 002.</p> <p>Date of Re-Appointment: September 29, 2017</p> <p>Term: Liable to retire by Rotation</p> <p>Occupation: Business</p> <p>DIN: 00204869</p>	Indian	71	<p>Public Limited Entities:<b>NIL</b></p> <p>Private Limited Entities:</p> <ul style="list-style-type: none"> <li>Benara International Private Limited.</li> <li>D V Enterprises Private Limited</li> <li>Securitrans Trading Private Limited</li> </ul> <p>Foreign Entities:<b>NIL</b></p>
<p>Mr. Vivek Benara</p> <p>Father's Name: Mr. Panna Lal Jain</p> <p>Nature of Directorship: Managing Director</p> <p>Residential Address: 1/205, Hari Parvat, Professor Colony, Agra, Civil Line, Uttar Pradesh – 282 002.</p> <p>Date of Re-Appointment: September 29, 2017</p> <p>Term: 5 years</p> <p>Occupation: Business</p> <p>DIN: 00204647</p>	Indian	44	<p>Public Limited Entities:<b>NIL</b></p> <p>Private Limited Entities:</p> <ul style="list-style-type: none"> <li>Benara International Private Limited</li> <li>Fore Square Retail private Limited *</li> </ul> <p><i>*This Company is undergoing liquidation. For further information please refer to our chapter titled "Risk Factor."</i></p> <ul style="list-style-type: none"> <li>Securitrans Trading Private Limited</li> <li>Benara Solar Private Limited</li> <li>Benara Infratech Private Limited</li> </ul> <p>Foreign Entities:<b>NIL</b></p>

Name, Father's Name, Nature of Directorship, Residential Address, Date of Appointment/ Re-appointment, Term, Period of Directorship, Occupation, and DIN	Nationality	Age	Other Directorships as on the date of this Prospectus
<p>Name: Ms. Ketaki Benara</p> <p>Father's Name: Mr. Jinesh Chandra Sogani</p> <p>Nature of Directorship: Executive Director Residential Address: 1/205, Hari Parvat, Professor Colony, Agra, Civil Line, Uttar Pradesh – 282 002.</p> <p>Date of appointment: November 15, 2001 Term: Liable to retire by Rotation Occupation: Business DIN: 00204749</p>	Indian	39	<p>Public Limited Entities:<b>NIL</b></p> <p>Private Limited Entities:</p> <ul style="list-style-type: none"> <li>Benara International Private Limited</li> <li>Fore Square Retail Private Limited*</li> </ul> <p><i>*This Company is undergoing liquidation. For further information please refer to our chapter titled "Risk Factor."</i></p> <p>Foreign Entities:<b>NIL</b></p>
<p>Mrs. Sarla Jain</p> <p>Father's Name: Mr. Panna Lal Jain</p> <p>Nature of Directorship: Non-Executive Director</p> <p>Residential Address: 1/205, Hari Parvat, Professor Colony, Agra, Civil Line, Uttar Pradesh – 282 002.</p> <p>Date of Re-Appointment: September 29, 2017 Term: Liable to retire by Rotation Occupation: Business DIN: 00204813</p>	Indian	69	<p>Public Limited Entities:<b>NIL</b></p> <p>Private Limited Entities:</p> <ul style="list-style-type: none"> <li>Benara International Private Limited</li> <li>D V Enterprises Private Limited</li> </ul> <p>Foreign Entities:<b>NIL</b></p>
<p>Mr. Avinash Kashyap</p> <p>Father's Name: Mr S P Kashyap Nature of Directorship: Independent Director</p> <p>Residential Address: 23-24, Amber House, 13/2 M G Road, Indore, Madhya Pradesh-452001. Date of Appointment: September 29, 2017 Term: 5 Years Occupation: Professional DIN: 00666821</p>	Indian	57	<p>Public Limited Entities:<b>NIL</b></p> <p>Private Limited Entities:</p> <ul style="list-style-type: none"> <li>Gurusharan Overseas Private Limited</li> </ul> <p>Foreign Entities:<b>NIL</b></p>
<p>Mr. Nitesh Kumar Kumawat</p> <p>Fathers Name: Babu Lal Kumawat</p>	Indian	33	<p>- Public Limited Entities:<b>NIL</b></p> <p>Private Limited Entities:<b>NIL</b></p>



<b>Name, Father's Name, Nature of Directorship, Residential Address, Date of Appointment/ Re-appointment, Term, Period of Directorship, Occupation, and DIN</b>	<b>Nationality</b>	<b>Age</b>	<b>Other Directorships as on the date of this Prospectus</b>
Nature of Directorship: Independent Director Residential Address: 242, Dolatshah Baba Ke Samne Jaipur Road Chomu, Tripolia, Jaipur, Rajasthan-303802. Date of Appointment: November 17, 2017 Term: 5 Years Occupation: Professional DIN: 07994614			Foreign Entities: NIL

### **Brief Biographies of the Directors**

#### **Mr. Panna Lal Jain**

Mr. Panna Lal Jain aged 71 years, has been associated with our Company since incorporation and is one of the co-founder/Promoter and the Chairman of our Company. Mr. Panna Lal Jain is the driving force behind the brand name of the Company "BENARA". Mr. Panna Lal Jain holds a degree in Bachelors of Engineering from IIT Roorkee and has over 45 years of experience in bearing industry. His knowledge and understanding coupled with his vision and drive to promote the growth of our Company is the motivating factor for establishing our brand name "BENARA" in the bearing industry. With the support of Shri. P.L. Jain, our Company has been able to accomplish its presence in India as well as in the International market.

#### **Mr. Vivek Benara**

Mr. Vivek Benara, aged 44 years, has been associated with our Company since 1994 and has been appointed on the Board of our Company since December 24, 2015. He is one of the co-founder/Promoter and President. He holds a Bachelor's degree in Mechanical Engineering from University of Pune. He has over 20 years of experience in the field of Auto Component Industry including production of Pistons, Piston Pins, Piston Rings, Cylinder Liners, Sleeves and Air Cooled Blocks, Real Estate/Retailing. Besides, he has ventured into solar power business of our group in January 2016. He is responsible for our Company's strategic financial planning, relationship building, promoting the brand, building the team and promoting the sales of our Company in the national and international markets. He is overall responsible for project management, research and analysis in the automotive industry and customer relationship.

#### **Ms. Sarla Jain**

Ms. Sarla Jain, aged 69 years, has been associated with our Company in the capacity of a Director. She was appointed as the Director of our Company with effect from November 15, 2001 and is currently Non-Executive Director. She holds a Master's degree in Arts from Jiwaji University of Gwalior.

#### **Ms. Ketaki Benara**

Ms. Ketaki Benara, aged 39 years, has been associated with our Company in the capacity of a Director. She was appointed as the Director of our Company with effect from November 15, 2001. She holds a Bachelor's degree in Arts from Sophia Girls College of Ajmer. She heads the HR Operations

of the Company.

#### **Mr. Avinash Kashyap**

Mr. Avinash Kashyap, aged 57 years, has been associated with our Company since March 15, 2017. He is an Independent Director of our Company. He is a Chartered Engineer from Germany and India. He was appointed as the Director of our Company with effect from March 15, 2017 for a period of 5 years. He has experience of working with Global Companies such as VOITH AG, Germany, Larsen & Toubro Ltd., Reliance Group, Symbiosis Foundation, India. He brings with him the expertise of starting and executing green field projects. His international experience and exposure gives him the leverage to work with global experts from diverse domains for successful project completion. Mr. Kashyap has had the privilege of accompanying technology transfer from Germany to India on behalf of Reliance ADA Group for wind energy generation, right from setting up of manufacturing upto the project execution. Mr. Kashyap has had the experience of setting up India's First Skill University at Indore, India, for and with the Symbiosis Foundation together with more than 12 International University Collaborations and 32 Industrial Tie-ups.

#### **Mr. Nitesh Kumar Kumawat**

Mr. Nitesh Kumar Kumawat, aged 33, has been associated with our Company since November 17, 2017. He is an Independent Director of our Company. He was appointed as the Independent Director of our Company with effect from November 17, 2017 for a period of 5 years. He is a Member of Institute of Chartered Accountants of India and has been in this profession since 2009. He has academic and professional qualifications in the field of indirect taxes and a vast knowledge of Service in Manufacturing Industries. He has experience in the field of Statutory Audits, Vat Audits, Government Audits and Service Tax Matters.

#### **Nature of any family relationship between our Directors**

Except as disclosed below, no other directors are termed as relatives within the meaning of section 2(77) of the Companies Act, 2013; none of our directors of our Company are related to each other.

<b>Name of Director</b>	<b>Relationship</b>
<b>Mr. Panna Lal Jain</b>	Husband of Ms. Sarla Jain, Father of Mr. Vivek Benara and Father-in-law of Ms. Ketaki Benara
<b>Ms. Sarla Jain</b>	Wife of Mr. Panna Lal Jain, Mother of Mr. Vivek Benara and Mother-in law of Ms. Ketaki Benara
<b>Mr. Vivek Benara</b>	Son of Mr. Panna Lal Jain and Ms. Sarla Jain and husband of Ms. Ketaki Benara
<b>Ms. Ketaki Benara</b>	Daughter-in-law of Mr. Panna Lal Jain and Ms. Sarla Jain and Wife of Mr. Vivek Benara.

#### **We also confirm that:**

1. There are no arrangements or understanding with major shareholders, customers, suppliers or any other entity, pursuant to which any of the Directors or Key Management Personnel were selected as a Director or member of the senior management.
2. The Directors of our Company have not entered into any service contracts with our Company which provides for benefits upon termination of employment.
3. None of our Directors are on the RBI List of willful defaulters.
4. Further, none of our Directors are or were directors of any company whose shares were (a) suspended from trading by stock exchange(s) or (b) delisted from the stock exchanges during the term of their directorship in such companies.

5. None of the Promoters, persons forming part of our Promoter Group, Directors or persons in control of our Company, has been or is involved as a promoter, director or person in control of any other company, which is debarred from accessing the capital market under any order or directions made by SEBI or any other regulatory authority

#### **Details of Borrowing Powers of our Directors**

Pursuant to a special resolution passed at the Extra Ordinary General Meeting of our Company held on January 15, 2018 under the provisions of Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 and rules made there under, the Board of Directors of our Company is authorized to borrow monies from time to time in excess of aggregate of paid up capital and free reserves (apart from temporary loans obtained / to be obtained from bankers in the ordinary course of business), provided that the outstanding principal amount of such borrowing at any point of time shall not exceed in the aggregate of Rs. 100 Crore

#### **Director's association with the Securities Market**

None of the Directors of our Company are associated with securities market.

#### **Terms of appointment of our Directors**

The compensation payable to our Managing 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 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. Our Company has one (1) Managing Directors. The terms of the appointment of our Directors are set out below:

##### **Mr. Panna Lal Jain**

<b>Particulars</b>	<b>Remuneration</b>
Basic Salary	No remuneration is payable as he is Non-Executive Director
Designation	Non-Executive Chairman
Re-appointment as Chairman	September 29, 2017
Remuneration paid for F.Y. 2016-2017	9,60,000

##### **Mr. Vivek Benara**

<b>Particulars</b>	<b>Remuneration</b>
Basic Salary	12,00,000
Designation	Managing Director
Re-appointment as Managing Director	September 29, 2017
Remuneration paid for F.Y. 2016-2017	6,00,000

##### **Mrs. Sarla Jain**

<b>Particulars</b>	<b>Remuneration</b>
Basic Salary	No remuneration is payable as she is Non-Executive Director
Designation	Non-Executive Director
Re-appointment Director	September 29, 2017

Particulars	Remuneration
Remuneration paid for F.Y. 2016-2017	5,40,000

#### **Mrs. Ketaki Benara**

Particulars	Remuneration
Remuneration	4,00,000
Designation	Executive Director
Re-appointment Director	November 15, 2001
Remuneration paid for F.Y. 2016-2017	4,00,000

#### **Payment or benefit to Non-Executive Directors of our Company**

Apart from the remuneration of our Executive Directors as provided under the heading "Terms of appointment of Managing Director above, our Non-Executive Directors are entitled to be paid a sitting fee as decided by our board of directors subject to the limits prescribed by the Companies Act, 2013 and the rules made thereunder and actual travel, boarding and lodging expenses for attending the Board or committee meetings. They may also be paid commissions and any other amounts as may be decided by the Board in accordance with the provisions of the Articles, the Companies Act and any other applicable Indian laws and regulations.

#### **Shareholding of Directors in our Company**

The details of the shareholding of our Directors as on the date of this Prospectus are as follows.

Sr. No.	Name of the Shareholder	No. of Equity Shares	Percentage of Pre-Issue Capital (%)	Percentage of Post-Issue Capital (%)
1.	Mr. Panna Lal Jain	22,64,852	18.28	12.79
2.	Mr. Vivek Benara	21,79,012	17.59	12.31
3.	Ms. Sarla Jain	26,84,964	21.67	15.16
4.	Ms. Ketaki Benara	20,47,052	16.52	11.56
	<b>Total</b>	<b>91,75,880</b>	<b>74.06</b>	<b>51.82</b>

#### **Interest of Directors**

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

Our Directors may also be regarded as interested in the Equity Shares, if any, held by them or that may be subscribed by or allotted to their relatives or the companies, firms, trusts, in which they are interested as directors, members, partners, trustees and promoters, pursuant to this Issue. All of our Directors may also be deemed to be interested to the extent of any dividend payable to them and other distributions in respect of the said Equity Shares.

Our Directors may be deemed to be interested in the contracts, agreements/arrangements entered into or to be entered into by our Company with any Company in which they hold Directorships or any partnership firm in which they are partners. For further details, please refer to the chapter titled "Related Party Transaction" beginning on page 236 of this Prospectus.

Except as stated otherwise in this Prospectus, our Company has not entered into any contract, agreements or arrangements during the preceding 2 (two) years from the date of this Prospectus in which our Directors are interested directly or indirectly and no payments have been made to them in respect of such contracts, agreements or arrangements. For further details, please refer to chapter titled "Restated Financial Statements" beginning on page 238 of this Prospectus.

Further, our Directors may be interested to the extent of unsecured loans provided to the Company. For further details, please refer to chapter titled "Related Party Transactions" beginning on page 236 of this Prospectus

Further, none of our Directors have any interest in any property acquired by our Company within two (2) years of the date of this Prospectus or proposed to be acquired by it or in any transaction in acquisition of land or any construction of building. Further, except as disclosed under sub-section "Shareholding of Directors in our Company" above, none of our Directors hold any Equity Shares, Preference Shares or any other form of securities in our Company. Our Directors may also be interested to the extent of Equity Shares, if any, held by them or held by the entities in which they are associated as promoters, directors, partners, proprietors or trustees or held by their relatives or that may be subscribed by or allotted to the companies, firms, ventures, trusts in which they are interested as promoters, directors, partners, proprietors, members or trustees, pursuant to the Issue.

Other than as stated above and except as stated in the sections titled "Financial Information" and "Our Promoters and Promoter Group" beginning on pages 238 and 221 respectively of this Prospectus, our Directors do not have any other interest in the business of our Company.

None of the relatives of our Directors have been appointed to a place or office of profit in our Company. For further details, please refer to chapter titled "Our Management – Remuneration to Executive Directors" beginning on page 202 of this Prospectus.

### **Other Confirmations**

As on the date on this Prospectus:

1. There is no contingent or deferred compensation payable to any Director, Managing Director which has accrued for this year and payable in current or any future period.
2. There is no bonus or profit sharing plan for the Directors.
3. No amount or benefit has been paid or given within the 2 (two) preceding years or is intended to be paid or given to any of our Directors, except the normal remuneration for services rendered as Directors.

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

The changes in the Board of Directors of our Company in the last three (3) years are as follows:

<b>Sr. No.</b>	<b>Name of the Director &amp; Designation</b>	<b>Date of Appointment/ Reappointment/ Resignation</b>	<b>Reason</b>
1.	Vivek Benara – Director	December 24, 2015	Appointment
2.	Vivek Benara- Managing Director	September 29, 2017	Change in Designation
3.	Mr. Panna Lal Jain –Chairman	September 29, 2017	Change in Designation
4.	Mrs. Sarla Jain- Non-Executive Director	September 29, 2017	Change in Designation

<b>Sr. No.</b>	<b>Name of the Director &amp; Designation</b>	<b>Date of Appointment/ Reappointment/ Resignation</b>	<b>Reason</b>
5.	Avinash Kashyap – Independent Director	March 15, 2017	Appointment
6.	Nitesh Kumawat – Independent Director	November 17, 2017	Appointment

### **Compliance with Corporate Governance**

The requirements pertaining to the composition of the Board of Directors as per Section 149 of Companies Act, 2013 and the constitution of the committees such as the Audit Committee, Stakeholders Relationship Committee and Nomination and Remuneration Committees as per Section 177 & 178 of companies Act, 2013 will be applicable to our company on listing on SME platform of BSE and shall be complied with prior to listing.

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 consists of 6 directors of which 2 are Non-Executive Independent Directors, and we have 2 women director on the Board. The constitution of our Board is in compliance with Section 149 of the Companies Act, 2013 read with Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Our Company has constituted the following committees:

### **Committees of our Board**

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

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

#### **1. Audit Committee**

Our Company has constituted an audit committee ("Audit Committee"), as per section 177 of the Companies Act 2013 vide resolution passed in the meeting of the Board of Directors dated December 23, 2017. The constituted Audit Committee comprises following members:

<b>Name of the Director</b>	<b>Status</b>	<b>Nature of Directorship</b>
Mr. Nitesh Kumavat	Chairperson	Independent Director
Mr. Avinash Kashyap	Member	Independent Director
Mr. Panna Lal Jain	Member	Non-Executive Director

The Company Secretary and Compliance Officer of the Company would act as the Secretary to the Audit Committee.

The Audit Committee shall have following powers/responsibilities:

- (a) To investigate any activity within its terms of reference.
- (b) To seek information from any employee.

- (c) To obtain outside legal or other professional advice, and
- (d) To secure attendance of outsiders with relevant expertise if it considers necessary

The Audit Committee shall mandatorily review the following information:

- (a) Management discussion and analysis of financial condition and results of operations Statement of significant related party transactions (as defined by the audit committee), submitted by management;
- (b) Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
- (c) Management letters / letters of internal control weaknesses issued by the statutory auditors;
- (d) Internal Audit reports relating to internal control weaknesses; and
- (e) The appointment, removal and terms of remuneration of the Chief Internal Auditor.

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

The role of the Audit Committee not limited to but includes:

1. Overseeing the company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;
2. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees;
3. Approving payment to statutory auditors for any other services rendered by the statutory auditors;
4. Approving initial or any subsequent modification of transactions of the Company with related parties;
5. Scrutinizing inter-corporate loans and investments;
6. Valuation of undertakings or assets of the Company, wherever it is necessary;
7. Evaluation of internal financial controls and risk management systems;
8. Monitoring the end use of funds raised through public offers and related matters;
9. Reviewing, with the management, the annual financial statements before submission to the Board for approval, with particular reference to:
  - (a) Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
  - (b) Changes, if any, in accounting policies and practices along with reasons for the same;
  - (c) Major accounting entries involving estimates based on the exercise of judgment by management;
  - (d) Significant adjustments made in the financial statements arising out of audit findings;
  - (e) Compliance with listing and other legal requirements relating to financial statements;
  - (f) Disclosure of any related party transactions; and
  - (g) Qualifications in the draft audit report.
10. Reviewing, with the management, the half yearly financial statements before submission to the board for approval;

11. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
12. Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems;
13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
14. Discussing with the internal auditors any significant findings and follow up there on;
15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
16. Discussing with the statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
17. Looking into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
18. Reviewing the functioning of the Whistle Blower mechanism, in case the same is existing;
19. Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
20. Approving the appointment of the Chief Financial Officer (i.e. the whole time finance director or any other person heading the finance function) after assessing the qualifications, experience and background, etc., of the candidate;
21. To investigate any other matters referred to by the Board of Directors;
22. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee or contained in the equity listing agreements as and when amended from time to time.

Explanation (i): The term "related party transactions" shall have the same meaning as contained in the Accounting Standard 18, Related Party Transactions, issued by The Institute of Chartered Accountants of India.

### **Meeting of Audit Committee and relevant Quorum**

The committee shall meet at least four times in a year and not more than four months shall elapse between any two meetings. The quorum for the meeting shall be either two members or one third of the members of the committee, whichever is higher but there shall be presence of minimum two Independent members at each meeting. Meeting of the Audit Committee shall be called by at least seven day's notice in advance.

### **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.



## 2. Stockholder's Relationship Committee

Our Company has constituted a shareholder / investors grievance committee ("*Stakeholders' Relationship Committee*") to redress complaints of the shareholders. The Stakeholders Relationship Committee was constituted vide resolution passed at the meeting of the Board of Directors held on December 23, 2017.

The Stakeholder's Relationship Committee comprises the following Directors:

Name of the Director	Status	Nature of Directorship
Mrs. Sarla Jain	Chairperson	Non Executive Director
Mr. Vivek Benara	Member	Managing Director
Mrs. Ketaki Benara	Member	Director

The Company Secretary and Compliance Officer of our Company shall act as a Secretary to the Stakeholder's Relationship Committee.

The scope and function of the Stakeholder's Relationship Committee and its terms of reference shall include the following:

- (a) **Tenure:** The Stakeholder/ Investor 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 Stakeholder / Investor Relationship Committee as approved by the Board.
- (b) **Meetings:** The Stakeholder/ Investor Relationship Committee shall meet at least at least four times a year with maximum interval of four months between two meetings and shall report to the Board on a quarterly basis regarding the status of redressal of complaints received from the shareholders of the Company. The quorum for the meeting shall be either two members or one third of the members of the committee, whichever is higher.
- (c) **Terms of Reference:** Redressal of shareholders' and investors' complaints, including and in respect of:
  - (i) Efficient transfer of shares; including review of cases for refusal of transfer / transmission of shares and debentures;
  - (ii) Redressal of security holders's/investor's complaints Efficient transfer of shares; including review of cases for refusal of transfer / transmission of shares and debentures;
  - (iii) Reviewing on a periodic basis the approval/refusal of transfer or transmission of shares, debentures or any other securities;
  - (iv) Issue of duplicate certificates and new certificates on split/consolidation/renewal;
  - (v) Allotment and listing of shares;
  - (vi) Reference to statutory and regulatory authorities regarding investor grievances; and
  - (vii) To otherwise ensure proper and timely attendance and redressal of investor queries and grievances;
  - (viii) Any other power specifically assigned by the Board of Directors of the Company.

## 3. Nomination and Remuneration Committee

Our Company has constituted a Nomination and Remuneration Committee in accordance section 178 of Companies Act 2013. The constitution of the Nomination and Remuneration Committee was approved by a Meeting of the Board of Directors held on December 23, 2017.

The Nomination and Remuneration Committee comprises the following Directors:

<b>Name of the Director</b>	<b>Status</b>	<b>Nature of Directorship</b>
Mr. Avinash Kashyap	Chairperson	Independent Director
Mr. Nitesh Kumavat	Member	Independent Director
Mrs. Sarla Jain	Member	Non-Executive Director

The Company Secretary and Compliance Officer 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 arise 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. Meeting of the Nomination and Remuneration/Compensation Committee shall be called by at least seven day's notice in advance.

The quorum for the meeting shall be one third of the total strength of the committee or two members, whichever is higher. Meeting of the Nomination and Remuneration Committee shall be called by at least seven day's notice in advance.

- C. **Terms of Reference:**
  - a) Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to the level and composition of remuneration of the directors, key managerial personnel and other employees;
  - b) Formulation of criteria for evaluation of independent directors and the Board;
  - c) To ensure that the relationship of remuneration to performance is clear and meets appropriate performance benchmarks;
  - d) Devising a policy on Board diversity; and
  - e) Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal.

#### **4. Corporate Social Responsibility Committee**

Our Company has constituted a Corporate Social Responsibility Committee in accordance section 135 of Companies Act 2013. The constitution of the Corporate Social Responsibility Committee was approved by a Meeting of the Board of Directors held on December 23, 2017.

The Corporate Social Responsibility Committee comprises the following Directors:

<b>Name of the Director</b>	<b>Status</b>	<b>Nature of Directorship</b>
Mr. Avinash Kashyap	Chairperson	Independent Director
Mr. Panna Lal Jain	Member	Non-Executive Director

<b>Name of the Director</b>	<b>Status</b>	<b>Nature of Directorship</b>
Mrs. Ketaki Benara	Member	Executive Director

A. **Tenure:** The Corporate Social Responsibility Committee shall continue to be in function as a committee of the Board until otherwise resolved by the Board.

**B. Terms of Reference:**

- To formulate, revise and recommend to the Board, a CSR policy which shall indicate the activities to be undertaken by the Company as per the Companies Act, 2013;
  - To review and recommend the amount of expenditure to be incurred on the activities to be undertaken by the company;
  - To monitor the CSR policy of the Company from time to time;
  - Any other matter as the CSR Committee may deem appropriate after approval of the Board of Directors or as may be directed by the Board of Directors from time to time.

**C. Policy on disclosure and internal procedure for prevention of Insider Trading:**

The provisions of Regulation 9(1) of the SEBI (Prohibition of Insider Trading) Regulations, 2015 will be applicable to our Company immediately upon the listing of its Equity Shares on the SME Platform of BSE Limited. We shall comply with the requirements of the SEBI (Prohibition of Insider Trading) Regulations, 2015 on listing of Equity Shares on stock exchanges. Further, Board of Directors at their meeting held on November 20, 2017 have formulated and adopted the code of conduct to regulate, monitor and report trading by its employees and other connected persons. Ms. Artee Sahu, Company Secretary & Compliance Officer will be responsible for setting forth policies, procedures, monitoring and adherence to the rules for the preservation of price sensitive information and the implementation of the Code of Conduct under the overall supervision of the board

**5. IPO Committee:**

Our Company has constituted a IPO Committee vide Board Resolution dated December 23,2017.

**Committee Members:**

<b>Name of the Director</b>	<b>Status</b>	<b>Nature of Directorship</b>
Mr. Panna Lal Jain	Chairman	Director
Mr. Vivek Benara	Member	Managing Director
Mr. Avinash Kashyap	Member	Independent Director

**RESOLVED FURTHER THAT** IPO Committee shall have the following Rules for its working:

▪ **Chairman of the Committee:**

In the absence of the Chairman of the IPO Committee from the meeting, the members of the IPO Committee shall elect one of its members as the Chairman of that Committee meeting.

▪ **Quorum:**

The Quorum for the committee meeting shall be the presence of any 2 (two) of the members.

▪ **Decision & Voting Power:**

All the decision of the committee shall be taken by vote of majority. Members of the committee shall be entitled to vote, in case of equality. The Chairman shall have one casting vote.

The Secretary and Chief Financial Officer of the Company shall attend and participate at but shall not have the right to vote.

▪ **Responsibility of Committee:**

The IPO Committee exercises powers in relation to the matters listed below:

1. the IPO Committee has been constituted to decide the terms and conditions of the Issue, finalisation and filing of the Draft Prospectus and this Prospectus with SEBI, the Stock Exchanges and other regulatory bodies as may be required;
2. handle all matter relating to appointment of intermediaries and advisors in relation to the IPO;
3. deciding on allocation of the equity shares to specific categories of persons;
4. opening of bank accounts, securities account, escrow or custodian accounts, submitting applications and seeking listing of Equity Shares with the Stock Exchanges;
5. determining and finalising the price band, bid opening and closing date of this Issue, approving and finalising the 'Basis of Allocation';
6. determining the price at which the Equity Shares are to be offered to the investors; 7. settling difficulties and doubts arising in relation to the IPO;
7. empowering the authorized officers to enter into and execute any agreements or arrangements in relation to the IPO; and
8. carry out all acts and take all decisions as may be necessary for the purposes of the IPO and listing.

## Management Organizational Structure



## **Profiles of our Key Managerial Personnel**

The details of the Key Managerial Personnel as on the date of this Prospectus are set out below.

### **Mr. Vivek Benara**

Mr. Vivek Benara is the Managing Director of our Company. For further details, in relation to Mr. Panna Lal Jain, please see "Our Management – Brief Biographies of the Directors" beginning on page 202

### **Mr. Vipin Jain**

Mr. Vipin Jain, is the Chief Financial Officer of our Company and was appointed on March 17, 2017. He has been associated with our Company since 21 years. He holds a Master's degree in Commerce from University of Rajasthan. He has over 21 years of experience. He is responsible for the complete financial operations of the Company. During the financial year 2016-2017, he was paid a gross compensation of Rs. 4,06,000.

### **Ms. Artee Sahu**

Ms. Artee Sahu is the Company Secretary of our Company and has been associated with our Company since November 1, 2017. She holds a certificate of membership from the INstitute of Company Secretaries of India dated August 25, 2017.

### **Mr. Sanjay Jain**

Mr. Sanjay Jain, is the Vice-President, Spare Part Division, of our Company and has been associated with our Company since last four and half years. He holds a Masters' degree in Commerce from Delhi University. During the financial year 2016-2017, he was paid a gross compensation of Rs. 18,00,000.

### **Mr. Adarsh Ratan Soni**

Mr. Adarsh Ratan Soni, is the Vice-President, Battery Division of our Company and has been associated with the Company since last two years. He holds a Bachelor's degree in Commerce from Allahabad University. He has around 25 years of experience with companies in consumer durables, hospitality industries, power solutions and battery industries. Prior to joining Benara Group in 2015, Mr. Soni was associated with the Companies in the Consumer Durables Business like, Su-Kam, Nuchem Limited, Usha Shriram and hospitality industries like Sterling Holiday and Resorts Ltd. During the financial year 2016-2017, he was paid a gross compensation of Rs. 18,00,000.

### **Mr. Sunil Dayal**

Mr. Sunil Dayal, is the Vice-President, Solar Division of our Company and has been associated with our Company since last two years. He holds a bachelor's degree in Engineering & Economics from the Indian Institute of Technology, Delhi. Mr. Dayal is responsible for Concept to Commissioning activities of Solar PV Plants. Additionally, Sunil Dayal has been involved in developing business of more than 1000 MW Solar PV plants in India both as utility as well as rooftop. During the financial

year 2016-2017, he was paid a gross compensation of Rs. 18,75,000.

#### **Mr. Vipul Jain**

Mr. Vipul Jain is the General Manager, Exports and Procurement department of our Company and has been associated with our Company since last seven years. He holds a masters degree in Chemical Engineering from Illinois Institute of Technology, Chicago-USA. Mr. Jain started his professional career as a Process Testing Engineer with an American company dealing in American government and army based chemical testing projects. He is an integral part of the Benara Group Product Sourcing Team. With his expertise in sourcing & liasioning, Vipul has been instrumental in taking charge of the Group's Export Division. During the financial year 2016-2017, he was paid a gross compensation of Rs. 9,65,000.

#### **Mr T.C. Badhan**

Mr. T.C. Badhan, is the Technical Director, Pistons and Blocks, of our Company and has been associated with our Company since last one and half year. He holds a masters degree in Mechanical Engineering. He has wide professional experience in the field of Piston and Cylinder Block production. He has previously worked with companies as Production Head. During the financial year 2016-2017, he was paid a gross compensation of Rs. 5, 40,000.

#### **Status of Key Management Personnel in our Company**

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

#### **Shareholding of Key Management Personnel in our Company**

Except as disclosed below, none of the Key Management Personnel holds Equity Shares in our Company as on the date of this Prospectus.

<b>Sr. No.</b>	<b>Name of the KMP</b>	<b>No. of Equity Shares</b>	<b>Percentage of Pre- Offer Capital (%)</b>
1.	Mr. Panna Lal Jain	22,64,852	18.28
2.	Mr. Vivek Benara	21,79,012	17.59

#### **Bonus or profit sharing plan of the Key Managerial Personnel**

Our Company does not have a performance linked bonus or a profit sharing plans for the Key Management Personnel. However, our Company pays incentive to all its employees based on their performance including the Key Managerial Personnel's of our Company.

#### **Interests of Key Management Personnel**

The Key Management Personnel do not have any interest in our Company other than to the extent of the remuneration and their shareholding in the company or benefits to which they are entitled to as per their terms of appointment and reimbursement of expenses incurred by them during the ordinary course of business.

### **Payment of Benefits to Officers of our Company (*non-salary related*)**

Except as disclosed in the heading titled "Annexure"- XXVI Restated statement of *Related Party Transactions*" in the section titled "*Restated Financial Statements*" beginning on page 238 of this Prospectus, no amount or benefit has been paid or given within the three preceding years or is intended to be paid or given to any of our officers except the normal remuneration for services rendered as officers or employees.

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 super-annuation, 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.

Except as stated under section titled "*Financial Information*" beginning on page 238 of this Prospectus, none of the beneficiaries of loans and advances or sundry debtors are related to our Company, our Directors or our Promoter.

### **Retirement Benefits**

Except as provided for in the terms of appointment, our Company does not provide any specific retirement benefits.

### **Relationship amongst the Key Managerial Personnel of our Company**

Except as disclosed below, there is no family relationship amongst the Key Managerial Personnel of our Company.

<b>Name of Key Managerial personnel</b>	<b>Relationship</b>
Mr. Vivek Benara	Son of Mr. Panna Lal Jain

### **Appointment of relatives of Directors to any office or place of profit**

Other than as disclosed above under "*Our Management*" - *Relationship amongst the Key Managerial Personnel*" on page 202, none of the relatives of our Directors currently hold any office or place of profit in our Company.

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

Except as disclosed in chapter titled "*Our Management – Nature of any family relationship between our Directors*" beginning on page 202 of this Prospectus, there are no family relationships between the Directors and Key Managerial Personnel of our Company.

### **Arrangement and Understanding with Major Shareholders/Customers/ Suppliers**



None of the above Key Managerial Personnel have been selected pursuant to any arrangement/understanding with major shareholders/customers/suppliers.

#### **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.

#### **Employee Stock Option or Employee Stock Purchase**

Our Company has not granted any options or allotted any Equity Shares under the ESOP Scheme as on the date of this Prospectus.

#### **Loans availed by Directors / Key Managerial Personnel of our Company**

None of the Directors or Key Managerial Personnel's have availed loan from our Company which is outstanding as on the date of this Prospectus.

#### **Contingent or Deferred Compensation**

None of our Key Managerial Personnel have received or are entitled to any contingent or deferred compensation.

#### **Changes in our Company's Key Managerial Personnel during the last three (3) years**

The changes in the Key Managerial Personnel of our Company in the last three (3) years are as follows:

<b>Sr. No.</b>	<b>Name of the Key Managerial Personnel &amp; Designation</b>	<b>Date of Appointment/ Resignation</b>	<b>Reason</b>
1	Mr. Panna Lal Jain – Chairman	September 29, 2017	Change in Designation
2	Mr. Vivek Benara – Managing Director	September 29, 2017	Appointment
3	Ms. Artee Sahu –Company Secretary	November 1, 2017	Appointment
4	Mr. Vipin Jain – Chief Financial Officer	March 17, 2017	Appointment

## OUR PROMOTERS AND PROMOTER GROUP

### OUR PROMOTERS

The Promoters of our Company are Mr. Panna Lal Jain and Mr. Vivek Benara. As on the date of this Prospectus the Promoters hold 444,386 Equity Shares in aggregate, which is equivalent to 35.86% of the pre-Issue issued, subscribed and paid-up Equity Share capital of our Company.

#### The Brief profile of our Promoters is as under:

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**Mr. Panna Lal Jain**

Mr. Panna Lal Jain aged 71 years, has been associated with our Company since incorporation. He is the chairman non-executive Director of the Company. He is one of the co-founder/Promoter and the Chairman and Managing Director of our Company. Mr. Panna Lal Jain is the driving force behind the brand name of the Company "BENARA". Mr. Panna Lal Jain holds a degree in Bachelors of Engineering from IIT Roorkee and has over 45 years of experience in bearing industry. His knowledge and understanding coupled with his vision and drive to promote the growth of our Company is the motivating factor for establishing our brand name "BENARA" in the bearing industry. With the support of Mr. Panna Lal Jain, our Company has been able to accomplish its presence in India as well as in the International market.

**Nationality:** Indian

**PAN:** ACLPJ8868Q

**Passport No:** P1943796

**Voter ID:** Not available

**DIN:** 00204869

**Address:** House No. 1/205, Hari Parvat, Professor Colony, Agra, Civil Line, Uttar Pradesh 282002.

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**Mr. Vivek Benara**

Mr. Vivek Benara, aged 44 years, has been associated with our Company since 1994 and has been appointed on the Board of our Company since December 24, 2015. He is the Managing Director of our Company. He holds a Bachelor's degree in Mechanical Engineering from University of Pune. He has over 20 years of experience in the field of Auto Component Industry including production of Pistons, Piston Pins, Piston Rings, Cylinder Liners, Sleeves and Air Cooled Blocks, Real Estate/Retailing. Besides, he has ventured into solar power business of our group in January 2016. He is responsible for our Company's strategic financial planning, relationship building, promoting the brand, building the team and promoting the sales of our Company in the national and international markets. He is overall responsible for project management, research and analysis in the automotive industry and customer relationship.

**Nationality:** Indian

**PAN:** AERP3798K

**Passport No:** Z3153964

**Voter ID:** SZX0374975

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**DIN:**00204647

**Address:** House No. 1/205, HariParvat, Professor Colony, Agra, Civil Line, Uttar Pradesh 282002

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For further details relating to Mr. Panna Lal Jain and Mr. Vivek Benara, including terms of appointment, please refer to chapter titled "*Our Management*" beginning on page 202 of this Prospectus.

### **Interest of Promoters**

Our Promoters are interested in our Company to the extent that they have promoted our Company and to the extent of their shareholding and the dividend receivable, if any, and other distributions in respect of the equity shares held by them. For details regarding shareholding of our Promoters in our Company, please refer to the chapter titled "*Capital Structure*" beginning on page 93 of this Prospectus.

Some of our Promoters may also be deemed to be interested in our Company to the extent of their shareholding in our Group Companies and which our Company transacts during the course of its operations.

Further, our Promoters have extended unsecured loans amounting to `38.13 Lakhs as on September 30, 2017, and is therefore, interested to the extent of the said loans. Accordingly, our Promoters may be interested in our Company to that extent. Also, our Promoters have provided personal guarantee to Axis Bank pursuant to loan provided by Axis Bank to the Company. For details regarding the loans availed by our Company from Promoters, see "Financial Indebtedness" on page 324.

Some of our Promoters are the Directors of our Company and may be deemed to be interested to the extent of remuneration and/or reimbursement of expenses payable to them for services rendered to us in accordance with the provisions of the Companies Act, and in terms of the agreements entered into with our Company, if any, and AoA of our Company. For details, please refer to the chapters titled "*Our Management*", "*Financial Statements*" and "*Capital Structure*" beginning on pages 202, 238 and 93 of this Prospectus.

Our Promoters do not have any other interest in any property proposed to be acquired by our Company in a period of two years before filing this Prospectus or in any transaction by our Company for acquisition of land, construction of building or supply of machinery.

Our Promoters are not interested as a member of a firm or a company, and no sum has been paid or agreed to be paid to our Promoters or to such firm or company in cash or shares or otherwise by any person for services rendered by them or by such firm or company in connection with the promotion or formation of our Company.

Other than as disclosed in our Financial Statements, our Company has not entered into any contracts, agreements or arrangements during the preceding two years from the date of this Prospectus. For details of related party transactions entered into by our Company during last financial year with our Promoters and Group Companies, the nature of transactions and the cumulative value of transactions, please refer to the chapter titled "*Related Party Transactions*" beginning on page 236 of this Prospectus.

## Other Ventures of our Promoters

Save and except as disclosed in the chapter titled, "*Our Promoter and Our Promoter Group*" and "*Our Group Companies*" beginning on page 221 and 227 respectively of this Prospectus, there are no ventures promoted by our Promoters in which they have any business interests/ other interests.

## Related Party Transactions

For details of related party transactions entered by our Promoters, members of our Promoter Group and our Company during the last financial year, the nature of transactions and the cumulative value of transactions, refer to the chapter titled "*Related Party Transactions*" beginning on page 236 of this Prospectus.

## Payment of benefits to our Promoters

Except as stated in the chapter titled "*Related Party Transactions*" and "*Our Management*" beginning on pages 236 and 202 respectively, there has been no payment of benefits to our Promoters during the two years preceding the date of filing of this Prospectus.

## Companies with which our Promoters have disassociated in the last three years

Our Promoters have disassociated themselves from the following entities/firms during the preceding three year from the Prospectus.

Sr. No	Name of Director	Disassociated Entity	Date of Disassociation
1.	Mr. Panna Lal Jain	Benara Infrastructure Development Private Limited	July 31, 2017

## Changes in Control

Except as stated in the chapter titled "*Our Management -Changes in our Company's Board of Directors during the last three (3) years and Changes in our Company's Key Managerial Personnel during the last three (3) years*" beginning on page 202 of this Prospectus, there has been no change in the management or control of our Company in the last three years.

## OUR PROMOTER GROUP

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

### A. Individuals who are immediate relatives of our Promoters:

Relationship with Promoters	Panna Lal Jain	Vivek Benara
Father	Mr. MishriLal Jain	Mr. Panna Lal Jain

Relationship with Promoters	Panna Lal Jain	Vivek Benara
Mother	Mrs. Asharfi Devi Jain	Mrs. Sarla Jain
Brother	Mr. NiranjanaLal Jain Mr. RatanLal Jain Mr. MadanLal Jain	N.A.
Sister	N.A.	Mrs. Anu Jain Mrs. Ruchi Jain
Spouse	Mrs. Sarla Jain	Mrs. Ketaki Benara
Son	Mr. Vivek Benara	Mr. AradhyaBenara Mr. DevanshBenara
Daughter	Mrs. Anu Jain Mrs. Ruchi Jain	N.A.
Spouse's Father	Mr. Pannalal Jain	Mr. JigneshSogani
Spouse's Mother	Mrs. BhooriBai Jain	Mrs. VeenaSogani
Spouse's Brother	Mr. Mahavir Pandya Mr. Surendra Pandya Mr. Anil Pandya	Mr. Rahul Sogani
Spouse's Sister	N.A.	N.A.

**B. Entities and Body Corporate forming part of our Promoter Group:**

The entities and body corporate forming part of the Promoter Group are as follows:

1. HFM Agro Industries Private Limited
2. HFM Housing Private Limited
3. HFM Logiware Private Limited
4. Harak Chandra Flour Mills Limited
5. Stellex Watt-Sun Energy Private Limited
6. Fore Square Retail Private Limited
7. Benara Liners Limited
8. Thakurji Towers Private Limited
9. Sky Mark Leasing & Finance Limited
10. D.V. Enterprises Private Limited
11. Benara International Private Limited
12. Benara Solar Private Limited
13. Panna Lal Jain HUF
14. Vivek Benara HUF
15. Durga Co
16. Jinesh Chandra Sogani HUF
17. MadanLal Jain HUF
18. Mahaveer Kumar Pandya HUF
19. NiranjanaLal Jain HUF
20. RatanLal Jain HUF
21. Vikas Jain HUF
22. Benara Engineering Company
23. Vinay Iron Foundry
24. Securitrans Trading Private Limited (subsidiary company)
25. BenaraAutomotives Private Limited

26. Benara Bi-metal Private Limited
27. Benara Engines Spares Private Limited
28. Benara Infratech Private Limited

**C. Other Natural Persons forming part of our Promoter Group:**

No other natural persons are forming part of our Promoter Group.

The Promoter Group of our Company does not include Mr. Hira Lal Jain, who is brother of our Promoter Mr. Panna Lal Jain, Mr. Mahendra Pandya and Mr. Kranti Kumar Pandya, who are the brothers of our Promoter's Spouse, i.e. brother of Mrs. Sarla Jain, wife of our Promoter Mr. Panna Lal Jain, or any entity in which Mr. Hira Lal Jain, Mr. Mahendra Pandya and Mr. Kranti Kumar Pandya may have interest since they have refused to provide any information pertaining to them and other entities they may have interest.

**Relationship of Promoters with our Directors**

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

Promoters	Directors	Relationship
Mr. Panna Lal Jain	Mr. Vivek Benara	Father of Mr. Vivek Benara
	Mrs. Sarla Jain	Husband of Mrs. Sarla Jain
	Ms. Ketaki Benara	Father-in-law of Mrs. Ketaki Benara
Mr. Vivek Benara	Mr. Panna Lal Jain	Son of Mr. Panna Lal Jain
	Mrs. Sarla Jain	Son of Mrs. Sarla Jain
	Mrs. Ketaki Benara	Husband of Mrs. Ketaki Benara

**Litigation involving our Promoters**

For details of legal and regulatory proceedings involving our Promoters, please refer to the chapter titled "Outstanding Litigation and Material Developments" on page 327 of this Prospectus.

Our Company, our Promoters and their relatives (as defined under Companies Act, 2013) have not been identified as wilful defaulters in terms of the SEBI (ICDR) Regulations. Further, there are no violations of securities laws committed by our Promoters in the past and no proceedings for violation of securities laws are pending against them.

Our Promoters and Promoter Group entities have not been prohibited from accessing the capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority.

Our Promoters are not and have never 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 SEBI or any other regulatory or governmental authority.

Except as disclosed in this Prospectus, our Promoters are not interested in any entity which holds any intellectual property rights that are used by our Company.



## OUR GROUP COMPANIES

In accordance with the provisions of the SEBI (ICDR) Regulations, for the purpose of identification of "Group Companies", our Company has considered companies as covered under the applicable accounting standards, i.e. Accounting Standard 18 issued by the Institute of Chartered Accountant of India and such other companies as considered material by our Board. Pursuant to a resolution dated December 23, 2017 our Board vide a policy of materiality has resolved that except as mentioned in the list of related parties prepared in accordance with Accounting Standard 18 no other Company is material in nature.

Further, companies which have not been disclosed as related parties in the restated financial statements of our company for the last five financial years or which are no longer associated with our Company have not be disclosed as Group Companies.

For, avoidance of doubt, it is clarified that our Subsidiary Company shall not be considered as Group Company.

Based on the above, the following are our Group Companies:

1. Benara Bi-metal Private Limited
2. Benara Engines Spares Private Limited
3. Fore Square Retail Private Limited
4. Sky Mark Leasing and Finance Limited
5. Benara International Private Limited
6. Benara Infratech Private Limited

### OUR GROUP COMPANIES:

The Details of our Group Companies are provided below:

#### **1. Benara Bi-metals Private Limited**

Benara Bi-metal Private Limited ("BBMPL") is a private company incorporated on May 11, 1990 under the provisions of Companies Act 1956. BBMPL has its registered office at 15 Km Mile Stone Artoni Agra 282007, Uttar Pradesh.

The Corporate Identification Number of BBMPL is U27107UP1990PTC011890

The objects of BBMPL are as follows:

1. *To carry on the business of manufacturing, buying, selling, importing and exporting and otherwise dealing in bi-metal and tri-metal strips, bearings, bushes, crank-shaft, thick ball bearings, thrust washers, strips used in engine.*
2. *To carry on the business of manufacturing, buying, selling, importing and exporting of engine parts used in diesel engine and all types of auto mobile engine*

#### **Board of Directors**



NAME	DESIGNATION	DIN
Niranjantal Jain	Director	01851265
Neeraj Benara	Director	01851271
Meghna Jain	Director	01851282

### ***Capital Structure***

PARTICULARS	In Rs.
Authorized Share Capital	3000000
Issued, Subscribed and Paid-up Share Capital	3000000

### ***Interest of our Promoters***

Our Promoter, Mr. PannaLal Jain is a promoter of BBMPL and hold 1000 shares in BBMPL which amounts to 0.33% of the total shareholding of BBMPL.

### ***Financial Information***

PARTICULARS	MARCH 31, 2017	MARCH 31, 2016	MARCH 31, 2015
Equity Capital	30,00,000	30,00,000	30,00,000
Reserve	9,86,712.50	9,87,879.76	10,26,530
Net Asset Value	13.28	13.29	13.42

## **2. Benara Engines Spares Private Limited**

Benara Engines Spares Private Limited ("BESPL") was originally incorporated as a private company on August 26, 2010 with the name Benara Engines Spares Private Limited under the provisions of Companies Act 1956. The registered office of BESPL is located at 11 Km Mile Stone Artoni Agra 282007, Uttar Pradesh.

The Corporate Identification Number of BESPL is U29253UP2010PTC041794

The objects of BESPL are as follows:

- To carry on the business of manufacturing, buying, selling, importing, exporting, trading and otherwise dealing in bi-metal and tri-metal Strips, Bearings and Bushes of all kinds, Bushes, Crank-shaft, thick wall bearings, thrust washers, Strips used in Engine and other spare parts related to above, water pumps and all kinds of spares of the same.*
- To carry on the business of manufacturing, buying, selling, importing and exporting of Engine Parts used in Diesel Engine and all types of Auto mobile Engine.*

### ***Board of Directors***

NAME	DESIGNATION	DIN
Mukesh Benara	Director	00461839
Aditya Benara	Director	03183940

### ***Capital Structure***

<b>PARTICULARS</b>	<b>In Rs.</b>
Authorized Share Capital	25,00,000
Issued, Subscribed and Paid-up Share Capital	19,50,000

### ***Interest of our Promoters***

None of our Promoters are interested in BESPL.

### ***Financial Information***

<b>PARTICULARS</b>	<b>MARCH 31, 2017</b>	<b>MARCH 31, 2016</b>	<b>MARCH 31, 2015</b>
Equity Capital	19,50,000	19,50,000	19,50,000
Reserve	(1,13,79,869)	23,26,596.20	20,34,384.28
Net Asset Value	(48.35)	21.93	20.43

### **3. Fore Square Retail Private Limited**

Fore Square Retail Private Limited ("FSRPL") was originally incorporated as a private company under the name of Aurum Finvest Securities Private Limited on July 11, 1996 under the Companies Act, 1956. A fresh certificate of incorporation was issued to the company upon change of name from Aurum Finvest Securities Private Limited to Benara Automart Private Limited on September 5, 2002. A fresh certificate of incorporation was issued to the company upon change of name from Benara Automart Private Limited to Benara Retail Private Limited on

June 13, 2007 under the provision of Companies Act, 1956. Thereafter, another certificate of incorporation was issued to the company upon change of name from Benara Retail Private Limited to Fore Square Retail Private Limited on April 2, 2008 under the provisions of Companies Act, 1956. The registered office of FSRPL is located at 4/1, First Floor East Patel Nagar, 110008 New Delhi.

The Corporate Identification Number of FSRPL is U67120DL1996PTC080307

The objects of FSRPL are as follows:

- 1. carry on the retail business of all kinds of consumable products, goods, apparels and accessories , toys, liquors, drugs & medicines, daily needs and all items for retail distribution and services and to run and manage outlets, service centres and chains of various branded and all types of items of various companies and to render management, marketing, import, export and administrative services and all types of services including mall, property and multiplex management services directly or on behalf of the client.*
- 2. To organize, run, maintain, operate and promote the business of franchise of various companies for the marketing of their products and to set up, run and manage malls, shopping and commercial complex, retail and wholesome and retail stores of various products.*
- 3. To carry on the retail business of all kinds of vehicles, their parts, spares, services and accessories, automobiles, automobiles parts, components, industrial and machinery parts*

*and spares and other related items.*

#### **Board of Directors**

NAME	DESIGNATION	DIN
Vivek Benara	Director	00204647
Ketaki Benara	Director	00204749

#### **Capital Structure**

PARTICULARS	In Rs.
Authorized Share Capital	10000000
Issued, Subscribed and Paid-up Share Capital	10000000

#### **Interest of our Promoters**

1. Our Promoter, Mr. Vivek Benara is the Director and Promoter of the FSRPL and is the shareholder of the company holding 4,01,000 shares which amounts to 40.10% of the total share capital of the company.
2. Our Promoter, Mr. Panna Lal Jain is the Director and Promoter of the FSRPL and is the shareholder of the company holding 1,15,000 shares which amounts to 11.50% of the total share capital of the company.

#### **Financial Information**

PARTICULARS	MARCH 31, 2017	MARCH 31, 2016	MARCH 31, 2015
Equity Capital	-	-	100,00,000
Reserve	-	-	83,70,667.31
Net Asset Value	-	-	18.37

Our Group Company FSRPL in under liquidation.

#### **4. Sky Mark Leasing and Finance Limited**

Sky Mark Leasing and Finance Limited ("SLFL") is a public company incorporated on October 21, 1992. The registered office of SLFL is located at M-3, Dewan House Ajay Enclave, Subhash Nagar, New Delhi 110018.

The Corporate Identification Number of SLFL is L74899DL1992PLC050717

The objects of SLFL are as follows:

*To Finance Industrial Enterprises by way of making loans or advances to Private industrial enterprise in India.*

1. *To purchase or otherwise acquire, erect, maintain, sell, give on lease all Kind of movable and immovable properties, assets equipments, articles, plant, machinery, factories, furniture, fixtures, building, electrical installations, Apparatus, accessories, appliances, vehicles, materials, goods or things, of any description that the Company may deem fit or otherwise deal with them in any Manner whatsoever.*

2. *To carry on the business of a leasing finance company and to finance leasing Operation or hiring operation of all kinds or to acquire, to provide on lease On purchase basis all types of industrial and office plant, equipments machinery, building and real estate ships, computers, aircrafts and all types of consumer Commercial or industrial items.*
3. *To finance the industrial, construction and other commercial or service enterprises by way of lending and advancing money, on machinery, land, building, Shed either with or without security and upon such terms and conditions as the Company may think fit and to give guarantee or become sorties for the performance of any agreement or contract entered in. To lend money and negotiation Lean of every description and to transact business as promoters, financiers and monetaly agents in India and elsewhere provided company shall not carry and banking business within the meaning of banking regulation act, 1949.*

#### ***Board of Directors***

<b>NAME</b>	<b>DESIGNATION</b>	<b>DIN</b>
Ravi Shankar Upadhyaya	Director	00732185
Manoj Pandey	Director	00737053
Shivendra Sharma	Director	02771036
Sudhir Kumar Jain	Director	02771079
Nirmala Devi Jain	Director	07140728
Mamta Jain	Director	07156614

#### ***Capital Structure***

<b>PARTICULARS</b>	<b>In Rs.</b>
Authorized Share Capital	3,50,00,000
Issued, Subscribed and Paid-up Share Capital	3,25,06,000

#### ***Interest of our Promoters***

Our promoters, Mr. Panna Lal Jain and Mr. Vivek Benara are shareholders of the Company, holding shares to the tune of 1,50,870 and 1,50,000 respectively which amounts to 4.64% and 4.61% respectively of the total share capital of the Company.

#### ***Financial Information***

<b>PARTICULARS</b>	<b>MARCH 31, 2017</b>	<b>MARCH 31, 2016</b>	<b>MARCH 31, 2015</b>
Equity Capital	3,25,06,000	3,25,06,000	3,25,06,000
Reserve	35,89,564	35,98,345	35,59,601
Profit after Tax	(8781)	38,745	2,98,759
Earnings per share (Basic)	0.00	0.01	0.09
Earnings per share (Diluted)	0.00	0.01	0.09
Net Worth	3,60,95,564	3,61,04,345	3,60,65,601
Net Asset Value	11.10	11.11	11.10

#### **5. Benara International Private Limited**

Benara International Private Limited ("BIPL") was originally incorporated as Benara Motors Private

Limited on May 18, 2001 under the provisions of Companies Act,1956. A fresh certificate of incorporation was issued to the company pursuant to change in name from Benara Motors Private Limited to Benara International Private Limited. The registered office of BIPL is located at A 4 Site B Industrial Area, Sikandra, Agra, 28007, Uttar Pradesh.

The Corporate Identification Number of BIDPL is U50401UP2001PTC026046

The objects of BIPL are as follows:

- 1. To carry on all or any of the business of buyers, sellers, distributors, representatives, stockiest supplier, importers, exporters, retail dealers, wholesale dealers, showrooms owners in motor cars, motor buses, light commercial vehicle, heavy commercial vehicle, motor vans, multiple utility vehicles, jeeps, Omni buses, chassis, trucks, trollers, trolleys, motors cycles, scooters, two wheelers, three wheelers and other conveyances of all kinds, descriptions and nature suitable for running on petrol, diesel, CNG, electrical battery, gases solar energy or any other mode of fuel and energy whatsoever and of engines, chassis, bodies tools and implements spare parts and consumables.*
- 2. To carry on the business of running and operating of repairing houses, workshops, service centers, showrooms of spare parts and consumables, ware houses, machine shops, garage, store house for the housing of such vehicle.*

#### ***Board of Directors***

NAME	DESIGNATION	DIN
VivekBenara	Director	00204647
KetakiBenara	Director	00204749
PannaLal Jain	Director	00204869
Sarla Jain	Director	00204813

#### ***Capital Structure***

PARTICULARS	In Rs.
Authorized Share Capital	1,25,00,000
Issued, Subscribed and Paid-up Share Capital	82,20,000

#### ***Interest of our Promoters***

Our promoters, Mr. Panna Lal Jain and Mr. Vivek Benara are promoters of BIPL and are also holding shares to the tune of 1,68,000 and 1,68,000 respectively which amounts to 20.44% and 20.44% respectively of the total share capital of the Company.

#### ***Financial Information***

PARTICULARS	MARCH 31, 2017	MARCH 31, 2016	MARCH 31, 2015
Equity Capital	82,20,000	82,20,000.00	82,20,000.00
Reserve	(8,84,24,997)	(7,13,47,606.51)	(44,574,890.72)
Profit after Tax	(1,70,77,391.47)	(2,65,32,716.37)	(39,523,469.21)

PARTICULARS	MARCH 31, 2017	MARCH 31, 2016	MARCH 31, 2015
Earnings per share (Basic)	-20.78	-32.57	(48.08)
Earnings per share (Diluted)	-20.78	-32.57	(48.08)
Net Worth	(8,02,04,997)	(6,31,27,606)	(3,63,54,890)
Net Asset Value	(9.76)	(7.68)	(4.42)

## 6. Benara Infratech Private Limited

Benara Infratech Private Limited ("BIFPL") is a private company incorporated on February 29, 2016. The registered office of BIFPL is located at A-55-56, Gali No. 18 Madhu Vihar, I.P Extn Delhi DL 110092 IN.

The Corporate Identification Number of BIFPL is U70200DL2016PTC291835.

The objects of BIFPL are as follows:

- To carry on the business of construction, builders and developers.*
- To carry on the business of construction of residential houses, residential flats, commercial buildings, factory sheds and buildings, roads, infrastructural development and construction of any other type as builder, colonizer, developer, planner and civil constructional contractor.*
- To buy, sell, develop, take in exchange or purchase lands, building and any interest in any immovable properties and turn to account by laying out, plotting and preparing the same for building proposes, constructing buildings, erecting, developing maintaining, operating, promoting, modifying, preparing, making, remaking, demolishing for construction or other designing, re-designing, furnishing, fitting up and improving buildings whether alone or as intermediately or in collaboration or assistance or joint venture or partnership or any other manner for arrangement with one or more entity.*
- To carry on the business as Estate Agent, Property Dealer and Estate Manager and to collect rents, and manage immovable properties or for any person, firms and companies, govt, estates as well as this company to give, take, let and sublet rent framing contracts and to carry out, undertake or supervise any building, contracting altering, improving, demolishing and repairing, operations other works and operations in connection with immovable estates and properties.*

## Board of Directors

NAME	DESIGNATION	DIN
Vivek Benara	Director	00204647
Aditya Benara	Director	03183940

## Capital Structure

PARTICULARS	In Rs.
Authorized Share Capital	1,00,000
Issued, Subscribed and Paid-up Share Capital	1,00,000

### ***Interest of our Promoters***

None of our Promoters are interested in BESPL.

### ***Financial Information***

<b>PARTICULARS</b>	<b>MARCH 31, 2017</b>
Equity Capital	1,00,000
Reserve	-
Profit after Tax	-
Earnings per share (Basic)	-
Earnings per share (Diluted)	-
Net Worth	1,00,000
Net Asset Value	6.45

### **CONFIRMATION**

Except Sky Mark Leasing and Finance Limited, none of the security of our Group Companies is listed on any stock exchange. None of our Group Companies has made any public or rights issue of securities in the preceding three years.

Our Group Companies has not been declared as willful defaulter by the RBI or any other governmental authority and there are no violations of securities laws committed by them in the past and no proceedings pertaining to such penalties are pending against them.

Our Group Companies have not been declared sick companies under the SICA. Additionally, Group Companies have not been restrained from accessing the capital markets for any reasons by SEBI or any other authorities.

### **LITIGATION**

For details on litigations, regulatory proceedings and disputes pending against the Group Companies and defaults made by them, please refer to the chapter titled, "*Outstanding Litigations and Material Developments*" on page 327 of this Prospectus.

### **DISSOCIATION BY THE PROMOTER IN THE LAST THREE YEARS**

<b>SR. NO</b>	<b>NAME OF DIRECTOR</b>	<b>DISASSOCIATED ENTITY</b>	<b>DATE OF DISASSOCIATION</b>
1.	Mr. Panna Lal Jain	Benara Infrastructure Development Private Limited	July 31, 2017

### **NEGATIVE NET WORTH**

None of our Group Companies, except Benara Engine Spares Private Limited and Benara International Private Limited have negative net worth as on the date of their respective last audited

financial statements.

#### **DEFUNCT / STRUCK-OFF COMPANY**

None of our Group Companies has become defunct or struck off in the five years preceding the filing of Prospectus.

#### **INTEREST OF OUR PROMOTER AND GROUP COMPANIES**

##### **Interest in the promotion of our Company**

Our Group Companies are interested to the extent of their shareholding of Equity Shares, from time to time, for which they are entitled to receive the dividend declared, if any, by our Company. Our Individual Promoters may also benefit from holding directorship in our Company.

##### **Interest in the properties acquired or proposed to be acquired by our Company in the past two years before filing the Prospectus**

None of our Group Companies has any interest in the properties acquired or proposed to be acquired by our Company in the two years preceding the filing of Prospectus or proposed to be acquired by it.

##### **Interest in the transactions for acquisition of land, construction of building and supply of machinery.**

None of our Group Companies is interested in any transactions for the acquisition of land, construction of building or supply of machinery.

#### **COMMON PURSUITS**

Except Benara Bi-metals Private Limited (“**BBMPL**”) and Benara Engines Spares Private Limited (“**BESPL**”), none of our group companies are having common pursuits with our Company. BBMPL and BESPL have some objects similar to that of our Company’s business. These companies do not have any non-compete agreements in place amongst themselves.

#### **SALES/PURCHASES BETWEEN OUR COMPANY & GROUP COMPANIES**

Other than as disclosed in the chapter titled "Related Party Transactions" on page 236 of this Prospectus, there are no sales / purchases between the Company and the Group Companies.

#### **PAYMENT OR BENEFIT TO OUR GROUP COMPANIES**

Except as stated in chapter titled "Related Party Transactions" beginning on page 236 of this Prospectus, there has been no payment of benefits to our Group Companies for the financial years ended March 31, 2017, 2016, 2015, 2014 and 2013 and half year ended September 30, 2017, nor is any benefit proposed to be paid them.



## **RELATED PARTY TRANSACTIONS**

For details on Related Party Transactions of our Company, please refer to Annexure XXVI of restated financial statement under the section titled, “Financial Statements” beginning on page 238 of this Prospectus.

## **DIVIDEND POLICY**

Under the Companies Act, 2013, an Indian company pays dividends upon a recommendation by its Board of Directors and approval by a majority of the shareholders. Under the Companies Act, 2013 dividends may be paid out of profits of a company in the year in which the dividend is declared or out of the undistributed profits or reserves of the previous years or out of both. Our Company does not have a formal dividend policy. Any dividends to be declared shall be recommended by the Board of Directors depending upon the financial condition, results of operations, capital requirements and surplus, contractual obligations and restrictions, the terms of the credit facilities and other financing arrangements of our Company at the time a dividend is considered, and other relevant factors and approved by the Equity Shareholders at their discretion.

Our Company has not paid any dividend for the last five years. Dividends are payable within 30 days of approval by the Equity Shareholders at the annual general meeting of our Company. When dividends are declared, all the Equity Shareholders whose names appear in the register of members of our Company as on the record date are entitled to be paid the dividend declared by our Company. Any Equity Shareholder who ceases to be an Equity Shareholder prior to the record date, or who becomes an Equity Shareholder after the record date, will not be entitled to the dividend declared by our Company.

## SECTION V –FINANCIAL INFORMATION

### FINANCIAL STATEMENTS AS RESTATED

#### Independent Auditor's Report for the Restated Financial Statements of (As required by section 26of the companies Act, 2013)

##### The Board of Directors

##### **Benara Bearings and Pistons Limited**

A-3 &-4, Site B, Industrial  
Area Sikandra,  
Agra, Uttar Pradesh 282007

Dear Sir,

1. We have examined the attached Restated Statement of Assets and Liabilities of **Benara Bearings and Pistons Limited (the Company)** as at 31<sup>st</sup> March, 2013, 31<sup>st</sup> March, 2014, 31<sup>st</sup> March, 2015, 31<sup>st</sup> March, 2016, 31<sup>st</sup> March, 2017 and period ended 30<sup>th</sup> September, 2017 and the related Restated Statement of Profit & Loss and Restated Statement of Cash Flow for the financial period/year ended on as at 31<sup>st</sup> March, 2013, 31<sup>st</sup> March, 2014, 31<sup>st</sup> March, 2015, 31<sup>st</sup> March, 2016, 31<sup>st</sup> March, 2017 and period ended 30<sup>th</sup> September, 2017 (collectively the "**standalone Restated Summary Statements**" or "**standalone Restated Financial Statements**"). These standalone Restated Summary Statements have been prepared by the Company and approved by the Board of Directors of the Company in connection with the Initial Public Offering (IPO) in SME Platform of BSE.
2. These Restated Summary Statements have been prepared in accordance with the requirements of:
  - (i) Part I of Chapter III to the Companies Act, 2013 ("**Act**") read with companies (Prospectus and allotment of Securities) Rule 2014.
  - (ii) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2009 ("**SEBI ICDR Regulations**") issued by the Securities and Exchange Board of India ("**SEBI**") in pursuance to Section 11 of the Securities and Exchange Board of India Act, 1992 and related amendments / clarifications from time to time;
  - (iii) The terms of reference to our engagements with the Company letter dated requesting us to carry out the assignment, in connection with the Prospectus/ Prospectus being issued by the Company for its proposed Initial Public Offering of equity shares in SME Platform of BSE ("**IPO**" or "**SME IPO**"); and
  - (iv) The Guidance Note on Reports in Company Prospectus (Revised) issued by the Institute of Chartered Accountants of India ("**Guidance Note**").
3. The Restated Summary Statements of the Company have been extracted by the management from the Audited Financial Statements of the Company for the financial period/year ended on as at 31<sup>st</sup> March, 2013, 31<sup>st</sup> March, 2014, 31<sup>st</sup> March, 2015, 31<sup>st</sup> March, 2016, 31<sup>st</sup> March, 2017 and period ended 30<sup>th</sup> September, 2017 which have been approved by the Board of Directors.
  - (i) In accordance with the requirements of Part I of Chapter III of Act, ICDR

Regulations, Guidance Note and Engagement Letter, we report that:

- (ii) The “**Restated Statement of Assets and Liabilities**” as set out in **Annexure I** to this report, of the Company as at as at 31<sup>st</sup> March, 2013, 31<sup>st</sup> March, 2014, 31<sup>st</sup> March, 2015, 31<sup>st</sup> March, 2016, 31<sup>st</sup> March, 2017 and period ended 30<sup>th</sup> September, 2017 are prepared by the Company and approved by the Board of Directors. These Statement of Assets and Liabilities, as restated have been arrived at after making such adjustments and regroupings to the individual financial statements of the Company, as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes to the Restated Summary Statements as set out in **Annexure IV and Annexure V** to this Report.
  - (iii) The “**Restated Statement of Profit and Loss**” as set out in **Annexure II** to this report, of the Company for the financial period/year ended on as at 31<sup>st</sup> March, 2013, 31<sup>st</sup> March, 2014, 31<sup>st</sup> March, 2015, 31<sup>st</sup> March, 2016, 31<sup>st</sup> March, 2017 and period ended 30<sup>th</sup> September, 2017 are prepared by the Company and approved by the Board of Directors. These Statement of Profit and Loss, as restated have been arrived at after making such adjustments and regroupings to the individual financial statements of the Company, as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes to the Restated Summary Statements as set out in **Annexure IV and Annexure V** to this Report.
  - (iv) The “**Restated Statement of Cash Flow**” as set out in **Annexure III** to this report, of the Company for the financial period/year ended on as at 31<sup>st</sup> March, 2013, 31<sup>st</sup> March, 2014, 31<sup>st</sup> March, 2015, 31<sup>st</sup> March, 2016, 31<sup>st</sup> March, 2017 and period ended 30<sup>th</sup> September, 2017 are prepared by the Company and approved by the Board of Directors. These Statement of Cash Flow, as restated have been arrived at after making such adjustments and regroupings to the individual financial statements of the Company, as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes to Restated Summary Statements as set out in **Annexure IV and Annexure V** to this Report.
4. Based on the above, we are of the opinion that the Restated 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 there are no 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) There were no qualifications in the Audit Reports issued by the Statutory Auditors for the financial period/year ended on as at 31<sup>st</sup> March, 2013, 31<sup>st</sup> March, 2014, 31<sup>st</sup> March, 2015, 31<sup>st</sup> March, 2016, 31<sup>st</sup> March, 2017 and period ended 30<sup>th</sup> September, 2017 which would require adjustments in this Restated Financial Statements of the Company.
  - 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 Policies and Notes to Restated Summary Statements as set out in

**Annexure IV & V to this report.**

5. Audit for the financial year ended as at 31<sup>st</sup> March, 2013, 31<sup>st</sup> March, 2014, 31<sup>st</sup> March, 2015, 31<sup>st</sup> March, 2016, 31<sup>st</sup> March, 2017 and period ended 30<sup>th</sup> September, 2017 was conducted by Chartered Accountants. And accordingly reliance has been placed on the financial information examined by them for the said years. The financial report included for these years is based solely on the report submitted by them.
6. We have also examined the following other financial information relating to the Company prepared by the Management and as approved by the Board of Directors of the Company and annexed to this report relating to the Company for the financial period/year ended on as at 31<sup>st</sup> March, 2013, 31<sup>st</sup> March, 2014, 31<sup>st</sup> March, 2015, 31<sup>st</sup> March, 2016, 31<sup>st</sup> March, 2017 and period ended 30<sup>th</sup> September, 2017 proposed to be included in the Prospectus/Prospectus (“Offer Document”).

**Annexure of Restated Financial Statements of the Company:-**

1. Significant Accounting Policies in Annexure IV;
2. Notes to accounts as restated in Annexure V;
3. Details of Share Capital as Restated as at as at 31<sup>st</sup> March, 2013, 31<sup>st</sup> March, 2014, 31<sup>st</sup> March, 2015, 31<sup>st</sup> March, 2016, 31<sup>st</sup> March, 2017 and period ended 30<sup>th</sup> September, 2017 appearing in ANNEXURE VI to this report;
4. Details of Reserves and Surplus as Restated as at 31<sup>st</sup> March, 2013, 31<sup>st</sup> March, 2014, 31<sup>st</sup> March, 2015, 31<sup>st</sup> March, 2016, 31<sup>st</sup> March, 2017 and period ended 30<sup>th</sup> September, 2017 appearing in ANNEXURE VII to this report;
5. Details of Long Term Borrowings as Restated as at 31<sup>st</sup> March, 2013, 31<sup>st</sup> March, 2014, 31<sup>st</sup> March, 2015, 31<sup>st</sup> March, 2016, 31<sup>st</sup> March, 2017 and period ended 30<sup>th</sup> September, 2017 appearing in ANNEXURE VIII to this report;
6. Details of Long Term Provisions as Restated as at 31<sup>st</sup> March, 2013, 31<sup>st</sup> March, 2014, 31<sup>st</sup> March, 2015, 31<sup>st</sup> March, 2016, 31<sup>st</sup> March, 2017 and period ended 30<sup>th</sup> September, 2017 appearing in ANNEXURE IX to this report;
7. Details of Short Term Borrowings as Restated as at 31<sup>st</sup> March, 2013, 31<sup>st</sup> March, 2014, 31<sup>st</sup> March, 2015, 31<sup>st</sup> March, 2016, 31<sup>st</sup> March, 2017 and period ended 30<sup>th</sup> September, 2017 appearing in ANNEXURE X to this report;
8. Details of Trade Payables as Restated as at 31<sup>st</sup> March, 2013, 31<sup>st</sup> March, 2014, 31<sup>st</sup> March, 2015, 31<sup>st</sup> March, 2016, 31<sup>st</sup> March, 2017 and period ended 30<sup>th</sup> September, 2017 appearing in ANNEXURE XI to this report;
9. Details of Other Current Liabilities as Restated as at 31<sup>st</sup> March, 2013, 31<sup>st</sup> March, 2014, 31<sup>st</sup> March, 2015, 31<sup>st</sup> March, 2016, 31<sup>st</sup> March, 2017 and period ended 30<sup>th</sup> September, 2017 as appearing in ANNEXURE XII to this report;
10. Details of Short Term Provisions as Restated as at 31<sup>st</sup> March, 2013, 31<sup>st</sup> March, 2014, 31<sup>st</sup> March, 2015, 31<sup>st</sup> March, 2016, 31<sup>st</sup> March, 2017 and period ended 30<sup>th</sup> September, 2017 appearing in ANNEXURE XIII to this report;
11. Details of Fixed Assets as Restated as at 31<sup>st</sup> March, 2013, 31<sup>st</sup> March, 2014, 31<sup>st</sup> March, 2015, 31<sup>st</sup> March, 2016, 31<sup>st</sup> March, 2017 and period ended 30<sup>th</sup> September, 2017 appearing in ANNEXURE XIV to this report;
12. Details of Non-Current Investments as Restated as at 31<sup>st</sup> March, 2013, 31<sup>st</sup> March, 2014, 31<sup>st</sup> March, 2015, 31<sup>st</sup> March, 2016, 31<sup>st</sup> March, 2017 and period ended 30<sup>th</sup> September, 2017 appearing in ANNEXURE XV to this report;

13. Details of Deferred Tax Liabilities/Assets (Net) as at 31st March, 2013, 31st March, 2014, 31st March, 2015, 31st March, 2016, 31st March, 2017 and period ended 30th September, 2017 Restated as appearing in ANNEXURE XVI to this report;
  14. Details of Long Term Loans & Advances as at 31st March, 2013, 31st March, 2014, 31st March, 2015, 31st March, 2016, 31st March, 2017 and period ended 30th September, 2017 Restated as appearing in ANNEXURE XVII to this report;
  15. Details of Inventories as at 31st March, 2013, 31st March, 2014, 31st March, 2015, 31st March, 2016, 31st March, 2017 and period ended 30th September, 2017 Restated as appearing in ANNEXURE XVIII to this report;
  16. Details of Trade Receivables as at 31st March, 2013, 31st March, 2014, 31st March, 2015, 31st March, 2016, 31st March, 2017 and period ended 30<sup>th</sup> September, 2017 Restated enclosed as ANNEXURE XIX to this report;
  17. Details of Cash and Bank Balances as at 31st March, 2013, 31st March, 2014, 31st March, 2015, 31st March, 2016, 31st March, 2017 and period ended 30th September, 2017 Restated enclosed as ANNEXURE XX to this report;
  18. Details of Short Term Loans & Advances as at 31st March, 2013, 31st March, 2014, 31st March, 2015, 31st March, 2016, 31st March, 2017 and period ended 30th September, 2017 Restated as appearing in ANNEXURE XXI to this report;
  19. Details of Other Current Assets as at 31st March, 2013, 31st March, 2014, 31st March, 2015, 31st March, 2016, 31st March, 2017 and period ended 30th September, 2017 Restated as appearing in ANNEXURE XXII to this report;
  20. Details of Other Income as Restated as at 31st March, 2013, 31st March, 2014, 31st March, 2015, 31st March, 2016, 31st March, 2017 and period ended 30th September, 2017 appearing in ANNEXURE XXIII to this report;
  21. Capitalization Statement as Restated as at 31st March, 2013, 31st March, 2014, 31st March, 2015, 31st March, 2016, 31st March, 2017 and period ended 30th September, 2017 as appearing in ANNEXURE XXIV to this report;
  22. Statement of Tax Shelters as at 31st March, 2013, 31st March, 2014, 31st March, 2015, 31st March, 2016, 31st March, 2017 and period ended 30th September, 2017 Restated as appearing in ANNEXURE XXV to this report;
  23. Details of Related Parties Transactions with the Directors as at 31st March, 2013, 31st March, 2014, 31st March, 2015, 31st March, 2016, 31st March, 2017 and period ended 30th September, 2017 Restated as appearing in ANNEXURE XXVI to this report;
  24. Details of Significant Accounting Ratios as at 31st March, 2013, 31st March, 2014, 31st March, 2015, 31st March, 2016, 31st March, 2017 and period ended 30th September, 2017 Restated as appearing in ANNEXURE XXVII to this report
  25. Reconciliation of Restated Profit as at 31st March, 2013, 31st March, 2014, 31st March, 2015, 31st March, 2016, 31st March, 2017 and period ended 30th September, 2017 appearing in ANNEXURE XXVIII to this report.
  26. Details of Contingent liabilities and Commitments as at 31st March, 2013, 31st March, 2014, 31st March, 2015, 31st March, 2016, 31<sup>st</sup> March, 2017 and period ended 30<sup>th</sup> September, 2017 appearing in ANNEXURE XXIX to this report.
7. We, Agrawal Jain and Gupta, 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.

8. 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.
9. The report should not in any way be construed as a re-issuance or re-dating of any of the previous audit reports issued by any other Firm of Chartered Accountants nor should this report be construed as a new opinion on any of the financial statements referred to therein.
10. We have no responsibility to update our report for events and circumstances occurring after the date of the report.
11. In our opinion, the above financial information contained in Annexure I to XXXI 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.
12. 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 Agrawal Jain & Gupta**  
Chartered Accountants  
Firm Registration No.:013538C

**CA Narayan Swami**  
Partner  
M. No – 409759  
Place: Mumbai  
Date: November 25, 2017

**STATEMENT OF ASSETS AND LIABILITIES AS RESTATED - ANNEXURE I**

*(Rs. in Lacs)*

Sr. No.	Particulars	As at March 31, 2013	As at March 31, 2014	As at March 31, 2015	As at March 31, 2016	As at March 31, 2017	September 30, 2017
<b>1)</b>	<b>Equity &amp; Liabilities</b>						
	<b>Shareholders' funds</b>						
	a. Share capital	249.78	249.78	249.78	309.78	309.78	309.78
	b. Reserves & surplus	881.92	884.79	920.47	1236.16	1691.54	1949.88
	<b>Sub-total</b>	<b>1131.70</b>	<b>1134.57</b>	<b>1170.26</b>	<b>1545.95</b>	<b>2001.32</b>	<b>2259.66</b>
<b>2)</b>	<b>Share application money pending allotment</b>	-	-	-	-	-	-
<b>3)</b>	<b>Non-current liabilities</b>						
	a. Long-term borrowings	2114.42	2144.57	1017.59	895.64	1070.11	1398.21
	B. Long-term provisions	45.09	53.08	61.22	70.07	85.63	91.58
	<b>Sub-total</b>	<b>2159.51</b>	<b>2197.65</b>	<b>1078.91</b>	<b>965.71</b>	<b>1155.74</b>	<b>1489.79</b>
<b>4)</b>	<b>Current liabilities</b>						
	a. Short-term borrowings	1141.36	1273.71	1297.00	1815.53	2316.05	2389.14
	b. Trade payables	475.69	560.18	428.97	421.88	154.75	354.73
	c. Other current liabilities	245.17	238.49	249.88	239.45	154.73	251.05
	d. Short term provisions	41.64	24.97	158.56	163.27	336.42	349.90
	<b>Sub-total</b>	<b>5195.08</b>	<b>5429.57</b>	<b>4383.58</b>	<b>5151.80</b>	<b>6119.03</b>	<b>7094.27</b>
	<b>T O T A L (1+2+3+4)</b>	<b>5195.08</b>	<b>5429.57</b>	<b>4383.58</b>	<b>5151.80</b>	<b>6119.03</b>	<b>7094.27</b>
<b>5)</b>	<b>Non-current assets</b>						
	a. Fixed assets						
	i. Tangible assets	452.57	468.01	412.17	691.12	656.08	788.86
	ii. Intangible assets	-	-	-	-	-	-
	iii. Capital work in progress	-	-	-	-	-	-



Sr. No.	Particulars	As at March 31, 2013	As at March 31, 2014	As at March 31, 2015	As at March 31, 2016	As at March 31, 2017	September 30, 2017
	b. Non-current investments	0.42	-	-	21.51	26.51	27.00
	C. Deferred tax Assets (Net)	14.57	26.39	41.38	52.45	65.91	74.60
	d. Long term loans & advances	13.69	14.11	69.30	25.26	25.26	406.72
	<b>Sub-total</b>	<b>481.26</b>	<b>508.51</b>	<b>522.85</b>	<b>790.33</b>	<b>773.76</b>	<b>1297.17</b>
<b>6)</b>	<b>Current assets</b>						
	a. Inventories	3010.11	3252.25	2448.23	2565.70	2745.61	2505.27
	b. Trade receivables	1223.56	1150.36	1044.17	786.28	1732.25	2662.08
	c. Cash and bank balances	111.43	96.22	52.85	398.22	364.17	340.06
	d. Short term loans & advances	368.72	422.23	315.49	610.79	409.27	210.59
	f. Other current assets	-	-	-	0.48	93.96	79.10
	<b>Sub-total</b>	<b>4713.83</b>	<b>4921.06</b>	<b>3860.73</b>	<b>4361.48</b>	<b>5345.27</b>	<b>5797.10</b>
	<b>T O T A L (5+6)</b>	<b>5195.08</b>	<b>5429.57</b>	<b>4383.58</b>	<b>5151.80</b>	<b>6119.03</b>	<b>7094.27</b>

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

*(Rs. in Lacs)*

Sr. No.	Particulars	As at March 31, 2013	As at March 31, 2014	As at March 31, 2015	As at March 31, 2016	As at March 31, 2017	September 30, 2017
	<b>INCOME</b>						
	Revenue from Operations	4960.08	5156.33	7168.81	8000.12	10411.47	4597.11
	Other income	26.95	32.00	11.73	23.92	26.35	17.02
	<b>Total revenue (A)</b>	<b>4987.03</b>	<b>5188.33</b>	<b>7180.55</b>	<b>8024.05</b>	<b>10437.82</b>	<b>4614.12</b>
	<b>EXPENDITURE</b>						
	Cost of materials consumed	3875.45	3234.24	3228.37	3088.85	2140.01	1446.65
	Purchase of stock-in-trade	119.38	457.63	1740.89	3871.33	7044.92	2787.07
	Changes in inventories of finished goods, work-in-progress	(874.15)	(194.02)	793.82	(203.77)	(448.93)	(601.58)

Sr. No.	Particulars	As at March 31, 2013	As at March 31, 2014	As at March 31, 2015	As at March 31, 2016	As at March 31, 2017	September 30, 2017
	and stock-in-trade						
	Employee benefit expenses	406.86	379.91	295.29	333.64	335.55	164.44
	Finance costs	294.73	451.15	420.59	324.89	378.44	230.04
	Depreciation and amortisation expenses	76.74	94.51	96.41	84.95	71.75	57.15
	Other expenses	1054.33	761.35	536.53	407.67	281.54	147.65
	<b>Total expenses (B)</b>	<b>4953.34</b>	<b>5184.77</b>	<b>7111.89</b>	<b>7907.57</b>	<b>9803.28</b>	<b>4231.39</b>
	<b>Net profit/ (loss) before exceptional, extraordinary items and tax, as restated</b>	<b>33.69</b>	<b>3.56</b>	<b>68.65</b>	<b>116.48</b>	<b>634.54</b>	<b>382.73</b>
	Exceptional items	-	-	-	-	-	-
	<b>Net profit/ (loss) before extraordinary items and tax, as restated</b>	<b>33.69</b>	<b>3.56</b>	<b>68.65</b>	<b>116.48</b>	<b>634.54</b>	<b>382.73</b>
	Extraordinary items	-	-	-	-	-	-
	<b>Net profit/ (loss) before tax, as restated</b>	<b>33.69</b>	<b>3.56</b>	<b>68.65</b>	<b>116.48</b>	<b>634.54</b>	<b>382.73</b>
	Tax expense:	-	-	-	-	-	-
	(i) Current tax	27.37	12.50	37.70	51.85	192.63	133.08
	(ii) Minimum alternate tax	-	-	-	-	-	-
	(ii) Deferred tax (asset)/liability	(16.45)	(11.82)	(15.00)	(11.06)	(13.47)	(8.68)
	<b>Total tax expense</b>	<b>10.92</b>	<b>0.68</b>	<b>22.70</b>	<b>40.79</b>	<b>179.16</b>	<b>124.39</b>
	<b>Profit/ (loss) for the year/ period, as restated</b>	<b>22.77</b>	<b>2.87</b>	<b>45.96</b>	<b>75.68</b>	<b>455.38</b>	<b>258.34</b>
	<b>Earning per equity share(face value of Rs. 10/- each):</b>						

Sr. No.	Particulars	As at March 31, 2013	As at March 31, 2014	As at March 31, 2015	As at March 31, 2016	As at March 31, 2017	September 30, 2017
		0.91	0.12	1.84	2.44	14.70	8.34
	<b>Basic (Rs.)</b>						
	<b>Diluted (Rs.)</b>	0.20	0.02	0.39	0.64	3.67	2.08
	<b>Adjusted earning per equity share(face value of Rs. 10/- each):</b>						
		0.91	0.12	1.84	2.44	14.70	8.34
	<b>Basic (Rs.)</b>						
	<b>Diluted (Rs.)</b>	0.20	0.02	0.39	0.64	3.67	2.08

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

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

(Rs. in Lacs)

Particulars	As at March 31, 2013	As at March 31, 2014	As at March 31, 2015	As at March 31, 2016	As at March 31, 2017	September 30, 2017
<b><u>Cash flow from operating activities:</u></b>						
Net profit before tax as per statement of profit and loss	33.69	3.56	68.65	116.48	634.54	382.73
<b><u>Adjusted for:</u></b>						
Preliminary expenses	-	-	-	-	-	-
Provision for gratuity	-	-	-	-	-	-
Rental Income from investment properties	-	(0.05)	(0.12)	(1.04)	(1.60)	-
Depreciation & amortization	76.74	94.51	96.41	84.95	71.75	57.15
Profit/(loss) on sale of fixed assets	-	(2.33)	(8.87)	0.50	-	(7.51)
Interest income on loans & advances given	-	-	-	-	-	-
Interest income on FD	(24.18)	(6.12)	(4.43)	(19.90)	(23.89)	(9.13)
Urealised reliased Foreign exchange gain/loss	-	(22.60)	2.64	(2.56)	(0.54)	(0.38)
Interest & finance costs	294.73	451.15	420.59	324.89	378.44	230.04
<b>Operating cash flow before working capital changes</b>	<b>380.97</b>	<b>518.12</b>	<b>574.88</b>	<b>503.32</b>	<b>1,058.70</b>	<b>652.90</b>

Particulars	As at March 31, 2013	As at March 31, 2014	As at March 31, 2015	As at March 31, 2016	As at March 31, 2017	Septemb er 30, 2017
<b>Adjusted for:</b>						
(Increase)/ decrease in inventories	(1267.47)	(242.14)	804.02	(117.47)	(179.91)	240.34
(Increase)/ decrease in trade receivables	(292.61)	73.20	106.19	257.89	(945.97)	(929.83)
(Increase)/ decrease in loans and advances and other assets	(53.78)	(53.93)	51.56	(251.74)	108.04	(167.92)
Increase/ (decrease) in trade payables	(209.30)	84.48	(131.21)	(7.09)	(267.13)	199.98
Increase/ (decrease) in other Liabilities	245.17	(6.68)	11.40	(10.43)	(84.72)	96.32
Increase/ (decrease) in Long Term Provision	45.09	8.00	8.14	8.84	15.56	5.95
Increase/ (decrease) in liabilities & provisions	86.73	(8.67)	141.72	13.56	188.71	(113.65)
<b>Cash generated from/ (used in) operations</b>	<b>(1110.30)</b>	<b>364.38</b>	<b>1558.56</b>	<b>388.04</b>	<b>(122.28)</b>	<b>(21.85)</b>
Income taxes paid	(22.52)	(12.08)	(37.70)	(51.85)	(192.63)	-
<b>Net cash generated from/ (used in) operating activities (A)</b>	<b>(1132.82)</b>	<b>352.31</b>	<b>1520.86</b>	<b>336.18</b>	<b>(314.91)</b>	<b>(21.85)</b>
<b><u>Cash flow from investing activities:</u></b>						
Purchase of fixed assets	(208.40)	(85.90)	(56.71)	(369.30)	(36.72)	(200.61)
Sale of fixed assets	55.12	(21.72)	14.74	4.90	-	18.19
Investments in WIP	-	-	-	-	-	-
Loans & advances given to others (net)	-	-	-	-	-	-
Foreign exchange gain/loss	-	22.60	(2.64)	2.56	0.54	0.38
Investment in FD	-	-	-	-	-	-
Interest income on FD	24.18	6.12	4.43	19.90	23.89	9.13
Purchase of investments	-	-	-	(21.51)	(5.00)	(0.49)
Rent Income	-	0.05	0.12	1.04	1.60	-
<b>Net cash flow from/(used) in investing activities (B)</b>	<b>(129.10)</b>	<b>(78.85)</b>	<b>(40.06)</b>	<b>(362.41)</b>	<b>(15.68)</b>	<b>(173.40)</b>
<b><u>Cash flow from financing activities:</u></b>						
Proceeds from issue of equity shares	50.00	-	-	60.00	-	-
Share application money received	105.00	-	-	240.00	-	-

<b>Particulars</b>	<b>As at March 31, 2013</b>	<b>As at March 31, 2014</b>	<b>As at March 31, 2015</b>	<b>As at March 31, 2016</b>	<b>As at March 31, 2017</b>	<b>Septemb er 30, 2017</b>
Proceeds from secured borrowings AND UNSERCURED (net)	1227.60	162.49	(1103.58)	396.48	674.99	401.18
Interest & finance costs	(294.73)	(451.15)	(420.59)	(324.89)	(378.44)	(230.04)
<b>Net cash flow from/(used in) financing activities (C)</b>	<b>1087.88</b>	<b>(288.66)</b>	<b>(1524.17)</b>	<b>371.59</b>	<b>296.55</b>	<b>171.14</b>
Net increase/(decrease) in cash & cash equivalents (A+B+C)	(174.04)	(15.20)	(43.37)	345.56	(34.05)	(24.11)
Cash & cash equivalents as at beginning of the year	285.47	111.42	96.22	52.85	398.21	364.16
Cash & cash equivalents as at end of the year	111.42	96.22	52.85	398.21	364.16	340.06

#### ***SIGNIFICANT ACCOUNTING POLICIES - ANNEXURE IV***

##### **a. Basis of preparation of financial statements:**

The Restated Summary Statement of Assets and Liabilities of the Company as on September 30, 2017, March 31, 2017, March 31, 2016, March 31, 2015, March 31, 2014 and March 31, 2013 and the Restated Summary Statement of Profit and Loss and Restated Summary Statements of Cash Flows for the period ended September 30, 2017 and for the year ended on March 31, 2017, March 31, 2016, March 31, 2015, March 31, 2014 and March 31, 2013 and the annexure thereto (collectively, the “Restated Financial Statements” or “Restated Summary Statements”) have been extracted by the management from the Financial Statements of the Company for the period ended September 30, 2017 and for the year ended on March 31, 2017, March 31, 2016, March 31, 2015, March 31, 2014 and March 31, 2013.

The financial statements are prepared and presented under the historical cost convention and evaluated on a going-concern basis using the accrual system of accounting in accordance with the accounting principles generally accepted in India (Indian GAAP) and the requirements of the Companies Act, 1956 (up to March 31, 2014), and notified sections, schedules and rules of the Companies Act 2013 (with effect from April 01, 2014), including the Accounting Standards as prescribed by the Companies (Accounting Standards) Rules, 2006 as per section 211(3C) of the Companies Act, 1956 (which are deemed to be applicable as Section 133 of the Companies Act, 2013 (“the Act”) read with Rule 7 of Companies (Accounts) Rules, 2014).

##### **b. Use of Estimates**

The preparation of financial statements in conformity with Generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets, liabilities, revenues and expenses and disclosures relating to contingent

liabilities and assets as at the balance sheet date and the reported amounts of income and expenses during the year. Difference between the actual amounts and the estimates are recognized in the year in which the events become known / are materialized.

**c. Fixed Assets:**

Fixed assets are stated at historical cost less accumulated depreciation and impairment losses, if any. Cost includes purchase price and all other attributable cost to bring the assets to its working condition for the intended use.

Subsequent expenditures related to an item of tangible asset are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance.

Projects under which assets are not ready for their intended use are shown as Capital Work-in-Progress. Cost includes cost of land, materials, construction, services, borrowing costs and other overheads relating to projects.

Intangible assets are stated at acquisition cost, Net of accumulated amortization and accumulated impairment losses, if any. Intangible assets are amortized on a straight line basis over their estimated useful lives.

Gains or losses arising from the retirement or disposal proceeds and the carrying amount of the asset and recognized as income or expense in the Statement of Profit & Loss.

**d. Depreciation**

**Tangible Fixed Assets**

Depreciation on tangible fixed assets is computed based on Written down Value (WDV) Method as per the rate and manner prescribed in Schedule – XIV of the Companies Act, 1956.

Pursuant to Companies Act, 2013 ('the Act') being effective from April 1, 2014, the Company has revised depreciation rates on tangible fixed assets as per useful life specified in Part 'C' of Schedule II of the Act. And due to the same there has been a change in the estimated useful life of depreciable tangible assets which affects the depreciation in the current period and in each period during the remaining useful life of the assets as the change is only in regard to accounting estimate requiring an adjustment of the carrying amount of tangible assets.

**e. Borrowing Costs**

Borrowing cost includes interest and amortization of ancillary costs incurred in connection with the arrangement of borrowings. Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All

other borrowing costs are expensed in the period they occur.

**f. Impairment of Assets**

- (i) The company assesses, at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the company estimates the asset's recoverable amount. An asset's (including goodwill) recoverable amount is the higher of an asset's net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.
- (ii) After impairment, depreciation/ amortization is provided on the revised carrying amount of the asset over its remaining useful life.

**g. Investments**

Investments that are readily realizable and intended to be held for not more than a year are classified as current investments. All other investments are classified as non-current investments.

Long-term investments (including current portion thereof) are carried at cost, less provision for diminution in value other than temporary determined separately for each individual investment.

Current investments are carried at lower of cost and fair value determined on an individual investment basis.

Any reductions in the carrying amount and any reversals of such reductions are charged or credited to the Statement of profit and loss.

**h. Inventories**

Cost of inventories comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Raw materials, packing materials and store & consumables are valued at cost determined on FIFO basis. Finished goods and WIP are valued at the lower of cost and Net Realizable Value.

**i. Revenue Recognition**

- i. Revenue from Sales of products is recognized when the risk and reward of ownership of the product is passed on to the customers, which is generally on dispatches to

- customer. Further, the turnover also includes
- ii. Job Work Income is recognized on accrual basis on completion of service
- iii. Interest income is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.
- iv. Dividend income is recognized when right to receive the payment is established.
- v. Lease Rent Income is recognized on accrual basis

**j. Foreign Currency Transactions**

Foreign Currency transactions are recorded at the exchange rate prevailing on the date of the transaction. Exchange difference arising on foreign currency transactions, between the actual rate of settlement and the rate on the date of the transactions, is charged or credited to the statement of profit and loss.

At the year-end, all monetary assets and liabilities denominated in foreign currency are reinstated at the year-end exchange rates. Any income or expense on account of exchange difference either on settlement or on translation is recognized in the Profit and Loss Statement.

**k. Employee Benefits**

**Defined-contribution plans:**

A defined contribution plan is a post-employment benefit plan under which the company pays specified contributions to a separate entity. The Company makes specified monthly contributions towards Provident Fund. The Company's contributions to Employees Provident Fund are charged to statement of profit and loss every year.

Provision for gratuity is provided based on Actuarial Valuation made covering all the period of five years and stub period ended September 30, 2017.

Short Term Employee Benefits like leave benefit, if any, are paid along with salary and wages on a month to month basis, bonus to employees are charged to profit and loss account on the basis of actual payment on year to year basis.

**l. Accounting for taxes on income**

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India. The tax rates and tax laws used to compute the amount that are enacted or substantively enacted, at the reporting date.

- (i). Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date.
- (ii). Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognized for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against



which such deferred tax assets can be realized. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

The carrying amount of deferred tax assets are reviewed at each reporting date. The company writes-down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

**m. Contingent Liabilities and Provisions:**

Provisions are recognized only when there is a present obligation as a result of past events and when a reliable estimate of the amount of obligation can be made.

- (a) Contingent Liability is disclosed for Possible obligation which will be confirmed only by future events not wholly within the control of the Company or
- (b) Present obligations arising from the past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.
- (c) Contingent Assets are not recognized in the financial statements since this may result in the recognition of income that may never be realized.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation that the likelihood of outflow of resources is remote, no provision or disclosure is made.

**n. Earnings Per Share**

In determining the Earnings Per share, the company considers the net profit after tax which does not include any post tax effect of any extraordinary / exceptional item. The number of shares used in computing basic earnings per share is the weighted average number of shares outstanding during the period.

The number of shares used in computing Diluted earnings per share comprises the weighted average number of shares considered for computing Basic Earnings per share and also the weighted number of equity shares that would have been issued on conversion of all potentially dilutive shares.

In the event of issue of bonus shares, or share split the number of equity shares outstanding is increased without an increase in the resources. The number of Equity shares outstanding before the event is adjusted for the proportionate change in the number of equity shares outstanding as if the event had occurred at the beginning of the earliest period reported.

**o. Cash Flows**

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for

the effects of transactions of 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. Cash flows from operating, investing and financing activities of the Company are segregated, accordingly.

**p. Changes In Accounting Policies In The Period/ Years Covered In The Restated Financials**

There is change in significant accounting policies adopted by the Company, the details of which are as under:

- 1) The Company has not been following the provisions of Accounting Standard – 15 “Employee Benefits” issued by the Institute of Chartered Accountants of India for provision for Gratuity and accordingly, the provision of gratuity has not been accounted for by the management in books of account for F.Y. 12-13, 13-14, F.Y.14-15 & F.Y.15-16 and F.Y.16-17. Provision for the period ended June 30, 2017 is accounted on ad hoc basis.

**NOTES TO ACCOUNTS AS RESTATED ANNEXURE V**

1. The financial statements including financial information have been prepared after making such regroupings and adjustments, considered appropriate to comply with the same. As result of these regroupings and adjustments, the amount reported in the financial statements/information may not necessarily be same as those appearing in the respective audited financial statements for the relevant years.
2. The Company does not have information as to which of its supplier are Micro small and Medium Enterprise registered under The Micro small and Medium Enterprise Development Act 2006. Consequently the liability, if any, of interest which would be payable under The Micro small and Medium Enterprise Development Act 2006, cannot be ascertained. However, the Company has not received any claims in respect of such interest and as such, no provision has been made in the books of accounts.

**3. Employee benefits:**

The Company has adopted the Accounting Standard 15 (revised 2005) on Employee Benefits as per an actuarial valuation carried out by an independent actuary in restated financials. The disclosures as envisaged under the standard are as under:-

Particulars	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
<b>1. The amounts recognized in the Balance Sheet are as follows: -</b>						
Present value of the obligation at the end of the period	4,788,956	5,651,695	6,603,991	7,531,972	9,622,448	10,217,931
Fair Value of the plan assets at the end of the period	-	-	-	-	-	-

Net Liability/(asset) recognized in the Balance Sheet and related analysis	4,788,956	5,651,695	6,603,991	7,531,972	9,622,448	10,217,931
Funded Status	(4,788,956)	(5,651,685)	(6,603,991)	(7,531,972)	(9,622,448)	(10,217,931)
Best estimate for contribution during next period	750,679	794,009	887,822	950,970	1,190,966	595,483
<b>2. Current Liability (*It is probable outlay in next 12 months as required by the Companies Act)</b>						
Current Liability (Short Term)*	280,058	343,197	481,886	525,399	1,059,587	1,059,587
Non Current Liability (Long Term)	4,508,898	5,308,498	6,122,105	7,006,573	8,562,861	8,562,861
Total Liability	4,788,956	5,651,695	6,603,991	7,531,972	9,622,448	9,622,448
<b>3. The amount recognized in the Profit and Loss A/c are as follows</b>						
Current Service Cost	-	359,172	423,877	495,299	564,898	-
Interest cost	-	699,357	783,508	830,799	997,655	595,483
Net Actuarial (gain)/ loss recognized in the period	-	669,459	108,511	(11,894)	2,690,090	-
Expenses to be recognized in the statement of profit and loss accounts	-	1,727,988	1,315,896	1,314,204	4,252,643	595,483
<b>4. Changes in the present value of defined benefit obligation</b>						
Defined Benefit obligation at the beginning of the period	-	4,788,956	5,651,695	6,603,991	7,531,972	9,622,448
Interest cost	-	359,172	423,877	495,299	564,898	-
Current Service Cost	-	699,357	783,508	830,799	997,655	595,483
Benefits paid (if any)	-	(865,249)	(363,600)	(386,223)	(2,162,167)	-
Actuarial (gain)/ loss	-	669,459	108,511	(11,894)	2,690,090	-
Defined Benefit obligation at the end of the period	4,788,956	5,651,695	6,603,991	7,531,972	9,622,448	10,217,931
<b>Benefit Description</b>	-	-	-	-	-	-
<b>Benefit Type</b>	<b>Gratuity Valuations As per Act</b>					
Retirement Age	60	60	60	60	60	60
Vesting Period	5 Yrs of Service	5 Yrs of Service	5 Yrs of Service	5 Yrs of Service	5 Yrs of Service	5 Yrs of Service
<b>The principal actuarial assumptions for the above are as follows: -</b>						

Salary Growth Rate	5 % per annum	5 % per annum	5 % per annum	5 % per annum	5 % per annum	5 % per annum
Discount Rate	7.50% per annum	7.50% per annum	7.50% per annum	7.50% per annum	7.50% per annum	7.50% per annum
Mortality	LIC 94-96 Ultimate	IALM 2006-08 Ultimate	IALM 2006-08 Ultimate	IALM 2006-08 Ultimate	IALM 2006-08 Ultimate	IALM 2006-08 Ultimate
Withdrawal Rate	5 % per annum	5 % per annum	5 % per annum	5 % per annum	5 % per annum	5 % per annum

**4. Provisions, Contingent Liabilities and Contingent Assets (AS 29)**

Contingent liabilities and commitments (to the extent not provided for). There are no contingent liabilities as on September 30, 2017 except as mentioned in Annexure - XXIX, for any of the years covered by the statements.

**5. Related Party Disclosure (AS 18)**

Related party transactions are reported as per AS-18 of Companies (Accounting Standards) Rules, 2006, as amended, in the Annexure – XXVI of the enclosed financial statements.

**6. Accounting For Taxes on Income (AS 22)**

Deferred Tax liability/Asset in view of Accounting Standard -22 “Accounting for Taxes on Income” as at the end of the year/period is reported in the Annexure – XVI of the enclosed financial statements.

**7. Earnings Per Share (AS 20)**

Earnings per Share have been calculated is already reported in the Annexure – XXVII of the enclosed financial statements

**8. Material Adjustments [AS PER SEBI (ICDR) REGULATIONS, 2009]**

Appropriate adjustments have been made in the restated financial statements, whenever required, by reclassification of the corresponding items of assets, liabilities and cash flow statement, in order to ensure consistency and compliance with requirement of Company Act 2013 and Accounting Standards.

The Summary of results of restatements made in the audited financial statements of the Company for the respective period / years and their impact on the profit / (loss) and assets and liabilities of the Company is as under.

**9. Statement of adjustments in the Financial Statements**

The reconciliation of Profit after tax as per audited results and the Profit after tax as per Restated Accounts is presented in Annexure - XXVIII. This summarizes the results of

restatements made in the audited accounts for the respective years/ period and its impact on the profit & loss of the company.

**10. Statement of Adjustments to Profit and Loss after Tax**

**a) Adjustment on account of provision for Gratuity:**

The Company did not provide gratuity based on the requirement of AS-15 (Revised), therefore during the restatement, provision for gratuity have been done as per the actuarial valuation and accordingly short/excess provision in respective year were adjusted to comply with the requirement of AS-15 (Revised).

**b) Adjustment on account of Provision of Deferred Tax:**

Due to changes in Depreciation and Provision for Gratuity, Disallowances, etc, the Company has recalculated the deferred tax liability and deferred tax assets at the rate of normal Tax rate applicable at the end of relevant year.

**11. Realizations:**

In the opinion of the Board and to the best of its knowledge and belief, the value on realization of current assets, loans and advances will, in the ordinary course of business, not be less than the amounts at which they are stated in the Balance sheet.

**12. Contractual liabilities**

All 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 to nearest Rupees. Figures in brackets indicate negative values.

**FOR BENARA BEARINGS & PISTONS LIMITED**

**Chairman**  
**Panna Lal Jain**  
**DIN NO: 00204869**

**Managing Director**  
**Vivek Benara**  
**DIN NO: 00204647**

**Date : 25 November, 2017**  
**Place : Agra**

**DETAILS OF SHARE CAPITALAS RESTATED -Annexure – VI**

*(Rs. in Lacs)*

Particulars	As at March 31,					As at
	2013	2014	2015	2016	2017	September 30, 2017
<b>Share capital</b>						
<b>Authorised:</b>						
Equity shares of Rs. 10/- each	275.00	275.00	275.00	360.00	360.00	360.00
<b>Issued, subscribed &amp; fully paid up:</b>						
Equity shares of Rs. 10/- each	249.78	249.78	249.78	309.78	309.78	309.78
<b>TOTAL</b>	<b>249.78</b>	<b>249.78</b>	<b>249.78</b>	<b>309.78</b>	<b>309.78</b>	<b>309.78</b>

**Reconciliation of number of shares outstanding:**

*(in Lacs)*

Particulars	As at March 31,					As at
	2013	2014	2015	2016	2017	September 30, 2017
Equity shares outstanding at the beginning of the year	19.98	24.98	24.98	24.98	30.98	30.98
Add: Shares issued during the year	5.00	-	-	6.00	-	-
Add: Issue of bonus shares	-	-	-	-	-	-
Equity shares outstanding at the end of the year	<b>24.98</b>	<b>24.98</b>	<b>24.98</b>	<b>30.98</b>	<b>30.98</b>	<b>30.98</b>

**Details of Shareholders holding more than 5% of the aggregate shares in the Company:**

Name of Shareholder	As at March 31, 2013		As at March 31, 2014		As at March 31, 2015		As at March 31, 2016		As at March 31, 2017		September 30, 2017	
	No. Of Shares	%	No. Of Shares	%	No. Of Shares	%	No. Of Shares	%	No. Of Shares	%	No. Of Shares	%
Smt Sarla Jain	5.36	21 %	5.36	21 %	5.36	21 %	6.11	20%	6.71	22 %	6.71	22 %
Skymark Leasing and Finance Ltd	4.25	17 %	4.25	17 %	4.25	17 %	5.45	18%	5.45	18 %	5.45	18 %
Sh Panna Lal Jain	4.31	17 %	4.31	17 %	4.31	17 %	5.06	16%	5.66	18 %	5.66	18 %
Sh Vivek Benara	3.30	13 %	3.30	13 %	3.30	13 %	4.85	16%	5.45	18 %	5.45	18 %
Smt Ketki	3.37	13 %	3.37	13 %	3.37	13 %	4.12	13%	5.12	17 %	5.12	17 %

Name of Shareholder	As at March 31, 2013		As at March 31, 2014		As at March 31, 2015		As at March 31, 2016		As at March 31, 2017		September 30, 2017	
	No. Of Shares	%	No. Of Shares	%	No. Of Shares	%	No. Of Shares	%	No. Of Shares	%	No. Of Shares	%
Benara		%		%		%				%	2	%
Panna Lal Jain HUF	1.56	06%	1.56	06%	1.56	06%	1.56	5%	2.56	8%	2.56	8%

**DETAILS OF RESERVES & SURPLUS AS RESTATED -ANNEXURE – VII**

Particulars	As at March 31,					(Rs. in Lacs)	
	2013	2014	2015	2016	2017	September 30, 2017	
<b><u>Securities premium account</u></b>							
Opening balance	628.87	628.87	628.87	628.87	868.87	868.87	
Add: Additions during the year/ period	-	-	-	240.00	-	-	
Closing balance	<b>628.87</b>	<b>628.87</b>	<b>628.87</b>	<b>868.87</b>	<b>868.87</b>	<b>868.87</b>	
<b><u>Surplus in statement of Profit &amp; Loss</u></b>							
Opening balance	230.28	253.05	255.92	291.61	367.29	822.67	
Add: Profit for the year/ period	22.77	2.87	45.96	75.68	455.38	258.34	
Less: Adjustment in F.A as per Companies Act,2013	-	-	10.27	-	-	-	
<b><u>Appropriations:</u></b>							
Proposed dividend	-	-	-	-	-	-	
Dividend distribution tax	-	-	-	-	-	-	
Transfer to general reserve	-	-	-	-	-	-	
<b>Closing balance</b>	<b>253.05</b>	<b>255.92</b>	<b>291.61</b>	<b>367.29</b>	<b>822.67</b>	<b>1081.00</b>	
<b>TOTAL</b>	<b>881.92</b>	<b>884.79</b>	<b>920.47</b>	<b>1236.16</b>	<b>1691.54</b>	<b>1949.88</b>	

**DETAILS OF LONG TERM BORROWINGS AS RESTATED - ANNEXURE VIII**

Particulars	As at March 31,					(Rs. in Lacs)	
	2013	2014	2015	2016	2017	September 30, 2017	
<b><u>Secured</u></b>							
From Bank & Financial Institutions:-							
- Term loan	447.66	575.04	773.09	685.95	647.55	695.23	
- Vehicle loan	299.44	120.50	146.20	119.17	64.92	158.21	
<b><u>Unsecured</u></b>							

Particulars	As at March 31,					September 30, 2017
	2013	2014	2015	2016	2017	
- Form Promoters	978.82	1069.00	17.38	5.12	11.67	38.13
- From Group co.	338.35	380.03	81.03	85.42	145.97	106.62
- Business Loans from Banks	-	-	-	-	200.00	400.01
<b>TOTAL</b>	<b>2114.42</b>	<b>2144.57</b>	<b>1017.69</b>	<b>895.64</b>	<b>1070.1</b>	<b>1398.21</b>

*Please add notes regarding security, interest rate, repayment terms, prepayment, penalty, default, etc.*

- Loan from PNB Housing Finance Ltd. is secured by mortgage of Immovable property of Company (Jointly owned by Directors & Benara International Private Limited)
- Loan from ICICI Bank Ltd. is secured by mortgage of Immovable property of Benara International Pvt. Ltd. situated at Kh No. 660/2, Mauza, Artoni, NH-2, Agra. Principal due within a year is Rs.38,69,075/- (PY - 32,61,763)
- Term loans are taken from Bank & Financial Institutions and secured against hypothecation of cars. Accordingly principal due within a year is Rs. 39,16,465 /- (P.Y. - 39,13,082 /-).
- Business Loan are taken from Banks, NBFC & Financial Institution are not secured. Accordingly principal due within a year is Rs. 68,57,610/- (P.Y. - Nil).

**Note:**

- The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.
- The above statement should be read with the significant accounting policies and notes to restated summary, statements of assets and liabilities, profits and losses and cash flows appearing in Annexures IV, I, II and III.
- List of persons/entities classified as 'Promoters' and 'Promoter Group Companies' has been determined by the Management and relied upon by the Auditors. The Auditors have not performed any procedure to determine whether the list is accurate and complete.
- The terms and conditions and other information in respect of Secured and Unsecured Loans are given in Annexure

**DETAILS OF LONG TERM PROVISIONS AS RESTATED - ANNEXURE – IX**

*(Rs. in Lacs)*

Particulars	As at March 31,					September 30, 2017
	2013	2014	2015	2016	2017	
Provision for employee benefits	-	-	-	-	-	-
Gratuity	45.09	53.08	61.22	70.07	85.63	91.58
Compensated absences	-	-	-	-	-	-
Others	-	-	-	-	-	-
Provision for Taxation	-	-	-	-	-	-
<b>TOTAL</b>	<b>45.09</b>	<b>53.08</b>	<b>51.22</b>	<b>70.07</b>	<b>85.63</b>	<b>91.58</b>



**DETAILS OF SHORT TERM BORROWINGS AS RESTATED - ANNEXURE-X****(Rs. in Lacs)**

Particulars	As at March 31,					September 30, 2017
	2013	2014	2015	2016	2017	
<b>Secured</b>						
(a) Working Capital Loans	1141.36	1273.71	1297.00	1815.53	2316.05	2389.14
(b) Buyers' Credit Facilities	-	-	-	-	-	-
<b>TOTAL</b>	<b>1141.36</b>	<b>1273.71</b>	<b>1297.00</b>	<b>1815.53</b>	<b>2316.05</b>	<b>2389.14</b>

Please add notes regarding security, interest rate, repayment terms, prepayment, penalty, default, etc.

(a) Cash credit from Axis Bank is secured by hypothecation of stock and trade receivables.

(b) Credit from National Small Industries Corporation Ltd. is under Raw material Assistance scheme and is secured against Bank guarantee.

**DETAILS OF TRADE PAYABLES AS RESTATED - ANNEXURE-XI****(Rs. in Lacs)**

Particulars	As at March 31,					September 30, 2017
	2013	2014	2015	2016	2017	
For Goods & services :-						
(a) <b>related party</b>	441.56	517.12	419.8	316.81	73.08	229.59
(b) <b>others</b>	34.13	43.06	9.17	105.08	81.67	125.14
<b>TOTAL</b>	<b>475.69</b>	<b>560.18</b>	<b>428.97</b>	<b>421.88</b>	<b>154.75</b>	<b>354.73</b>

**Note:-**

- The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.
- The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures IV, I, II and III.
- Amount due to entities covered under Micro, Small and Medium Enterprises as defined in the Micro, Small, Medium Enterprises Development Act, 2006, have been identified on the basis of information available with the Company. It is informed by the management no provision has been made for interest as required by Interest on Delayed Payments to Small Scale and Ancillary Industrial Undertakings Act, 1993 on amounts due to Small Scale Industries, as the amount is not ascertainable. These will be charged to accounts as and when claimed by the parties and/or paid to them.

**DETAILS OF OTHER CURRENT LIABILITIES AS RESTATED - ANNEXURE - XII****(Rs. in Lacs)**

Particulars	As at March 31,					September 30, 2017
	2013	2014	2015	2016	2017	
Current maturities of long term debt	120.07	62.77	68.02	109.55	71.75	146.43
Other payables	-	-	-	-	-	-
Advance from customers	91.30	112.37	109.44	74.51	14.64	14.49

Particulars	As at March 31,					September 30, 2017
	2013	2014	2015	2016	2017	
Statutory dues	28.74	23.16	13.21	18.00	6.22	3.38
Others	5.05	40.19	59.22	37.39	62.12	86.75
<b>TOTAL</b>	<b>245.17</b>	<b>238.49</b>	<b>249.88</b>	<b>239.45</b>	<b>154.73</b>	<b>251.05</b>

**Note:**

1. The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.
2. The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures IV, I, II and III.

**DETAILS OF SHORT TERM PROVISIONS AS RESTATED - ANNEXURE- XIII**

(Rs. in Lacs)

Particulars	As at March 31,					September 30, 2017
	2013	2014	2015	2016	2017	
<b>Provision for</b>						
<b>(a) Employee benefits</b>						
(i) Contribution to PF	2.07	2.84	3.74	3.93	4.37	4.86
(ii) ESIC Payable	0.90	0.87	1.04	1.11	1.25	1.37
(iii) Bonus Payable	8.49	5.33	0.59	13.86	13.03	12.74
(iv) Gratuity Provisions	2.80	3.43	4.82	5.25	10.60	10.60
<b>(b) Others (Specify nature)</b>						
(i) Income Tax	27.37	12.50	37.70	51.85	192.63	312.64
(ii) Provision for Excise duty on closing stock	-	-	103.70	86.76	114.54	-
(iii) Provision for Expense	-	-	6.98	0.50	-	7.70
<b>TOTAL</b>	<b>41.64</b>	<b>24.97</b>	<b>158.56</b>	<b>163.27</b>	<b>336.42</b>	<b>349.9</b>

**Note:**

1. The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.
2. The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures IV, I, II and III.

**DETAILS OF FIXED ASSETS AS RESTATED - ANNEXURE -XIV**

(Rs. in Lacs)

Particulars	As at March 31,					(As at March 31, 2017)
	2013	2014	2015	2016	2017	September 30, 2017
<b><u>Tangible Assets</u></b>						
<u>Land</u>	5.85	5.85	64.61	45.18	45.18	45.18
Building	27.08	76.40	32.81	30.64	28.63	27.70

Particulars	As at March 31,					September 30, 2017
	2013	2014	2015	2016	2017	
Plant and Machinery	157.08	175.44	146.70	141.48	116.58	106.56
Furniture & Fixture	2.95	16.11	25.65	19.00	15.78	13.70
Tools and Dies	40.30	39.10	31.38	24.70	20.14	17.55
Computer	1.63	2.21	1.01	1.35	1.54	1.13
Vehicles	209.91	146.11	105.96	96.86	66.07	210.14
Office Equipments	6.13	5.78	2.94	2.88	1.44	1.00
Electrical Fittings	1.65	1.01	1.10	0.86	0.87	0.84
Advance Against Property	-	-	58.76	328.17	359.84	365.05
<b>TOTAL</b>	<b>452.57</b>	<b>468.01</b>	<b>412.17</b>	<b>691.12</b>	<b>656.08</b>	<b>788.86</b>

**DETAILS OF NON CURRENT INVESTMENTS AS RESTATED -ANNEXURE -XV**

Particulars	As at March 31,					(Rs. in Lacs) September 30, 2017
	2013	2014	2015	2016	2017	
<b>(a) Investment in Equity Instruments</b>						
In Unquoted Fully paid up Equity Shares of	-	-	-	-	-	-
Benara Solar Private Limited (5,100 Shares of Rs 10/-each fully paid up)	-	-	-	0.51	0.51	1.00
Securitans Trading Private Limited (10,000 Shares of Rs 10/-each fully paid up)	-	-	-	1.00	1.00	1.00
<b>(b) Other Non Current Investments</b>	-	-	-	-	-	-
National Saving Certificate	0.42	-	-	-	-	-
Investment in Alternate Investment Fund -Carpediem Capital Partners Fund (1000 unit of Rs 10000/- each) till date 2500/- per unit paid upto 30.09.2017.	-	-	-	20.00	25.00	25.00
<b>Aggregate Cost of Quoted Investment</b>	-	-	-	-	-	-
<b>Aggregate Market Value of Quoted</b>	-	-	-	-	-	-
<b>TOTAL</b>	<b>0.42</b>	<b>-</b>	<b>-</b>	<b>21.51</b>	<b>26.51</b>	<b>27.00</b>

**DETAILS OF DEFERRED TAX LIABILITIES (NET) AS RESTATED - ANNEXURE XVI**

Particulars	As at March 31,					(Rs. in Lacs) September 30, 2017
	2013	2014	2015	2016	2017	
Difference between book and tax depreciation	5.34	29.62	39.02	26.52	19.91	20.36
Gratuity Provision	47.89	8.63	9.52	9.28	20.90	5.95

Particulars	As at March 31,					September 30, 2017
	2013	2014	2015	2016	2017	
Disallowances under section 43B of the Income Tax Act, 1961	-	-	-	-	-	-
Net Timing difference	53.23	38.25	48.54	35.80	40.82	26.31
<b>Transfer to P &amp; L A/c</b>	<b>16.45</b>	<b>11.82</b>	<b>15.00</b>	<b>11.06</b>	<b>13.47</b>	<b>8.68</b>
As per P.Y. B/s	(1.88)	14.57	26.39	41.38	52.45	65.91
<b>As per C.Y. B/s</b>	<b>14.57</b>	<b>26.39</b>	<b>41.38</b>	<b>52.45</b>	<b>65.91</b>	<b>74.60</b>

**DETAILS OF LONG TERM LOANS AND ADVANCES AS RESTATED - ANNEXURE – XVII**  
(Rs. in Lacs)

Particulars	As at March 31,					September 30, 2017
	2013	2014	2015	2016	2017	
<b>a. long term loans and advances recoverable from Directors/Promoters/Promoter Group/ Associates/ Relatives of Directors/Group Company</b>						
Advances to Group company	-	-	49.07	-	-	-
<u>Unsecured Advances to subsidiaries</u>	-	-	-	-	-	381.44
<b>b. Other Long Term Loans &amp; Advances</b>						
Security Deposits	13.69	14.11	20.23	25.26	25.26	25.27
Advance against Capital Expenditure	-	-	-	-	-	-
<b>Total</b>	<b>13.69</b>	<b>14.11</b>	<b>69.30</b>	<b>25.26</b>	<b>25.26</b>	<b>406.72</b>

**Note:**

1. The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.
2. The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures IV, I, II and III.

**DETAILS OF INVENTORIES AS RESTATED - ANNEXURE – XVIII**  
(Rs. in Lacs)

Particulars	As at March 31,					September 30, 2017
	2013	2014	2015	2016	2017	
Raw materials	1230.70	1280.28	1270.05	1171.11	926.39	85.43
Work-in-process	45.49	18.17	46.01	446.83	222.85	722.42
Finished goods	1718.04	1938.61	1115.67	917.35	1594.08	1696.09
Stores and spares	15.89	15.18	16.51	30.42	2.29	1.32
<b>TOTAL</b>	<b>3010.11</b>	<b>3252.25</b>	<b>2448.23</b>	<b>2565.70</b>	<b>2745.61</b>	<b>2505.27</b>

**DETAILS OF TRADE RECEIVABLES AS RESTATED - ANNEXURE- XIX**

Particulars	As at March 31,					(Rs. in Lacs) September
	2013	2014	2015	2016	2017	30, 2017
<b>a. From</b>						
<b>Directors/Promoters/ Promoter</b>						
<b>Group/Associates/ Relatives of Directors / Group Companies</b>						
Over Six Months	-	-	-	-	1.36	1.36
Others	-	-	-	2.46	-	0.07
<b>b. From Others</b>						
Over Six Months	409.54	387.56	788.37	597.03	199.92	549.78
Others	814.03	762.80	255.80	186.79	1530.98	2110.87
<b>TOTAL</b>	<b>1223.56</b>	<b>1150.36</b>	<b>1044.77</b>	<b>786.28</b>	<b>1732.25</b>	<b>2662.08</b>

**DETAILS OF CASH AND BANK BALANCES AS RESTATED -ANNEXURE- XX**

Particulars	As at March 31,					(Rs. in Lacs) September
	2013	2014	2015	2016	2017	30, 2017
Cash in hand	40.14	20.64	91.34	54.92	39.41	4.31
Balances with banks						
- In current accounts	65.01	68.95	(88.61)	28.32	(1.51)	(3.93)
b. Balance in Deposit Accounts	6.28	6.63	50.13	314.97	326.26	339.68
<b>TOTAL</b>	<b>111.42</b>	<b>96.22</b>	<b>52.85</b>	<b>398.21</b>	<b>364.16</b>	<b>340.06</b>

**DETAILS OF SHORT TERM LOANS AND ADVANCES AS RESTATED - ANNEXURE – XXI**

Particulars	As at March 31,					(Rs. in Lacs) September
	2013	2014	2015	2016	2017	30, 2017
<b><u>Unsecured, considered good</u></b>						
(a) Loans and advances to related parties	-	-	-	-	-	-
(b) Balance with Government Authorities	77.64	73.90	168.33	240.19	213.02	50.37
(c) Others (specify nature)	-	-	-	-	-	-
(d) Advance Tax & TDS	27.37	145.58	24.49	43.87	15.12	4.00
(e) Prepaid Expenses	-	-	2.21	5.09	4.50	3.34
(f) Advance against JV	-	-	-	-	160.00	49.00
(g) Others	263.72	202.74	120.46	321.65	16.63	103.88
<b>TOTAL</b>	<b>368.72</b>	<b>422.23</b>	<b>315.49</b>	<b>610.79</b>	<b>409.27</b>	<b>210.59</b>

**DETAILS OF OTHER CURRENT ASSETS AS RESTATED - ANNEXURE - XXII**

*(Rs. in Lacs)*

Particulars	As at March 31,					September
	2013	2014	2015	2016	2017	30, 2017
Int.(UPSEB) Rec.	-	-	-	-	1.10	1.10
Receivable From Deposit in Court outside India - Mahle	-	-	-	-	92.86	78.00
Rent Receivable	-	-	-	0.48	-	-
<b>TOTAL</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.48</b>	<b>93.96</b>	<b>79.10</b>

**Note:**

1. The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.
2. The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures IV, I, II and III.

**DETAILS OF OTHER INCOME AS RESTATED - ANNEXURE – XXIII**

*(Rs. in Lacs)*

Particulars	As at March 31,					September	Nature
	2013	2014	2015	2016	2017	r 30, 2017	
Other income	26.95	32.00	11.73	23.92	26.35	17.02	-
Net profit before tax as restated	33.69	3.56	68.65	116.48	634.54	382.73	-
<b>Percentage</b>	<b>80.01 %</b>	<b>900.07 %</b>	<b>17.09 %</b>	<b>20.54%</b>	<b>4.15%</b>	<b>4.45%</b>	<b>-</b>
<b>Source of income-</b>							
Profit/(Loss) On Sale Of Fixed Assets	-	2.33	8.87	(0.50)	-	7.51	Non Recurring and not related to business activity.
Interest Income	24.18	6.12	4.43	19.89	23.89	9.13	Recurring and related to business activity.
Profit/(Loss) From Foreign Currency Translations	-	22.60	(2.64)	2.56	0.54	0.38	Recurring and related to business activity.
Duty Draw Back	1.19	0.90	0.96	0.92	0.32	-	Recurring and related to business activity
Rent Recd	-	0.05	0.12	1.04	1.60	0	Non Recurring and not related to business activity
Others	1.58	-	-	-	-	-	Non Recurring and not related to business activity

Particulars	As at March 31,					September 30, 2017	Nature
	2013	2014	2015	2016	2017		
Total other income	27.00	32.00	12.00	24.00	26.00	17.00	-

**Note:**

1. The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.
2. The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures IV, I, II and III.

**CAPITALISATION STATEMENT AS AT STUB PERIOD 30 SEP 2017- ANNEXURE – XXIV**

(Rs. in Lacs)

Particulars	Pre Issue	Post Issue
<b>Borrowings:</b>		
Short-term	2535.57	-
Long-term (A)	1398.21	-
<b>Total debts (B)</b>	<b>3933.77</b>	<b>-</b>
<b>Shareholders' funds</b>		
Share capital	309.78	-
Reserve and surplus	1949.88	-
<b>Total shareholders' funds (C)</b>	<b>2259.66</b>	<b>-</b>
<b>Long term debt / shareholders' funds (A/C)</b>	<b>0.62</b>	<b>-</b>
<b>Total debt / shareholders' funds (B/C)</b>	<b>1.74</b>	<b>-</b>

\* The Corresponding post issue figures are not determinable at this stage pending the completion of public issue and hence have not been furnished.

**Notes:**

1. Short term Debts represent which are expected to be paid/payable within 12 months.
2. Long term Debts represent debts other than Short term Debts as defined above.
3. The figures disclosed above are based on restated statement of Assets and Liabilities of the Company as at 30/09/2017

**STATEMENT OF TAX SHELTERS - ANNEXURE – XXV**

(Rs. in Lacs)

Particulars	As at March 31,					September 30, 2017
	2013	2014	2015	2016	2017	
Profit before tax, as restated (A)	33.69	3.56	68.65	116.48	634.54	382.73
Tax Rate (%)	0.30	0.31	0.32	0.33	0.33	0.33
Minimum Alternate Taxes	0.19	0.20	0.20	0.20	0.20	0.20
<b>Adjustments :</b>						
Add: Depreciation as per	76.74	94.51	96.41	84.95	71.75	57.15

Particulars	As at March 31,					September 30, 2017
	2013	2014	2015	2016	2017	
Companies Act, 1956/2013						
Add: Expenditure on Account of Interest on Delay payment of TDS and non Payment/Short payment of TDS	-	0.06	-	1.56	0.30	-
Add: Income Tax Demand	-	-	-	-	-	-
Add: Donations	-	0.50	0.76	0.86	0.25	1.00
Add: Interest paid for House Property	-	-	-	-	-	-
Add: Prior Period Expenses	-	-	0.25	-	-	-
Add: Gratuity disallowed under 40A(7)	47.89	8.63	9.52	9.28	20.90	5.95
Add: 43B provident Fund	-	-	-	1.67	-	-
Add- Loss on Sale of Fixed Assets	-	-	-	1.38	-	-
Less- Profit on Sale of Fixed Asset	-	(2.33)	(8.87)	(0.89)	-	(7.51)
Less:- Court fees - Revenue/ Business expenses	-	-	-	-	(92.86)	-
Less:- Rent Income	-	-	-	(0.96)	(1.44)	-
Less: Depreciation as per Income Tax Act, 1961	(71.40)	(64.90)	(57.39)	(58.44)	(51.84)	(36.79)
<b>Net Adjustments (B)</b>	53.23	36.48	40.69	39.43	(52.93)	19.81
<b>Business Income (A+B)</b>	86.91	40.03	109.34	155.91	581.61	402.54
Less: Unabsorbed Depreciation/Loss to be utilised for Set-Off	-	-	-	-	-	-
House Property Income	-	-	-	-	-	-
Rent Receivable	-	-	-	0.96	1.44	-
Less : Standard Deduction us 24(a)	-	-	-	0.29	0.43	-
Less : Interest paid during the year	-	-	-	-	-	-
<b>Net Adjustments (c)</b>	-	-	-	0.67	1.01	-
<b>Gross Total Income</b>	86.91	40.03	109.34	156.58	582.62	402.54
Less: Deduction under chapter VIA	-	-	-	-	-	-
<b>Total Income</b>	86.91	40.03	109.34	156.58	582.62	402.54
Tax Payable as per Normal Rate includes Surcharge and cess	26.15	12.37	35.47	51.77	192.63	133.08



Particulars	As at March 31,					September 30, 2017
	2013	2014	2015	2016	2017	
Interest on tax	1.21	0.13	2.22	0.09	-	-
Add: Interest on Income tax debited to P&L before tax	-	-	-	-	-	-
<b>Tax as per Income Tax (C )</b>	27.37	12.50	37.70	51.85	192.63	133.08
<b>Computation of Book Profits</b>						
PBT as per P&L)	33.69	3.56	68.65	116.48	634.54	382.73
Add: Interest on TDS	-	-	-	-	-	-
Add: Interest on Income tax debited to P&L before tax	-	-	-	-	-	-
Book Profits	33.69	3.56	68.65	116.48	634.54	382.73
Unabsorbed depreciation as per books	-	-	-	-	-	-
Tax Payable as per Minimum Alternate Tax U/s 115 JB of the Income Tax Act, 1961 (D)	6.42	0.71	13.74	23.75	129.38	78.03
<b>Net Tax (Higher of C &amp; D)</b>	27.37	12.50	37.70	51.85	192.63	133.08
Current tax as per restated Statement of Profit & Loss	27.37	12.50	37.70	51.85	192.63	133.08

**Note:**

- The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.*
- The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures IV, I, II and III.*

**DETAILS OF RELATED PARTY TRANSACTIONS AS RESTATED - ANNEXURE – XXVI**

*(Rs. in Lacs)*

Name of the Party	Nature of Transaction	Amount of Transaction in 2012-13	Amount Outstanding as on 31.03.13 (Payable)/ Receivable	Amount of Transaction in 2013-14	Amount Outstanding as on 31.03.14 (Payable)/ Receivable	Amount of Transaction in 2014-15	Amount Outstanding as on 31.03.15 (Payable)/ Receivable	Amount of Transaction in 2015-16	Amount Outstanding as on 31.03.16 (Payable)/ Receivable	Amount of Transaction in 2016-17	Amount Outstanding as on 31.03.17 (Payable)/ Receivable	Amount of Transaction till 30-09-2017	Amount Outstanding as on 30-09-2017 (Payable)/ Receivable
Benara Engine spares (p) ltd	Sale of goods	-	-	-	-	143.61	(5.76)	6.95	(60.44)	419.54	-	23.83	(4.08)
Benara Bi-Metal Pvt Ltd	Sale of goods	-	-	-	-	6.77	-	13.86	2.46	7.30	-	3.73	-
Benara Solar Pvt Ltd	Sale of goods	-	-	-	-	-	-	-	-	24.24	1.36	0.07	1.43
Vinay iron foundry	Purchase of goods	55.71	(34.13)	381.45	(3.05)	74.11	(3.41)	94.50	(44.64)	83.17	(39.85)	89.71	(121.06)
Benara Engine spares (p) ltd	Purchase of goods	-	-	-	-	182.10	(5.76)	59.08	(60.44)	887.73	(41.83)	1,522.26	(4.08)
Benara Bi-Metal Pvt Ltd	Purchase of goods	-	-	-	-	5.21	-	11.73	2.46	-	1.06	1.11	-
Benara Industries Agra	Purchase of goods	-	-	-	-	-	-	11.58	(9.58)	-	-	-	-
Fore Squire Retail Private Limited	Purchase of goods	-	-	75.12	(40.00)	-	-	-	-	-	-	-	-
Vinay iron foundry	Job Work Charges	99.07	(34.13)	87.44	(3.05)	67.42	(3.41)	59.78	(44.64)	39.71	(39.85)	20.72	(121.06)
Vinay iron	Rent Paid	-	-	4.05	(3.05)	4.05	(3.41)	4.05	(44.64)	4.05	(39.85)	4.05	(121.06)

Name of the Party	Nature of Transaction	Amount of Transaction in 2012-13	Amount Outstanding as on 31.03.13 (Payable)/ Receivable	Amount of Transaction in 2013-14	Amount Outstanding as on 31.03.14 (Payable)/ Receivable	Amount of Transaction in 2014-15	Amount Outstanding as on 31.03.15 (Payable)/ Receivable	Amount of Transaction in 2015-16	Amount Outstanding as on 31.03.16 (Payable)/ Receivable	Amount of Transaction in 2016-17	Amount Outstanding as on 31.03.17 (Payable)/	Amount of Transaction till 30-09-2017	Amount Outstanding as on 30-09-2017 (Payable)/ Receivable
foundry													
Benara Infrastructure Dev Pvt Ltd. Agra	Royalty	2.43	-	2.51	-	-	-	-	-	-	-	-	-
Fore Squire Retail Private Limited	Royalty	0.14	-	0.05	-	-	-	-	-	-	-	-	-
Skymark leasing finance limited	Interest Accrued/Paid	6.86	(80.08)	7.15	(79.09)	7.11	(81.03)	6.81	(29.85)	2.69	(31.11)	-	(30.63)
Mr. Panna lal jain	Interest Accrued/Paid	14.22	(128.07)	8.15	(141.37)	10.55	(1.81)	-	-	-	-	-	-
Mrs. Ketaki Benara	Interest Accrued/Paid	13.05	- (270.42)	29.10	(233.63)	5.41	(1.31)	-	-	-	-	-	-
Mrs Sarla Jain	Interest Accrued/Paid	14.23	(135.00)	9.11	(96.11)	1.53	(1.72)	-	-	-	-	-	-
Mr. Vivek Benara	Interest Accrued/Paid	16.34	(401.67)	75.18	(554.34)	45.53	(12.55)	-	-	-	-	-	-

Name of the Party	Nature of Transaction	Amount of Transaction in 2012-13	Amount Outstanding as on 31.03.13 (Payable)/ Receivable	Amount of Transaction in 2013-14	Amount Outstanding as on 31.03.14 (Payable)/ Receivable	Amount of Transaction in 2014-15	Amount Outstanding as on 31.03.15 (Payable)/ Receivable	Amount of Transaction in 2015-16	Amount Outstanding as on 31.03.16 (Payable)/ Receivable	Amount of Transaction in 2016-17	Amount Outstanding as on 31.03.17 (Payable)/	Amount of Transaction till 30-09-2017	Amount Outstanding as on 30-09-2017 (Payable)/ Receivable
	id												
Vivek Benara HUF	Interest Accrued/Paid	2.01	(24.11)	2.12	(22.08)	2.43	-	-	-	-	-	-	-
Panna Lal Jain HUF	Interest Accrued/Paid	2.14	(19.70)	1.97	(21.47)	4.27	-	-	-	-	-	-	-
MR. Panna lal Jain	Remuneration to key managerial person	9.60	-	9.60	-	9.60	-	9.60	-	9.60	-	4.80	-
Mrs. Ketaki Benara	Remuneration to key managerial person	3.00	-	3.00	-	3.00	-	4.00	-	4.00	-	2.00	-
Mrs Sarla Jain	Remuneration to key managerial person	5.40	-	5.40	-	5.40	-	5.40	-	5.40	-	2.70	-
Mr. Vivek Benara	Remuneration to key managerial	-	-	-	-	-	-	2.00	-	6.00	-	3.00	-

Name of the Party	Nature of Transaction	Amount of Transaction in 2012-13	Amount Outstanding as on 31.03.13 (Payable)/ Receivable	Amount of Transaction in 2013-14	Amount Outstanding as on 31.03.14 (Payable)/ Receivable	Amount of Transaction in 2014-15	Amount Outstanding as on 31.03.15 (Payable)/ Receivable	Amount of Transaction in 2015-16	Amount Outstanding as on 31.03.16 (Payable)/ Receivable	Amount of Transaction in 2016-17	Amount Outstanding as on 31.03.17 (Payable)/	Amount of Transaction till 30-09-2017	Amount Outstanding as on 30-09-2017 (Payable)/ Receivable
	person												
Benara International Pvt Ltd	Loan Taken	104.36	19.30	61.57	36.84	-	-	315.00	-	168.44	-	511.91	(1.64)
Benara Infrastructure Dev Pvt Ltd. Agra	Loan Taken	119.10	(96.28)	-	(9.88)	-	-	32.56	(32.56)	-	(12.86)	-	-
Mrs Ketaki benara	Loan Taken	232.14	(270.42)	105.50	(233.63)	7.31	(1.31)	38.58	-	8.00	(0.29)	32.00	(3.25)
Mr. Panna lal jain	Loan Taken	62.21	(128.07)	98.75	(141.37)	619.25	(1.81)	142.38	-	157.46	(1.41)	90.50	(32.36)
Mr. Vivek Benara	Loan Taken	362.75	(401.67)	858.60	(554.34)	653.79	(12.55)	743.64	-	128.50	(9.25)	54.80	(1.85)
Mrs Sarla Jain	Loan Taken	84.38	(135.00)	19.97	(96.11)	-	(1.72)	81.66	-	10.26	(0.71)	6.00	(0.71)
Skymark leasing finance limited	Loan Taken	-	(80.08)	-	(79.09)	-	(81.03)	2.50	-	-	-	-	-
Vivek benara	Loan	-	(24.11)	-	(22.08)	22.08	-	2.00	-	-	-	-	-

Name of the Party	Nature of Transaction	Amount of Transaction in 2012-13	Amount Outstanding as on 31.03.13 (Payable)/ Receivable	Amount of Transaction in 2013-14	Amount Outstanding as on 31.03.14 (Payable)/ Receivable	Amount of Transaction in 2014-15	Amount Outstanding as on 31.03.15 (Payable)/ Receivable	Amount of Transaction in 2015-16	Amount Outstanding as on 31.03.16 (Payable)/ Receivable	Amount of Transaction in 2016-17	Amount Outstanding as on 31.03.17 (Payable)/	Amount of Transaction till 30-09-2017	Amount Outstanding as on 30-09-2017 (Payable)/ Receivable
Huf	Taken												
Panna Lal Jain HUF	Loan Taken	-	(19.70)	-	(21.470	-	-	9.31	-	-	-	-	-
Benara International Pvt Ltd	Loans/Advances Repaid	88.00	-	88.00	-	-	-	315.00	-	168.44	-	510.27	0.00
Benara Infrastructure Dev Pvt Ltd. Agra	Loans/Advances Repaid	-	(96.28 )	86.48	(9.880	-	-	-	(32.56 )	19.71	-	-	-
Mrs Ketaki benara	Loans/Advances Repaid	2.65	(270.42 )	168.48	(233.63)	245.04	(1.31)	37.32	1.34	1.90	-	29.04	-
Mr. Panna lal jain	Loans/Advances Repaid	13.05	(128.07)	92.78	(141.37)	202.59	(1.81)	143.12	(1.07)	143.51	-	59.55	-
Mr. Vivek Benara	Loans/Advances Repaid	-	(401.67)	554.34	(554.34)	699.32	(12.55)	756.01	(2.52)	110.91	-	62.20	-
Mrs Sarla Jain	Loans/Advances Repaid	5.05	-	67.06	-	95.92	-	82.09	-	2.56	-	6.00	-

Name of the Party	Nature of Transaction	Amount of Transaction in 2012-13	Amount Outstanding as on 31.03.13 (Payable)/ Receivable	Amount of Transaction in 2013-14	Amount Outstanding as on 31.03.14 (Payable)/ Receivable	Amount of Transaction in 2014-15	Amount Outstanding as on 31.03.15 (Payable)/ Receivable	Amount of Transaction in 2015-16	Amount Outstanding as on 31.03.16 (Payable)/ Receivable	Amount of Transaction in 2016-17	Amount Outstanding as on 31.03.17 (Payable)/	Amount of Transaction till 30-09-2017	Amount Outstanding as on 30-09-2017 (Payable)/ Receivable
Skymark leasing finance limited	Loans/Advances Repaid	3.19	-	7.42	-	4.40	-	6.00	-	1.43	(31.11)	0.48	- 30.63
Vivek benara HUF	Loans/Advances Repaid	-	24.11	24.11	22.08	24.50	-	2.00	-	-	-	-	-
Panna Lal Jain HUF	Loans/Advances Repaid	8.09	-	-	-	-	-	9.31	-	-	-	0.04	0.04
Benara International Pvt Ltd	Loan & Advances Given	19.30	19.30	36.84	0.00	-	49.07	-	-	-	-	-	-
Fore Squire Retail Private Limited	Loan & Advances Given	12.80	57.99	20.68	-	-	40.32	-	-	-	-	-	-
Fore Squire Retail Private Limited	Loan & Advances Recd back	75.00	57.99	43.50	-	-	-	-	-	-	-	-	-
Securitrans Trading Pvt Ltd	-	-	-	-	-	-	-	-	1.10	1.10	-	1.10	-
Benara International Pvt	Advance Against	-	-	-	-	-	-	251.00	-	-	-	-	-

Name of the Party	Nature of Transaction	Amount of Transaction in 2012-13	Amount Outstanding as on 31.03.13 (Payable)/ Receivable	Amount of Transaction in 2013-14	Amount Outstanding as on 31.03.14 (Payable)/ Receivable	Amount of Transaction in 2014-15	Amount Outstanding as on 31.03.15 (Payable)/ Receivable	Amount of Transaction in 2015-16	Amount Outstanding as on 31.03.16 (Payable)/ Receivable	Amount of Transaction in 2016-17	Amount Outstanding as on 31.03.17 (Payable)/ Receivable	Amount of Transaction till 30-09-2017	Amount Outstanding as on 30-09-2017 (Payable)/ Receivable
Ltd	Purchase Of Property												

**Notes:-**

- The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.*
- The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures IV, I, II and III.*
- 3. List Company/entity owned or significantly influenced by directors/ KMP, Key Management Personnels, and Relative of Key Management Personnels have been determined by the Management and relied upon by the Auditors. The Auditors have not performed any procedure to determine whether the list is accurate and complete.*

**SUMMARY OF ACCOUNTING RATIOS - Annexure – XXVII**

Ratio	As at March 31,					(Rs. in Lacs)
	2013	2014	2015	2016	2017	September 30, 2017
Net worth(A)	1131.69	1134.57	1170.26	1545.94	2001.32	2259.66
Restated PAT as per statement of profit and loss(B)	22.76	2.87	45.95	75.68	455.38	258.34
Weighted average number of equity shares at the end of the year/ period(C)	112.92	117.91	117.91	118.77	123.91	123.91
Share capital as at the end of the year	249.78	249.78	249.78	309.78	309.78	309.78
<b>Earnings Per Share</b>						



Basic & Diluted - before bonus	0.91	0.12	1.84	2.44	14.70	8.34
Basic & Diluted - after bonus	0.20	0.02	0.39	0.64	3.67	2.08
<b>Return on net worth (%)</b>	2.01%	0.25%	3.93%	4.90%	22.75%	11.43%
<b>Net Asset Value Per Share (Rs) - before bonus</b>	45.31	45.42	46.85	49.90	64.60	72.94
Net Asset Value Per Share (Rs) - after bonus	9.60	9.62	9.92	12.48	16.15	18.24
Nominal value per equity share (Rs.)	10.00	10.00	10.00	10.00	10.00	10.00

**Notes:**

1. The ratios have been computed as below:
  - (a) Basic earnings per share (Rs.) - : Net profit after tax as restated for calculating basic EPS / Weighted average number of equity shares outstanding at the end of the period or year
  - (b) Diluted earnings per share (Rs.) - : Net profit after tax as restated for calculating diluted EPS / Weighted average number of equity shares outstanding at the end of the period or year for diluted EPS
  - (c) Return on net worth (%) -: Net profit after tax (as restated) / Net worth at the end of the period or year
  - (d) Net assets value per share -: Net Worth at the end of the period or year / Total number of equity shares outstanding at the end of the period or year
  - (e) Adjusted Net assets value per share - : Net Worth at the end of the period or year / weighted average number of equity shares outstanding at the end of the period or year.
2. Weighted average number of equity shares is the number of equity shares outstanding at the beginning of the period/year adjusted by the number of equity shares issued during period/year multiplied by the time weighting factor. The time weighting factor is the number of days for which the specific shares are outstanding as a proportion of total number of days during the period/year.
3. Net worth for ratios mentioned in note 1I and 1(d) is = Equity share capital + Reserves and surplus (including, Securities Premium, General Reserve and surplus in statement of profit and loss).
4. The Company has declared bonus shares in the ratio of 3:1 (3 shares bonus for Every 1 shares held in Company) dated 29/12/2017 to all existing shares holders. Accordingly, the number of equity shares considered for computation of basic and diluted earnings per share for the period ended September 30, 2017 and year ended March 31, 2017, March 31, 2016, March 31, 2015, March 31, 2014 and March 31, 2013, have been adjusted for the impact of bonus issue.

5. The figures disclosed above are based on the restated summary statements of the Group.
6. The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures IV, I, II and III.

**RECONCILIATION OF RESTATED PROFIT - ANNEXURE -XXVIII**

Adjustments for	As at March 31,					(Rs. in Lacs)
	2013	2014	2015	2016	2017	September 30, 2017
Net profit/(loss) after tax as per audited statement of profit & loss	61.48	8.47	43.22	81.24	482.36	249.36
<b>Adjustments for:</b>						
Adjustment in F.A as per Companies Act,2013	-	-	10.27	-	-	-
Prior period expenses adjusted	-	-	-	0.24	0.01	-
Prior period Tax Expenses	5.25	0.37	-	0.70	0.09	13.07
Increase in expenses Prior period expenses booked in P.Y.	(0.37)	-	-	(0.09)	(13.07)	-
Deferred tax liability / asset adjustment	14.80	2.67	2.94	2.87	6.90	1.97
Decrease/(Increase) in Provision for Gratuity	(47.89)	(8.63)	(9.52)	(9.28)	(20.90)	(5.95)
<b>Net Increase/ (Decrease)</b>	<b>(38.71)</b>	<b>(5.59)</b>	<b>3.69</b>	<b>(5.56)</b>	<b>(26.98)</b>	<b>9.08</b>
<b>Net profit/ (loss) after tax as restated</b>	<b>22.77</b>	<b>2.87</b>	<b>45.96</b>	<b>75.68</b>	<b>455.38</b>	<b>258.34</b>

**NOTE:-**

1. Adjustment in F.A as per Companies Act, 2013 Due to change in rate of depreciations as per Schedule II, Difference arise was adjusted against the reserve and surplus in annexure VII.
2. Company has not provided Gratuity Provisions as per actuarial valuation in the books of accounts. Company provide gratuity in books as a when paid to Employee. Now gratuity provisions provided in the Financial of the company as per actuarial valuations report.
3. Prior period Tax Expenses has shown the figure of less and Excess tax provisions.
4. Deferred Tax Liability / Asset Adjustment due to Provisions for Gratuity DTA created in each year.

**CONTINGENT LIABILITIES AND COMMITMENTS - ANNEXURE -XXIX**

*As per the information available & explanations provided to us by the management*

*(Rs. in Lacs)*

<b>Particulars</b>	<b>As at March 31, 2013</b>	<b>As at March 31, 2014</b>	<b>As at March 31, 2015</b>	<b>As at March 31, 2016</b>	<b>As at March 31, 2017</b>	<b>September 30, 2017</b>
Outstanding demand of Income taxes related to earlier previous years that may arise in respect of which the Company is in appeal.	14.69	14.69	32.18	26.36	33.98	36.97
Outstanding demand of excise duty that may arise in respect of which the notice has been received by Central Excise Department and for which company is in appeal.	-	31.15	73.37	73.37	141.07	141.07

## CONSOLIDATED FINANCIAL STATEMENT AS RESTATED

### Independent Auditor's Report for the Restated Financial Statements of (As required by section 26 of the companies Act, 2013)

#### The Board of Directors

#### Benara Bearings and Pistons Limited

A-3 &-4, Site B, industrial

Area Sikandra,

Agra, Uttar Pradesh 282007

Dear Sirs,

1. We have examined the attached Restated Statement of consolidated Assets and Liabilities of **Benara Bearings and Pistons Limited(the Company)**as at 31<sup>st</sup> March,2016, 31<sup>st</sup> March, 2017 and period ended 30<sup>th</sup> September, 2017 and the related Restated Statement of consolidated Profit & Loss and Restated Statement of consolidated Cash Flow for the financial period/year ended on as at 31<sup>st</sup> March,2016, 31<sup>st</sup> March, 2017 and period ended 30<sup>th</sup> September, 2017 (collectively the "**Restated Summary Consolidated Statements**" or "**Restated Consolidated Financial Statements**"). These Restated Summary Statements have been prepared by the Company and approved by the Board of Directors of the Company in connection with the Initial Public Offering (IPO) in SME Platform of BSE.
2. These Restated Summary consolidated Statements have been prepared in accordance with the requirements of:
  - (i) Part I of Chapter III to the Companies Act, 2013("**Act**");
  - (ii) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2009 ("**ICDR Regulations**") issued by the Securities and Exchange Board of India ("**SEBI**") in pursuance to Section 11 of the Securities and Exchange Board of India Act, 1992 and related amendments / clarifications from time to time;
  - (iii) The terms of reference to our engagements with the Company letter dated 21<sup>st</sup> November 2017 requesting us to carry out the assignment, in connection with the Prospectus/ Prospectus being issued by the Company for its proposed Initial Public Offering of equity shares in SME Platform of BSE ("**IPO**" or "**SME IPO**"); and
  - (iv) The Guidance Note on Reports in Company Prospectus (Revised) issued by the Institute of Chartered Accountants of India ("**Guidance Note**").
3. The Restated Summary consolidated Statements of the Company have been extracted by the management from the Audited consolidated Financial Statements of the Company for the financial period/year ended on as at 31<sup>st</sup> March,2016, 31<sup>st</sup> March, 2017 and period ended 30<sup>th</sup> September, 2017 which have been approved by the Board of Directors.
4. 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 as at, 31<sup>st</sup> March,2016, 31<sup>st</sup> March, 2017 and period ended 30<sup>th</sup> September, 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 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 Summary Statements as set out in **Annexure VI and Annexure V** to this Report.

- (ii) The “**Restated Statement of Consolidated Profit and Loss**” as set out in **Annexure II** to this report, of the Company for the financial period/year ended on as at 31<sup>st</sup> March, 2016, 31<sup>st</sup> March, 2017 and period ended 30<sup>th</sup> September, 2017 are prepared by the Company and approved by the Board of Directors. These Statement of consolidated Profit and Loss, as restated have been arrived at after making such adjustments and regroupings to the individual financial statements of the Company, as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes to the Restated consolidated Summary Statements as set out in **Annexure IV and Annexure V** to this Report.
  - (iii) The “**Restated Statement Consolidated of Cash Flow**” as set out in **Annexure III** to this report, of the Company for the financial period/year ended on as at 31<sup>st</sup> March, 2016, 31<sup>st</sup> March, 2017 and period ended 30<sup>th</sup> September, 2017 are prepared by the Company and approved by the Board of Directors. These Statement of consolidated Cash Flow, as restated have been arrived at after making such adjustments and regroupings to the individual financial statements of the Company, as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes to Restated Summary Statements as set out in **Annexure IV and Annexure V** to this Report.
5. 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 there are no 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) There were no qualifications in the Audit Reports issued by the Statutory Auditors for the financial period/year ended on as at 31<sup>st</sup> March, 2016, 31<sup>st</sup> March, 2017 and period ended 30<sup>th</sup> September, 2017 which would require adjustments in this Restated consolidated Financial Statements of the Company.
  - e) These consolidated 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 Policies and Notes to Restated Summary Statements as set out in **Annexure IV and Annexure V** to this report.
6. Audit for the financial year ended as at 31<sup>st</sup> March, 2016, 31<sup>st</sup> March, 2017 and period ended 30<sup>th</sup> September, 2017 was conducted by M/s Agrawal Jain & Gupta, Chartered Accountants. And accordingly reliance has been placed on the financial information examined by them for the said years. The financial report included for these years is based solely on the report submitted by them.
7. We have also examined the following other financial information relating to the Company prepared by the Management and as approved by the Board of Directors of the Company and annexed to this report relating to the Company for the financial period/year ended on as at 31<sup>st</sup> March, 2016, 31<sup>st</sup> March, 2017 and period ended 30<sup>th</sup> September, 2017 proposed to be

included in the Prospectus/Prospectus (“**Offer Document**”).

**Annexure of Restated Financial Statements of the Company:-**

1. Significant Accounting Policies in Annexure IV;
2. Notes to accounts as restated in Annexure V;
3. Details of Share Capital as Restated as at as at 31st March,2016, 31st March, 2017 and period ended 30th September, 2017 appearing in ANNEXURE VI to this report;
4. Details of Reserves and Surplus as Restated as at 31st March,2016, 31st March, 2017 and period ended 30th September, 2017 appearing in ANNEXURE VII to this report;
5. Details of Long Term Borrowings as Restated as at 31st March,2016, 31st March, 2017 and period ended 30th September, 2017 appearing in ANNEXURE VIII to this report;
6. Details of Long Term Provisions as Restated as at 31st March,2016, 31st March, 2017 and period ended 30th September, 2017 appearing in ANNEXURE IX to this report;
7. Details of Short Term Borrowings as Restated as at 31st March,2016, 31st March, 2017 and period ended 30th September, 2017 appearing in ANNEXURE X to this report;
8. Details of Trade Payables as Restated as at 31st March,2016, 31st March, 2017 and period ended 30th September, 2017 appearing in ANNEXURE XI to this report;
9. Details of Other Current Liabilities as Restated as at 31st March,2016, 31st March, 2017 and period ended 30th September, 2017 s appearing in ANNEXURE XII to this report;
10. Details of Short Term Provisions as Restated as at 31st March,2016, 31st March, 2017 and period ended 30th September, 2017 appearing in ANNEXURE XIII to this report;
11. Details of Fixed Assets as Restated as at 31st March,2016, 31st March, 2017 and period ended 30th September, 2017 appearing in ANNEXURE XIV to this report;
12. Details of Non-Current Investments as Restated as at 31st March,2016, 31st March, 2017 and period ended 30th September, 2017 appearing in ANNEXURE XV to this report;
13. Details of Deferred Tax Assets (Net) as at 31st March,2016, 31st March, 2017 and period ended 30th September, 2017 Restated as appearing in ANNEXURE XVI to this report;
14. Details of Long Term Loans & Advances as at 31st March,2016, 31st March, 2017 and period ended 30th September, 2017 Restated as appearing in ANNEXURE XVII to this report;
15. Details of Inventories as at 31st March,2016, 31st March, 2017 and period ended 30th September, 2017 Restated as appearing in ANNEXURE XVIII to this report;
16. Details of Trade Receivables as at 31st March,2016, 31st March, 2017 and period ended 30th September, 2017 Restated enclosed as ANNEXURE XIX to this report;
17. Details of Cash and Bank Balances as at 31st March,2016, 31st March, 2017 and period ended 30th September, 2017 Restated enclosed as ANNEXURE XX to this report;
18. Details of Short Term Loans & Advances as at 31st March,2016, 31st March, 2017 and period ended 30th September, 2017 Restated as appearing in ANNEXURE XXI to this report;
19. Details of Other Current Assets as at 31st March,2016, 31st March, 2017 and period ended 30th September, 2017 Restated as appearing in ANNEXURE XXII to this report;
20. Details of Other Income as at 31st March,2016, 31st March, 2017 and period ended 30th September, 2017 Restated appearing in ANNEXURE XXIII to this report;

21. Capitalization Statement as at 31st March,2016, 31st March, 2017 and period ended 30th September, 2017 Restated as appearing in ANNEXURE XXIV to this report;
  22. Details of Related Parties Transactions with the Directors as at 31st March,2016, 31st March, 2017 and period ended 30th September, 2017 Restated as appearing in ANNEXURE XXV to this report;
  23. Details of Significant Accounting Ratios as at 31<sup>st</sup> March,2016, 31<sup>st</sup> March, 2017 and period ended 30<sup>th</sup> September, 2017 Restated as appearing in ANNEXURE XXVI to this report
  24. Reconciliation of Restated Profit as at 31<sup>st</sup> March,2016, 31<sup>st</sup> March, 2017 and period ended 30<sup>th</sup> September, 2017 appearing in ANNEXURE XXVII to this report.
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8. We, Agrawal Jain and Gupta, 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.
  9. The preparation and presentation of the consolidated Financial Statements referred to above are based on the Audited consolidated financial statements of the Company and are in accordance with the provisions of the Act and ICDR Regulations. The consolidated Financial Statements and information referred to above is the responsibility of the management of the Company.
  10. The report should not in any way be construed as a re-issuance or re-dating of any of the previous audit reports issued by any other Firm of Chartered Accountants nor should this report be construed as a new opinion on any of the financial statements referred to therein.
  11. We have no responsibility to update our report for events and circumstances occurring after the date of the report.
  12. In our opinion, the above financial information contained in Annexure I to XXXI of this report read with the respective Significant Accounting Policies and Notes to Restated consolidated 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.
  13. Our report is intended solely for use of the management and for inclusion in the Offer Document in connection with the SME IPO. Our report should not be used, referred to or adjusted for any other purpose except with our consent in writing.

**For Agrawal Jain & Gupta**  
Chartered Accountants  
Firm Registration No.:013538C

**CA Narayan Swami**  
Partner  
M. No – 409759  
Place: Mumbai  
Date: November 25, 2017

**STATEMENT OF ASSETS AND LIABILITIES AS RESTATED - ANNEXURE I**

*(Rs. in Lacs)*

<b>Sr. No.</b>	<b>Particulars</b>	<b>As at March 31, 2016</b>	<b>As at March 31, 2017</b>	<b>As at stub period 30 sep 2017</b>
<b>1)</b>	<b>Equity &amp; Liabilities</b>			
	<b>Shareholders' funds</b>			
	a. Share capital	309.78	309.78	309.78
	b. Reserves & surplus	1235.28	1656.87	2023.07
	c. Minority Interest	0.49	(42.00)	-
	<b>Sub-total</b>	<b>1545.55</b>	<b>1924.65</b>	<b>2332.85</b>
<b>2)</b>	<b>Share application money pending allotment</b>	-	-	-
<b>3)</b>	<b>Non-current liabilities</b>			
	a. Long-term borrowings	895.64	1070.11	1398.21
	B. Long-term provisions	70.07	85.63	91.58
	<b>Sub-total</b>	<b>965.71</b>	<b>1155.74</b>	<b>1489.79</b>
<b>4)</b>	<b>Current liabilities</b>			
	a. Short-term borrowings	1815.53	2397.94	2471.03
	b. Trade payables	425.08	460.08	1843.46
	c. Other current liabilities	239.45	157.96	259.73
	d. Short term provisions	163.27	341.29	383.27
	<b>Sub-total</b>	<b>2643.34</b>	<b>3357.66</b>	<b>4958.09</b>
	<b>T O T A L (1+2+3+4)</b>	<b>5154.60</b>	<b>6438.06</b>	<b>8780.73</b>
<b>5)</b>	<b>Non-current assets</b>			
	a. Fixed assets	-	-	-
	i. Tangible assets	691.12	659.92	792.27
	ii. Intangible assets	-	-	-
	iii .Capital work in progress	-	-	-
	b. Non-current investments	20.00	25.00	30.00
	C. Deferred tax Assets (Net)	52.45	66.00	74.75
	d. Long term loans & advances	25.26	25.46	25.48
	<b>Sub-total</b>	<b>788.82</b>	<b>776.38</b>	<b>922.49</b>
<b>6)</b>	<b>Current assets</b>			
	a. Inventories	2565.70	2857.45	2565.88
	b. Trade receivables	786.27	1932.42	4644.28
	c. Cash and bank balances	402.54	369.67	350.95
	d. Short term loans & advances	610.79	408.17	218.03
	f. Other current assets	0.48	93.96	79.10
	<b>Sub-total</b>	<b>4365.79</b>	<b>5661.68</b>	<b>7858.24</b>
	<b>T O T A L (5+6)</b>	<b>5154.60</b>	<b>6438.06</b>	<b>8780.73</b>



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

				(Rs. in Lacs)
Sr. No.	Particulars	As at March 31, 2016	As at March 31, 2017	As at stub period 30 sep 2017
<b>INCOME</b>				
	Revenue from Operations	8000.12	12236.82	6708.38
	Other income	23.93	26.35	17.02
	<b>Total revenue (A)</b>	<b>8024.05</b>	<b>12263.18</b>	<b>6725.40</b>
<b>EXPENDITURE</b>				
	Cost of materials consumed	3088.85	2140.01	1447.76
	Purchase of stock-in-trade	3871.33	8957.82	4640.26
	Changes in inventories of finished goods, work-in-progress and stock-in-trade	(203.77)	(560.77)	(550.36)
	Employee benefit expenses	333.64	364.73	176.65
	Finance costs	324.89	385.94	230.04
	Depreciation and amortisation expenses	84.95	72.55	57.58
	Other expenses	407.77	340.06	161.83
	<b>Total expenses (B)</b>	<b>7907.67</b>	<b>11700.34</b>	<b>6163.77</b>
	<b>Net profit/ (loss) before exceptional, extraordinary items and tax, as restated</b>	<b>116.38</b>	<b>562.83</b>	<b>561.63</b>
	Exceptional items	-	-	-
	<b>Net profit/ (loss) before extraordinary items and tax, as restated</b>	<b>116.38</b>	<b>562.83</b>	<b>561.63</b>
	Extraordinary items	-	-	-
	<b>Net profit/ (loss) before tax, as restated</b>	<b>116.38</b>	<b>562.83</b>	<b>561.63</b>
	Tax expense:			
	(i) Current tax	51.85	197.29	161.69
	(ii) Minimum alternate tax	-	-	-
	(ii) Deferred tax (asset)/liability	(11.06)	(13.56)	(8.75)
	<b>Total tax expense</b>	<b>40.79</b>	<b>183.74</b>	<b>152.94</b>
	Minority Interest	-	(42.49)	-
	<b>Profit/ (loss) for the year/ period, as restated</b>	<b>75.59</b>	<b>421.59</b>	<b>408.69</b>
	<b>Earning per equity share(face value of Rs. 10/- each):</b>			
	<b>Basic (Rs.)</b>	2.94	13.61	13.19
	<b>Diluted (Rs.)</b>	2.94	13.61	13.19
	<b>Adjusted earning per equity share(face value of Rs. 10/- each):</b>			
	<b>Basic (Rs.)</b>	0.64	3.40	3.30
	<b>Dilutd (Rs.)</b>	0.64	3.40	3.30

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

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

<i>(Rs. in Lacs)</i>			
<b>Particulars</b>	<b>As at March 31, 2016</b>	<b>As at March 31, 2017</b>	<b>As at stub period 30 sep 2017</b>
<b><u>Cash flow from operating activities:</u></b>			
Net profit before tax as per statement of profit and loss	116.38	562.83	561.63
<b><u>Adjusted for:</u></b>			
Preliminary expenses	-	-	-
Provision for gratuity	-	-	-
Rental Income from investment properties	(1.04)	(1.60)	-
Depreciation & amortization	84.95	72.55	57.58
Profit/(loss) on sale of fixed assets	0.50	-	(7.51)
Interest income on loans & advances given	-	-	-
Interest income on FD	(19.90)	(23.89)	(9.13)
Unrealised/ realised Foreign exchange gain/loss	(2.56)	(0.54)	(0.38)
Interest & finance costs	324.89	385.94	230.04
<b>Operating cash flow before working capital changes</b>	<b>503.22</b>	<b>995.29</b>	<b>832.23</b>
<b><u>Adjusted for:</u></b>			
(Increase)/ decrease in inventories	(117.47)	(291.75)	291.57
(Increase)/ decrease in trade receivables	257.90	(1146.15)	(2711.86)
(Increase)/ decrease in loans and advances and other assets	(251.74)	109.14	204.99
Increase/ (decrease) in trade payables	(3.89)	35.40	1383.48
Increase/ (decrease) in other Liabilities	(10.43)	(81.50)	101.77
Increase/ (decrease) in liabilities & provisions	13.56	193.58	(113.65)
<b>Cash generated from/ (used in) operations</b>	<b>391.15</b>	<b>(185.98)</b>	<b>(11.46)</b>
Income taxes paid	(51.85)	(197.29)	-
Extraordinary items	(0.78)	0.80	(0.49)
<b>Net cash generated from/ (used in) operating activities (A)</b>	<b>338.51</b>	<b>(382.49)</b>	<b>(11.95)</b>
<b><u>Cash flow from investing activities:</u></b>			
Purchase of fixed assets	(369.30)	(41.35)	(200.61)
Sale of fixed assets	4.90	-	18.19
Investments in WIP	-	-	-
Loans & advances given to others (net)	-	-	-
Foreign exchange gain/loss	2.56	0.54	0.38
Investment in FD	-	-	-
Interest income on FD	19.90	23.89	9.13
Purchase of investments	(20.00)	(5.00)	(5.00)
Minority Interest	0.49	-	-
Rent Income	1.04	1.60	-
<b>Net cash flow from/(used) in investing activities (B)</b>	<b>360.41</b>	<b>(20.32)</b>	<b>(177.91)</b>
<b><u>Cash flow from financing activities:</u></b>			
Proceeds from issue of equity shares	60.00	-	-
Share application money received	240.00	-	-
Proceeds from secured borrowings AND UNSERCURED (net)	396.48	756.88	401.18

Particulars	As at March 31, 2016	As at March 31, 2017	As at stub period 30 sep 2017
Interest & finance costs	(324.89)	(385.94)	(230.04)
<b>Net cash flow from/(used in) financing activities (C)</b>	<b>371.59</b>	<b>370.94</b>	<b>171.14</b>
Net increase/(decrease) in cash & cash equivalents (A+B+C)	349.69	(31.87)	(18.72)
Cash & cash equivalents as at beginning of the year	52.85	401.53	369.67
Cash & cash equivalents as at end of the year	401.53	369.67	350.95

#### ***SIGNIFICANT ACCOUNTING POLICIES - ANNEXURE IV***

**(a) Basis of preparation of financial statements:**

The Restated Summary Statement of Consolidated Assets and Liabilities of the Company as on As at stub period 30<sup>th</sup> September, 2017, March 31, 2017, March 31, 2016, and the Restated Summary Statement of consolidated Profit and Loss and Restated Summary Statements of consolidated Cash Flows for the period ended As at stub period 30<sup>th</sup> September, 2017 and for the year ended on March 31, 2017, March 31, 2016 and the annexure thereto (collectively, the “Restated consolidated Financial Statements” or “Restated Summary Statements”) have been extracted by the management from the Financial Statements of the Company for the period ended As at stub period 30<sup>th</sup> September, 2017 and for the year ended on March 31, 2017, March 31, 2016.

The financial statements are prepared and presented under the historical cost convention and evaluated on a going-concern basis using the accrual system of accounting in accordance with the accounting principles generally accepted in India (Indian GAAP) and the requirements of the Companies Act, 1956 (up to March 31, 2014), and notified sections, schedules and rules of the Companies Act 2013 (with effect from April 01, 2014), including the Accounting Standards as prescribed by the Companies (Accounting Standards) Rules, 2006 as per section 211(3C) of the Companies Act, 1956 (which are deemed to be applicable as Section 133 of the Companies Act, 2013 (“the Act”) read with Rule 7 of Companies (Accounts) Rules, 2014).

**(b) Principles of consolidation**

In the preparation of these consolidated financial statements, investments in subsidiaries have been accounted for in accordance with the provisions of Accounting Standard-21 (Consolidated Financial Statements). The financial statements of the subsidiaries have been drawn up to the same reporting date as of Benara Bearings and Pistons Limited. The Consolidated Financial Statements are prepared on the following basis.

The financial statements of the Company and its subsidiary companies are consolidated on a line-by-line basis by adding together the book values of the like items of assets, liabilities, income and expenses after eliminating all significant intra-group balances and intra-group transactions and also unrealised profits or losses in accordance with Accounting Standard-21 (Consolidated Financial Statements).

The Consolidated Financial Statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented, to the extent possible, in the same manner as the Company’s separate financial statements. The financial

statements of the subsidiaries are adjusted for the accounting principles and policies followed by the Company.

The difference between the cost to the Company of its investment in subsidiaries and its proportionate share in the equity of the investee company at the time of acquisition of shares in the subsidiaries is recognized in the financial statements as Goodwill or Capital Reserve, as the case may be.

**(c) Use of Estimates**

The preparation of financial statements in conformity with Generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets, liabilities, revenues and expenses and disclosures relating to contingent liabilities and assets as at the balance sheet date and the reported amounts of income and expenses during the year. Difference between the actual amounts and the estimates are recognized in the year in which the events become known / are materialized.

**(d) Fixed Assets:**

Fixed assets are stated at historical cost less accumulated depreciation and impairment losses, if any. Cost includes purchase price and all other attributable cost to bring the assets to its working condition for the intended use.

Subsequent expenditures related to an item of tangible asset are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance.

Projects under which assets are not ready for their intended use are shown as Capital Work-in-Progress. Cost includes cost of land, materials, construction, services, borrowing costs and other overheads relating to projects.

Intangible assets are stated at acquisition cost, Net of accumulated amortization and accumulated impairment losses, if any. Intangible assets are amortized on a straight line basis over their estimated useful lives.

Gains or losses arising from the retirement or disposal proceeds and the carrying amount of the asset and recognized as income or expense in the Statement of Profit & Loss.

**(e) Depreciation**

**Tangible Fixed Assets**

Depreciation on tangible fixed assets is computed based on Written down Value (WDV) Method as per the rate and manner prescribed in Schedule – XIV of the Companies Act, 1956. Pursuant to Companies Act, 2013 ('the Act') being effective from April 1, 2014, the Company has revised depreciation rates on tangible fixed assets as per useful life specified in Part 'C' of Schedule II of the Act. And due to the same there has been a change in the estimated useful life of depreciable tangible assets which affects the depreciation in the current period and in each period during the remaining useful life of the assets as the change is only in regard to accounting estimate requiring an adjustment of the carrying amount of tangible assets.

**(f) Borrowing Costs**

Borrowing cost includes interest and amortization of ancillary costs incurred in connection with the arrangement of borrowings. Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

**(g) Impairment of Assets**

- (i) The company assesses, at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the company estimates the asset's recoverable amount. An asset's (including goodwill) recoverable amount is the higher of an assets net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.
- (ii) After impairment, depreciation/ amortization is provided on the revised carrying amount of the asset over its remaining useful life.

**(h) Investments**

Investments that are readily realizable and intended to be held for not more than a year are classified as current investments. All other investments are classified as non-current investments.

Long-term investments (including current portion thereof) are carried at cost, less provision for diminution in value other than temporary determined separately for each individual investment.

Current investments are carried at lower of cost and fair value determined on an individual investment basis.

Any reductions in the carrying amount and any reversals of such reductions are charged or credited to the Statement of profit and loss.

**(i) Inventories**

Cost of inventories comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Raw materials, packing materials and store & consumables are valued at cost determined on FIFO basis. Finished goods and WIP are valued at the lower of cost and Net Realizable Value.

**(j) Revenue Recognition**

- (i). Revenue from Sales of products is recognized when the risk and reward of ownership of the product is passed on to the customers, which is generally on dispatches to customer. Further, the turnover also includes
- (ii). Job Work Income is recognized on accrual basis on completion of service
- (iii). Interest income is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.
- (iv). Dividend income is recognized when right to receive the payment is established.
- (v). Lease Rent Income is recognized on accrual basis

**(k) Foreign Currency Transactions**

Foreign Currency transactions are recorded at the exchange rate prevailing on the date of the transaction. Exchange difference arising on foreign currency transactions, between the actual rate of settlement and the rate on the date of the transactions, is charged or credited to the statement of profit and loss.

At the year-end, all monetary assets and liabilities denominated in foreign currency are reinstated at the year-end exchange rates. Any income or expense on account of exchange difference either on settlement or on translation is recognized in the Profit and Loss Statement.

**(l) Employee Benefits**

**Defined-contribution plans:-**A defined contribution plan is a post-employment benefit plan under which the company pays specified contributions to a separate entity. The Company makes specified monthly contributions towards Provident Fund. The Company's contributions to Employees Provident Fund are charged to statement of profit and loss every year.

Provision for gratuity is provided based on Actuarial Valuation made covering all the period of Two years and stub period ended As at stub period 30 sep 2017.

Short Term Employee Benefits like leave benefit, if any, are paid along with salary and wages on a month to month basis, bonus to employees are charged to profit and loss account on the basis of actual payment on year to year basis.

**(m) Accounting for taxes on income**

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India. The tax rates and tax laws used to compute the amount that are enacted or substantively enacted, at the reporting date.

- (i). Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date.
- (ii). (ii) Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognized for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing

evidence that they can be realized against future taxable profits.

The carrying amount of deferred tax assets are reviewed at each reporting date. The company writes-down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

**(n) Contingent Liabilities and Provisions**

Provisions are recognized only when there is a present obligation as a result of past events and when a reliable estimate of the amount of obligation can be made. Contingent Liability is disclosed for

- (a) Possible obligation which will be confirmed only by future events not wholly within the control of the Company or
- (b) b) Present obligations arising from the past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.
- (c) c) Contingent Assets are not recognized in the financial statements since this may result in the recognition of income that may never be realized.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation that the likelihood of outflow of resources is remote, no provision or disclosure is made.

**(o) Earnings Per Share**

In determining the Earnings Per share, the company considers the net profit after tax which does not include any post tax effect of any extraordinary / exceptional item. The number of shares used in computing basic earnings per share is the weighted average number of shares outstanding during the period.

The number of shares used in computing Diluted earnings per share comprises the weighted average number of shares considered for computing Basic Earnings per share and also the weighted number of equity shares that would have been issued on conversion of all potentially dilutive shares. In the event of issue of bonus shares, or share split the number of equity shares outstanding is increased without an increase in the resources. The number of Equity shares outstanding before the event is adjusted for the proportionate change in the number of equity shares outstanding as if the event had occurred at the beginning of the earliest period reported.

**(p) Cash Flows**

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of 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. Cash flows from operating, investing and financing activities of the Company are segregated, accordingly.

## **CHANGES IN ACCOUNTING POLICIES IN THE PERIOD/ YEARS COVERED IN THE RESTATED FINANCIALS:**

There is change in significant accounting policies adopted by the Company, the details of which are as under:

The Company has not been following the provisions of Accounting Standard – 15 “Employee Benefits” issued by the Institute of Chartered Accountants of India for provision for Gratuity and accordingly, the provision of gratuity has not been accounted for by the management in books of account for F.Y.15-16 and F.Y.16-17. Provision for the period ended June 30, 2017 is accounted on ad hoc basis.

### **NOTES ON RESTATEMENTS MADE IN THE RESTATED FINANCIALS ANNEXURE-V**

The financial statements including financial information have been prepared after making such regroupings and adjustments, considered appropriate to comply with the same. As result of these regroupings and adjustments, the amount reported in the financial statements/information may not necessarily be same as those appearing in the respective audited financial statements for the relevant years.

1. The Company does not have information as to which of its supplier are Micro small and Medium Enterprise registered under The Micro small and Medium Enterprise Development Act 2006. Consequently the liability, if any, of interest which would be payable under The Micro small and Medium Enterprise Development Act 2006, cannot be ascertained. However, the Company has not received any claims in respect of such interest and as such, no provision has been made in the books of accounts.
2. The Company does not have information as to which of its supplier are Micro small and Medium Enterprise registered under The Micro small and Medium Enterprise Development Act 2006. Consequently the liability, if any, of interest which would be payable under The Micro small and Medium Enterprise Development Act 2006, cannot be ascertained. However, the Company has not received any claims in respect of such interest and as such, no provision has been made in the books of accounts.

### **3. Employee benefits:**

The Company has adopted the Accounting Standard 15 (revised 2005) on Employee Benefits as per an actuarial valuation carried out by an independent actuary in restated financials. The disclosures as envisaged under the standard are as under:-

<b>Particulars</b>	<b>2015-16</b>	<b>2016-17</b>	<b>2017-18</b>
Present value of the obligation at the end of the period	7,531,972	9,622,448	10,217,931
Fair Value of the plan assets at the end of the period	-	-	-
Net Liability/(asset) recognized in the Balance Sheet and related analysis	7,531,972	9,622,448	10,217,931
Funded Status	(7,531,972)	(9,622,448)	(10,217,931)
Best estimate for contribution during next period	950,970	1,190,966	595,483
Current Liability (Short Term)*	525,399	1,059,587	1,059,587



<b>Particulars</b>	<b>2015-16</b>	<b>2016-17</b>	<b>2017-18</b>
Non Current Liability (Long Term)	7,006,573	8,562,861	8,562,861
Total Liability	7,531,972	9,622,448	9,622,448
Current Service Cost	495,299	564,898	-
Interest cost	830,799	997,655	595,483
Net Actuarial (gain)/ loss recognized in the period	(11,894)	2,690,090	-
Expenses to be recognized in the statement of profit and loss accounts	1,314,204	4,252,643	595,483
Defined Benefit obligation at the beginning of the period	6,603,991	7,531,972	9,622,448
Interest cost	495,299	564,898	-
Current Service Cost	830,799	997,655	595,483
Benefits paid (if any)	(386,223)	(2,162,167)	-
Actuarial (gain)/ loss	(11,894)	2,690,090	-
Defined Benefit obligation at the end of the period	7,531,972	9,622,448	10,217,931
<b>Benefit Description</b>	-	-	-
Benefit Type			
Retirement Age	60	60	60
Vesting Period	5 Yrs of Service	5 Yrs of Service	5 Yrs of Service
Salary Growth Rate	5 % per annum	5 % per annum	5 % per annum
Discount Rate	7.50% per annum	7.50% per annum	7.50% per annum
Mortality	IALM 2006-08 Ultimate	IALM 2006-08 Ultimate	IALM 2006-08 Ultimate
Withdrawal Rate	5 % per annum	5 % per annum	5 % per annum

4. **Provisions, Contingent Liabilities and Contingent Assets (AS 29)**

Contingent liabilities and commitments (to the extent not provided for). There are no contingent liabilities as on September 30, 2017 except as mentioned in Annexure - XXIX, for any of the years covered by the statements.

5. **Related Party Disclosure (AS 18)**

Related party transactions are reported as per AS-18 of Companies (Accounting Standards) Rules, 2006, as amended, in the Annexure – XXVI of the enclosed financial statements.

6. **Accounting For Taxes on Income (AS 22)**

Deferred Tax liability/Asset in view of Accounting Standard -22 “Accounting for Taxes on Income” as at the end of the year/period is reported in the Annexure – XVI of the enclosed financial statements.

7. **Earnings Per Share (AS 20)**

Earnings per Share have been calculated is already reported in the Annexure – XXVII of the enclosed financial statements

8. **Material Adjustments [AS PER SEBI (ICDR) REGULATIONS, 2009]**

Appropriate adjustments have been made in the restated financial statements, whenever required, by reclassification of the corresponding items of assets, liabilities and cash flow statement, in order to ensure consistency and compliance with requirement of Company Act 2013 and Accounting Standards.

The Summary of results of restatements made in the audited financial statements of the Company for the respective period / years and their impact on the profit / (loss) and assets and liabilities of the Company is as under.

9. **Statement of adjustments in the Financial Statements**

The reconciliation of Profit after tax as per audited results and the Profit after tax as per Restated Accounts is presented in Annexure - XXVIII. This summarizes the results of restatements made in the audited accounts for the respective years/ period and its impact on the profit & loss of the company.

10. **1. Statement of Adjustments to Profit and Loss after Tax**

a) **Adjustment on account of provision for Gratuity:**

The Company did not provide gratuity based on the requirement of AS-15 (Revised), therefore during the restatement, provision for gratuity have been done as per the actuarial valuation and accordingly short/excess provision in respective year were adjusted to comply with the requirement of AS-15 (Revised).

b) **Adjustment on account of Provision of Deferred Tax:**

Due to changes in Depreciation and Provision for Gratuity, Disallowances, etc, the Company has recalculated the deferred tax liability and deferred tax assets at the rate of normal Tax rate applicable at the end of relevant year.

11. **Realizations**

In the opinion of the Board and to the best of its knowledge and belief, the value on realization of current assets, loans and advances will, in the ordinary course of business, not be less than the amounts at which they are stated in the Balance sheet.

12. **Contractual liabilities**

All 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 to nearest Rupees. Figures in brackets indicate negative values.

**FOR BENARA BEARINGS & PISTONS LIMITED**

**Chairman**  
**Panna Lal Jain**  
**DIN NO: 00204869**

**Managing Director**  
**Vivek Benara**  
**DIN NO: 00204647**

**Date : 25 November, 2017**

**Place : Agra**

***DETAILS OF SHARE CAPITALAS RESTATED - ANNEXURE – VI***

Particulars	(Rs. in Lacs)		
	As at March 31,		As at September 30,
	2016	2017	2017
<b>Share capital</b>			
<b>Authorised:</b>			
Equity shares of Rs. 10/- each	360.00	360.00	360.00
<b>Issued, subscribed &amp; fully paid up:</b>			
Equity shares of Rs. 10/- each	309.78	309.78	309.78
<b>TOTAL</b>	<b>309.78</b>	<b>309.78</b>	<b>309.78</b>

***Reconciliation of number of shares outstanding:***

Particulars	(In Lacs)		
	As at March 31,		As at As at stub period 30 sep 2017
	2016	2017	
Equity shares outstanding at the beginning of the year	24.98	30.98	<b>30.98</b>
Add: Shares issued during the year	6.00	-	-
Add: Issue of bonus shares	-	-	-
Equity shares outstanding at the end of the year	<b>30.98</b>	<b>30.98</b>	<b>309.78</b>

***Details of Shareholders holding more than 5% of the aggregate shares in the Company:***

Name of Shareholder	As at March 31, 2016		As at March 31, 2017		As at stub period 30 sep 2017	
	No. Of Shares	Percentage	No. Of Shares	Percentage	No. Of Shares	Percentage
Smt Sarla Jain	6.11	20%	6.71	22%	6.71	22%
Skymark Leasing and Finance Ltd	5.45	18%	5.45	18%	5.45	18%
Sh Panna Lal Jain	5.06	16%	5.66	18%	5.66	18%
Sh Vivek Benara	4.85	16%	5.45	18%	5.45	18%
Smt Ketki Benara	4.12	13%	5.12	17%	5.12	17%

Panna Lal Jain HUF	1.56	5%	2.56	8%	2.56	8%
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**DETAILS OF RESERVES & SURPLUS AS RESTATED - ANNEXURE – VII**

Particulars	As at March 31,		(Rs. in Lacs)
	2016	2017	As at stub period 30 sep 2017
<b><u>Securities premium account</u></b>			
Opening balance	628.87	868.09	868.09
Add: Additions during the year/ period	240.00	-	-
Less:- Goodwill w/o	0.78	-	42.49
<b>Closing balance</b>	<b>868.09</b>	<b>868.09</b>	<b>825.00</b>
<b><u>Surplus in statement of Profit &amp; Loss</u></b>			
Opening balance	291.61	367.19	788.78
Add: Profit for the year/ period	75.59	421.59	408.69
Less: Adjustment in F.A as per Companies Act,2013	-	-	-
<b>Appropriations:</b>			
Proposed dividend	-	-	-
Dividend distribution tax	-	-	-
Transfer to general reserve	-	-	-
<b>Closing balance</b>	<b>367.19</b>	<b>788.78</b>	<b>1197.46</b>
<b>TOTAL</b>	<b>1235.28</b>	<b>1656.87</b>	<b>2023.07</b>

**DETAILS OF LONG TERM BORROWINGS AS RESTATED - ANNEXURE VIII**

Particulars	As at March 31,		(Rs. in Lacs)
	2016	2017	As at stub period 30 sep 2017
<b><u>Secured</u></b>			
From Bank & Financial Institutions:-			
- Term loan	685.95	647.55	695.23
- Vehicle loan	119.17	64.92	158.21
<b><u>Unsecured</u></b>			
- Form Promoters	5.12	11.67	38.13
- From Group co.	85.42	145.97	106.62
- Business Loans from Banks	-	200.00	100.01
<b>TOTAL</b>	<b>895.64</b>	<b>1070.11</b>	<b>1398.21</b>

*Please add notes regarding security, interest rate, repayment terms, prepayment, penalty, default, etc.*

- Loan from PNB Housing Finance Ltd Ltd. is secured by mortgage of Immovable property of Company (Jointly owned by Directors & Benara International Private Limited)
- Loan from ICICI Bank Ltd. is secured by mortgage of Immovable property of Benara International Pvt. Ltd. situated at Kh No. 660/2, Mauza, Artoni, NH-2, Agra. Principal due within a year is Rs.38,69,075/- (PY - 32,61,763)
- Term loans are taken from Bank & Financial Institutions and secured against hypothecation of cars. Accordingly principal due with in a year is Rs. 39,16,465 /- (P.Y. - 39,13,082 /-).

- (d) Business Loan are taken from Banks, NBFC & Financial Institution are not secured. Accordingly principal due with in a year is Rs. 68,57,610/- (P.Y. - Nil).

**Note:**

1. The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.
2. The above statement should be read with the significant accounting policies and notes to restated summary, statements of assets and liabilities, profits and losses and cash flows appearing in Annexures IV, I, II and III.
3. List of persons/entities classified as 'Promoters' and 'Promoter Group Companies' has been determined by the Management and relied upon by the Auditors. The Auditors have not performed any procedure to determine whether the list is accurate and complete.
4. The terms and conditions and other information in respect of Secured and Unsecured Loans are given in Annexure –

**DETAILS OF LONG TERM PROVISIONS AS RESTATED - ANNEXURE – IX**

(Rs. in Lacs)

Particulars	As at March 31,		As at stub period 30 sep 2017
	2016	2017	
Provision for employee benefits	-	-	-
Gratuity	70.07	85.63	91.58
Compensated absences	-	-	-
Others	-	-	-
Provision for Taxation	-	-	-
<b>TOTAL</b>	<b>70.07</b>	<b>85.63</b>	<b>91.58</b>

**DETAILS OF SHORT TERM BORROWINGS AS RESTATED - ANNEXURE-X**

(Rs. in Lacs)

Particulars	As at March 31,		(Rs. in Lacs)
	2016	2017	As at stub period 30 sep 2017
<b><u>Secured</u></b>			
(a) Working Capital Loans	1815.53	2316.05	2389.14
(b) Loans and advances from related parties	-	81.89	81.89
<b>TOTAL</b>	<b>1815.53</b>	<b>2397.94</b>	<b>2471.03</b>

Please add notes regarding security, interest rate, repayment terms, prepayment, penalty, default, etc.

- (a) Cash credit from Axis Bank is secured by hypothecation of stock and trade receivables.
- (b) Credit from National Small Industries Corporation Ltd. is under Raw material Assistance scheme and is secured against Bank guarantee.

**DETAILS OF TRADE PAYABLES AS RESTATED - ANNEXURE-XI**

(Rs. in Lacs)

Particulars	As at March 31,		As at stub period 30 sep 2017
	2016	2017	
For Goods & services :-			
(c) <b>related party</b>	320.01	378.80	1718.82
(d) <b>others</b>	105.08	81.67	125.14

Particulars	As at March 31,		As at stub period 30 sep 2017
	2016	2017	
<b>TOTAL</b>	<b>425.08</b>	<b>460.48</b>	<b>1843.96</b>

**Note:-**

1. The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.
2. The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures IV, I, II and III.
3. Amount due to entities covered under Micro, Small and Medium Enterprises as defined in the Micro, Small, Medium Enterprises Development Act, 2006, have been identified on the basis of information available with the Company. It is informed by the management no provision has been made for interest as required by Interest on Delayed Payments to Small Scale and Ancillary Industrial Undertakings Act, 1993 on amounts due to Small Scale Industries, as the amount is not ascertainable. These will be charged to accounts as and when claimed by the parties and/or paid to them.

**DETAILS OF OTHER CURRENT LIABILITIES AS RESTATED ANNEXURE – XII**

Particulars	As at March 31,		(Rs. in Lacs)
	2016	2017	As at stub period 30 sep 2017
Current maturities of long term debt	109.55	71.75	146.43
Other payables	--	-	-
Advance from customers	74.51	14.64	14.49
Statutory dues	18.00	8.22	5.29
Others	37.39	63.35	93.52
<b>TOTAL</b>	<b>239.45</b>	<b>157.96</b>	<b>259.73</b>

**Note:**

1. The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.
2. The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures IV, I, II and III.

**DETAILS OF SHORT TERM PROVISIONS AS RESTATED - ANNEXURE- XIII**

Particulars	As at March 31,		(Rs. in Lacs)
	2016	2017	As at stub period 30 sep 2017
<b>Provision for</b>			
<b>(a) Employee benefits</b>			
(i) Contribution to PF	3.93	4.37	4.86
(ii) ESIC Payable	1.11	1.25	1.37
(iii) Bonus Payable	13.86	13.03	12.74
(iv) Gratuity Provisions	5.25	10.60	10.60
<b>(b) Others (Specify nature)</b>			

Particulars	As at March 31,		As at stub period 30 sep 2017
	2016	2017	
(i) Income Tax	51.85	197.29	345.91
(ii) Provision for Excise duty on closing stock	86.76	114.54	-
(iii) Provision for Expense	0.50	0.20	7.90
<b>TOTAL</b>	<b>163.27</b>	<b>341.29</b>	<b>383.37</b>

**Note:**

1. The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.
2. The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures IV, I, II and III.

**DETAILS OF FIXED ASSETS AS RESTATED - ANNEXURE -XIV**

Particulars	As at March 31,		(Rs. in Lacs)
	2016	2017	As at stub period 30 sep 2017
<b><u>Tangible Assets</u></b>			
<u>Land</u>	45.18	45.18	45.18
Building	30.64	28.63	27.70
Plant and Machinery	141.48	116.58	106.56
Furniture & Fixiture	19.00	18.48	16.29
Tools and Dies	24.70	20.14	17.55
Computer	1.35	1.54	1.13
Vehicles	96.86	66.07	210.14
Office Equipments	2.88	2.58	1.82
Electrical Fittings	0.86	0.87	0.84
Advance Against Property	328.17	359.84	365.05
<b>TOTAL</b>	<b>691.12</b>	<b>659.92</b>	<b>792.27</b>

**DETAILS OF NON CURRENT INVESTMENTS AS RESTATED - ANNEXURE -XV**

Particulars	As at March 31,		(Rs. in Lacs)
	2016	2017	As at stub period 30 sep 2017
<b><u>(a) Investment in Equity Instruments</u></b>			
In Unquoted Fully paid up Equity Shares of			
Benara Solar Private Limited (10,000 Shares of Rs. 10/-each fully paid up)	-	-	-
Securitrans Trading Private Limited (10,000 Shares of Rs 10/-each fully paid up)	-	-	-
Chirag Silk Mills Pvt. Ltd.	-	-	5.00
National Saving Certificate	-	-	-
Investment in Alternate Investment Fund - Carpediem Capital Partners Fund (1000 unit of Rs 10000/- each) till date 2500/- per unit paid	20.00	25.00	25.00

Particulars	As at March 31,		As at stub period 30 sep 2017
	2016	2017	
upto 30.09.2017.			
<b>Aggregate Cost of Quoted Investment</b>	-	-	-
<b>Aggregate Market Value of Quoted</b>	-	-	-
<b>TOTAL</b>	<b>20.51</b>	<b>25.00</b>	<b>30.00</b>

**DETAILS OF DEFERRED TAX ASSESTS (NET) AS RESTATED - ANNEXURE: XVI**

*(Rs. in Lacs)*

Particulars	As at March 31,		As at stub period 30 sep 2017
	2016	2017	
Difference between book and tax depreciation	26.52	20.17	20.55
Gratuity Provision	9.28	20.90	5.95
Disallowances under section 43B of the Income Tax Act,1961	-	-	-
Net Timing difference	35.80	41.08	26.50
<b>Transfer to P &amp; L A/c</b>	<b>11.06</b>	<b>13.56</b>	<b>8.75</b>
As per P.Y. B/s	41.38	52.45	66.00
<b>As per C.Y. B/s</b>	<b>52.45</b>	<b>66.00</b>	<b>74.75</b>

**DETAILS OF LONG TERM LOANS AND ADVANCES AS RESTATED  
ANNEXURE – XVII**

*(Rs. in Lacs)*

Particulars	As at March 31,		As at stub period 30 sep 2017
	2016	2017	
<b>(a) long term loans and advances recoverable from Directors/Promoters/Promoter Group/ Associates/ Relatives of Directors/Group Company</b>			
Advances to Group company	-	-	-
<u>Unsecured Advances to subsidiaries</u>	-	-	-
<b>(b) Other Long Term Loans &amp; Advances</b>			
Security Deposits	25.26	25.46	25.48
Advance against Capital Expenditure	-	-	-
<b>Total</b>	<b>25.26</b>	<b>25.46</b>	<b>25.48</b>

**Note:**

- The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.
- The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures IV, I, II and III.

**DETAILS OF INVENTORIES AS RESTATED - ANNEXURE – XVIII**

*(Rs. in Lacs)*



Particulars	As at March 31,		As at stub period 30 sep 2017
	2016	2017	
Raw materials	1171.11	926.39	85.43
Work-in-process	446.83	222.85	722.42
Finished goods	917.35	1705.92	1756.70
Stores and spares	30.42	2.29	1.32
<b>TOTAL</b>	<b>2565.70</b>	<b>2857.45</b>	<b>2565.88</b>

**DETAILS OF TRADE RECEIVABLES AS RESTATED - ANNEXURE- XIX**

Particulars	As at March 31,		(Rs. in Lacs) As at stub period 30 sep 2017
	2016	2017	
<b>a. From Directors/Promoters/ Promoter Group/Associates/ Relatives of Directors / Group Companies</b>			
Over Six Months	-	-	-
Others	2.46	1.06	-
<b>b. From Others</b>			
Over Six Months	597.03	199.92	549.78
Others	186.79	1731.45	4094.50
<b>TOTAL</b>	<b>786.28</b>	<b>1932.42</b>	<b>4644.28</b>

**DETAILS OF CASH AND BANK BALANCES AS RESTATED - ANNEXURE- XX**

Particulars	As at March 31,		(Rs. in Lacs) As at stub period 30 sep 2017
	2016	2017	
Cash in hand	58.59	42.23	6.37
Balances with banks			
- In current accounts	28.97	1.19	5.00
b. Balance in Deposit Accounts	314.97	326.26	339.68
<b>TOTAL</b>	<b>402.53</b>	<b>369.67</b>	<b>350.95</b>

**DETAILS OF SHORT TERM LOANS AND ADVANCES AS RESTATED  
ANNEXURE – XXI**

Particulars	As at March 31,		(Rs. in Lacs) As at stub period 30 sep 2017
	2016	2017	
<b><u>Unsecured, considered good</u></b>			
(a) Loans and advances to related parties	-	-	-
(b) Balance with Government Authorities	240.19	213.02	52.19
(c) Others (specify nature)	-	-	-
(d) Advance Tax & TDS	43.87	15.12	4.00

Particulars		As at March 31,		As at stub period 30 sep 2017
		2016	2017	
(e)	Prepaid Expenses	5.09	4.50	3.34
(f)	Advance against JV	-	160.00	49.00
(g)	Others	321.65	15.53	109.49
<b>TOTAL</b>		<b>610.79</b>	<b>408.17</b>	<b>218.03</b>

**DETAILS OF OTHER CURRENT ASSETS AS RESTATED -ANNEXURE - XXII**

*(Rs. in Lacs)*

Particulars		As at March 31,		As at stub period 30 sep, 2017
		2016	2017	
Int.(UPSEB) Rec.		-	1.10	1.10
Receivable From Deposit in Court outside India –Mahle		-	92.86	78.00
Rent Receivable		0.48	-	-
<b>TOTAL</b>		<b>0.48</b>	<b>93.96</b>	<b>79.10</b>

**Note:**

- The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.
- The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures IV, I, II and III.

**DETAILS OF OTHER INCOME AS RESTATED - ANNEXURE – XXIII**

*(Rs. in Lacs)*

Particulars	As at March 31,		As at stub period 30 sep 2017	Nature
	2016	2017		
Other income	23.93	26.35	17.02	-
Net profit before tax as restated	116.48	562.83	561.63	-
<b>Percentage</b>	<b>20.56%</b>	<b>4.15%</b>	<b>3.03%</b>	-
<b>Source of income</b>				
Profit/(Loss) On Sale Of Fixed AssetS	(0.50)	-	7.51	Non Recurring and not related to Business activity.
Interest Income	19.89	23.89	9.13	Recurring and related to Business activity.
Profit/(Loss) From Foreign Currency Translations	2.56	0.54	0.38	Recurring and related to business activity.
Duty Draw Back	0.92	0.32	-	Recurring and related to business activity
Rent Recd	1.04	1.60	-	Non Recurring and not related to business activity
Others	-	-	-	Non Recurring and not related to business activity

Particulars	As at March 31,		As at stub period 30 sep 2017	Nature
	2016	2017		
<b>Total other income</b>	<b>24.00</b>	<b>26.00</b>	<b>17.00</b>	<b>-</b>

**Note:**

1. The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.
2. The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures IV, I, II and III.

**CAPITALISATION STATEMENT AS AT STUB PERIOD 30 SEP2017**  
**ANNEXURE – XXIV**

(Rs. in Lacs)

Particulars	Pre Issue	Post Issue
<b>Borrowings:</b>		
Short-term	2617.46	-
Long-term (A)	1398.21	-
<b>Total debts (B)</b>	<b>4015.67</b>	<b>-</b>
<b>Shareholders' funds</b>		
Share capital	309.78	-
Reserve and surplus	2023.07	-
<b>Total shareholders' funds (C)</b>	<b>2332.85</b>	<b>-</b>
<b>Long term debt / shareholders' funds (A/C)</b>	<b>0.60</b>	<b>-</b>
<b>Total debt / shareholders' funds (B/C)</b>	<b>1.72</b>	<b>-</b>

*\* The Corresponding post issue figures are not determinable at this stage pending the completion of public issue and hence have not been furnished.*

**Notes:**

1. Short term Debts represent which are expected to be paid/payable within 12 months.
2. Long term Debts represent debts other than Short term Debts as defined above.
3. The figures disclosed above are based on restated statement of Assets and Liabilities of the Company as at 30/09/2017–

**DETAILS OF RELATED PARTY TRANSACTIONS AS RESTATED**  
**ANNEXURE – XXV**

(Rs. in Lacs)

Name of the Party	Nature of Transaction	Amount of Transaction in 2015-16	Amount Outstanding as on 31.03.16 (Payable)/ Receivable	Amount of Transaction in 2016-17	Amount Outstanding as on 31.03.17 (Payable)/ Receivable	Amount of Transaction till 30-09-2017	Amount Outstanding as on 30-09-2017(Payable)/ Receivable
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Name of the Party	Nature of Transaction	Amount of Transaction in 2015-16	Amount Outstanding as on 31.03.16 (Payable)/ Receivable	Amount of Transaction in 2016-17	Amount Outstanding as on 31.03.17 (Payable)/	Amount of Transaction till 30-09-2017	Amount Outstanding as on 30-09-2017(Payable)/ Receivable
Benara Engine spares (p) ltd	Sale of goods	6.95	(60.44)	419.54	-	23.83	(4.08)
Benara Bi-Metal Pvt Ltd	Sale of goods	13.86	2.46	7.30	-	3.73	-
Vinay iron foundry	Purchase of goods	94.50	(44.64 )	83.17	(39.85)	89.71	(121.06)
Benara Engine spares (p) ltd	Purchase of goods	59.08	(60.44 )	887.73	(41.83)	1,522.26	(4.08)
Benara Bi-Metal Pvt Ltd	Purchase of goods	11.73	2.46	-	1.06	1.11	-
Benara Industries Agra	Purchase of goods	11.58	(9.58)	-	-	-	-
Vinay iron foundry	Job Work Charges	59.78	(44.64)	39.71	(39.85)	20.72	(121.06)
Vinay iron foundry	Rent Paid	4.05	(44.64 )	4.05	(39.85)	4.05	(121.06)
Skymark leasing finance limited	Interest Accrued/Paid	6.81	(29.85)	2.69	(31.11 )	-	(30.63 )
MR. Panna al Jain	Remuneration to key managerial person	9.60	-	9.60	-	4.80	-
Mrs. Ketaki Benara	Remuneration to key managerial person	4.00	-	4.00	-	2.00	-
Mrs Sarla Jain	Remuneration to key managerial person	5.40	-	5.40	-	2.70	-
Mr. Vivek Benara	Remuneration to key	2.00	-	6.00	-	3.00	-

Name of the Party	Nature of Transaction	Amount of Transaction in 2015-16	Amount Outstanding as on 31.03.16 (Payable)/ Receivable	Amount of Transaction in 2016-17	Amount Outstanding as on 31.03.17 (Payable)/	Amount of Transaction till 30-09-2017	Amount Outstanding as on 30-09-2017(Payable)/ Receivable
	managerial person						
Benara International Pvt Ltd	Loan Taken	315.00	-	168.44	-	511.91	(1.64)
Benara Infrastructure Dev Pvt Ltd. Agra	Loan Taken	32.56	(32.56 )	-	(12.86)	-	-
Mrs ketaki benara	Loan Taken	38.58	-	8.00	(0.29)	32.00	(3.25)
Mr. Panna lal jain	Loan Taken	142.38	-	207.46	(51.41)	90.50	(82.36)
Mr. Vivek Benara	Loan Taken	743.64	-	155.41	(36.25)	54.80	(1.85)
Mrs Sarla Jain	Loan Taken	81.66	-	10.26	(0.71)	6.00	(0.71)
Skymark leasing finance limited	Loan Taken	2.50	-	-	-	-	-
Vivek benara Huf	Loan Taken	2.00	-	-	-	-	-
Panna Lal Jain HUF	Loan Taken	9.31	-	-	-	-	-
Benara International Pvt Ltd	Loans/Advances Repaid	315.00	-	168.44	-	510.27	-
Benara Infrastructure Dev Pvt Ltd. Agra	Loans/Advances Repaid	-	(32.56)	19.71	-	-	-
Mrs Ketaki benara	Loans/Advances Repaid	37.32	1.34	1.90	-	29.04	-
Mr. Panna lal jain	Loans/Advances Repaid	143.12	(1.07)	143.51	-	59.55	-
Mr. Vivek Benara	Loans/Advances Repaid	756.01	(2.52)	110.91	-	62.20	-
Mrs Sarla Jain	Loans/Advances Repaid	82.09	-	2.56	-	6.00	-

Name of the Party	Nature of Transaction	Amount of Transaction in 2015-16	Amount Outstanding as on 31.03.16 (Payable)/ Receivable	Amount of Transaction in 2016-17	Amount Outstanding as on 31.03.17 (Payable)/	Amount of Transaction till 30-09-2017	Amount Outstanding as on 30-09-2017(Payable)/ Receivable
Skymark leasing finance limited	Loans/Advances Repaid	6.00	-	1.43	(31.11)	0.48	(30.63)
Vivek benara HUF	Loans/Advances Repaid	2.00	-	-	-	-	-
Panna Lal Jain HUF	Loans/Advances Repaid	9.31	-	-	-	0.04	0.04
Benara International Pvt Ltd	Advance Against Purchase Of Property	251.00	-	-	-	-	-

Notes:-

1. The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.
2. The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures IV, I, II and III.
3. List Company/entity owned or significantly influenced by directors/ KMP, Key Management Personnel's, and Relative of Key Management Personnel's have been determined by the Management and relied upon by the Auditors. The Auditors have not performed any procedure to determine whether the list is accurate and complete.

#### **SUMMARY OF ACCOUNTING RATIOS - Annexure – XXVI**

Ratio	As at March 31,		(Rs. in Lacs)
	2016	2017	As at stub period 30 sep 2017
Net worth(A)	1545.06	1966.65	2332.85
Restated PAT as per statement of profit and loss(B)	75.59	421.59	408.69
Weighted average number of equity shares at the end of the year/ period(C)	118.60	123.91	123.91
Share capital as at the end of the year	309.78	309.78	309.78
<b>Earnings Per Share</b>			
Basic & Diluted - before bonus	2.94	13.61	13.19
Basic & Diluted - after bonus	0.64	3.40	3.30
<b>Return on net worth (%)</b>	4.89%	21.44%	17.52%
<b>Net Asset Value Per Share (Rs) - before bonus</b>	49.88	63.48	75.31

Net Asset Value Per Share (Rs) - after bonus	12.47	15.87	18.83
Nominal value per equity share (Rs.)	10.00	10.00	10.00

Notes:

- The ratios have been computed as below:
  - Basic earnings per share (Rs. ) - : Net profit after tax as restated for calculating basic EPS / Weighted average number of equity shares outstanding at the end of the period or year
  - Diluted earnings per share (Rs. ) - : Net profit after tax as restated for calculating diluted EPS / Weighted average number of equity shares outstanding at the end of the period or year for diluted EPS
  - Return on net worth (%) -: Net profit after tax (as restated) / Net worth at the end of the period or year
  - Net assets value per share -: Net Worth at the end of the period or year / Total number of equity shares outstanding at the end of the period or year
  - Adjusted Net assets value per share - : Net Worth at the end of the period or year / Weighted average number of equity shares outstanding at the end of the period or year.
- Weighted average number of equity shares is the number of equity shares outstanding at the beginning of the period/year adjusted by the number of equity shares issued during period/year multiplied by the time weighting factor. The time weighting factor is the number of days for which the specific shares are outstanding as a proportion of total number of days during the period/year.
- Net worth for ratios mentioned in note 1I and 1(d) is = Equity share capital + Reserves and surplus (including, Securities Premium, General Reserve and surplus in statement of profit and loss).
- The Company has declared bonus shares in the ratio of 3:1 (3 shares bonus for Every 1 shares held in Company) dated 29/12/2017 to all existing shares holders. Accordingly, the number of equity shares considered for computation of basic and diluted earnings per share for the period ended As at stub period 30 sep 2017 and year ended March 31, 2017, March 31, 2016, have been adjusted for the impact of bonus issue.
- The figures disclosed above are based on the restated summary statements of the Group.
- The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures IV, I, II and III.

**RECONCILIATION OF RESTATED PROFIT: - ANNEXURE -XXVII**

Adjustments for	As at March 31,		(Rs. in Lacs)
	2016	2017	As at stub period 30 sep 2017
Net profit/(loss) after tax as per audited statement of profit & loss	81.24	448.56	-
<b>Adjustments for:</b>	-	-	-
Adjustment in F.A as per Companies Act,2013	-	-	-
Prior period expenses adjusted	0.24	0.01	-

Adjustments for	As at March 31,		As at stub period 30 sep 2017
	2016	2017	
Prior period Tax Expenses	0.70	0.09	13.07
Increase in expenses Prior period expenses booked in P.Y.	(0.09)	(13.07)	-
Deferred tax liability / asset adjustment	2.87	6.90	1.97
Decrease/(Increase) in Provision for gratuity	(9.28)	(20.90)	(5.95)
<b>Net Increase/ (Decrease)</b>	<b>(5.56)</b>	<b>(26.98)</b>	<b>9.08</b>
<b>Net profit/ (loss) after tax as restated</b>	<b>75.68</b>	<b>421.59</b>	<b>408.69</b>

**NOTE:-**

1. Adjustment in F.A as per Companies Act,2013 Due to change in rate of depreciations as per Schedule II, Difference arise was adjusted against the reserve and surplus in annexure VII.
2. Company has not provided Gratuity Provisions as per actuarial valuation in the books of accounts. Company provide gratuity in books as a when paid to Employee. Now gratuity provisions provided in the Financial of the company as per actuarial valuation report.
3. Prior period Tax Expenses shown the figure of Less and Excess tax provisions.
4. Deferred Tax Liability / Asset Adjustment due to Provisions for Gratuity DTA created in each years.



## MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

*You should read the following discussion of our financial condition and results of operations together with our Restated Standalone Financial Statements which have been included in this Prospectus. The following discussion and analysis of our financial condition and results of operations is based on our Restated Standalone Financial Statements for the years ended March 31, 2017, 2016, 2015, and period ended September 30, 2017 including the related notes and reports, included in this Prospectus have been prepared in accordance with requirements of the Companies Act and restated in accordance with the SEBI Regulations, which differ in certain material respects from IFRS, U.S. GAAP and GAAP in other countries. Our Financial Statements, as restated have been derived from our audited financial statements for the respective years and for the period ended September 30, 2017. Accordingly, the degree to which our Restated Standalone Financial Statements will provide meaningful information to a prospective investor in countries other than India is entirely dependent on the reader's level of familiarity with Indian GAAP, Companies Act, SEBI Regulations and other relevant accounting practices in India.*

*This discussion contains forward-looking statements and reflects our current views with respect to future events and financial performance. Actual results may differ materially from those anticipated in these forward-looking statements as a result of certain factors such as those described under "Risk Factors" and "Forward Looking Statements" beginning on pages 21 and 20, respectively, and elsewhere in this Prospectus.*

*Our FY ends on March 31 of each year. Accordingly, all references to a particular FY are to the 12 months ended March 31 of that year.*

### OVERVIEW

Our Company was incorporated in the year 1990 and is engaged in the manufacturing of engine bearings, bushes, pistons, piston pin, piston rings, cylinder liners and sleeves and engine valves. We are an ISO 9001:2015 company.

Additionally, we are also engaged in the marketing of products like ball bearings, spark plugs, rocker arms, timing chains, connecting rods, valve guides, valve seals & batteries (Motorcycle / Inverter / E Rickshaws) under our own brand which we source through third party contract manufacturing.

Our Company is promoted by Mr. Panna Lal Jain and Mr. Vivek Benara. Mr. Panna Lal Jain has been associated with the Company since its inception, and is the driving force behind the BENARA brand. He holds a bachelor's degree in engineering from IIT Roorkee and has more than three decades of experience in the bearing industry. Our Promoter, Mr. Vivek Benara has more than two decades of experience in the field of auto component industry, real estate/retailing and having a profound knowledge of renewable and new energy business models.

Our Company markets its product in OEM and Replacement market. Our Company majorly focus on two wheeler parts replacement market. For the fiscal year 2016-17, OEM and Parts Replacement market contribute Rs. 464.39 Lakhs and Rs. 7,266.04 Lakhs respectively towards the revenue operations of the Company on a standalone basis.

The Registered Office of our Company is situated at A-3 & 4, Site B, Industrial Area, Sikandra, Agra – 282007. Currently, our Company has two manufacturing facilities, which are situated at A3/ A4, Site B, Industrial Area, Sikandra, Agra ("Unit I") and at 15 K.M Milestone, Artoni, Agra-Mathura

Road, Agra, Uttar Pradesh 282007 ("Unit II").

Our Company manufactures piston pin, piston ring and engine bearing and bushes in Unit I and piston, cylinder block / liner and engine valve in Unit II.

As of December 31, 2017, our work force consisted of around 184 full time employees at Unit I, 86 full time employees at Unit II, 41 employees in marketing department and 6 directors. We adhere to the quality manufacturing standards and are committed to developing products and services where quality assurance is a systematic process of checking whether a product or service being developed meets the specified requirements. We have a separate department devoted to quality assurance.

Our subsidiary, Benara Solar Private Limited, is engaged in the business of development and deployment of solar energy technologies including inter-alia planning and execution of solar power projects.

Further, we have another subsidiary Securitrans Trading Private Limited, which is engaged in trading of various types of goods and materials.

Our revenues from operations increased from Rs. 4,960.08 lakhs in Fiscal 2013 to Rs. 10,411.47 lakhs in Fiscal 2017, representing CAGR of 20.37 %. Our profit after tax increased from Rs. 22.77 Lakhs in Fiscal 2013 to Rs. 455.38 Lakhs in Fiscal 2017, representing CAGR of 111.47 %.

#### **SIGNIFICANT DEVELOPMENTS SUBSEQUENT TO THE LAST FINANCIAL YEAR**

In the opinion of the Board of Directors of our Company, since the date of the last financial statements disclosed in this Prospectus, there have not arisen any circumstance that materially or adversely affect or are likely to affect the profitability of our Company or the value of its assets or its ability to pay its material liabilities within the next twelve months except as follows:

1. The Shareholders approved the proposal to increase the authorised share capital from Rs. 3,60,00,000 to Rs. 20,00,00,000 in the Extra-Ordinary General Meeting held on November 28, 2017.
2. The Shareholders approved and passed the resolution for issue of 92,93,466 bonus shares in the Extra-Ordinary General Meeting held on December 22, 2017
3. The Shareholders approved and passed the resolution on January 15, 2018 to increase the borrowing limits of the Company upto Rs. 10,000 Lakhs.
4. The shareholders approved and passed resolution on January 15, 2018 to authorize the Board of Directors to raise funds by making Initial Public Offering.

#### **FACTORS AFFECTING OUR RESULTS OF OPERATIONS**

Our business is subjected to various risks and uncertainties, including those discussed in the section titled "*Risk Factor*" beginning on page 21 of this Prospectus. Our results of operations and financial conditions are affected by numerous factors including the following:

1. Competition from existing and new entrants
2. General economic and business conditions
3. Changes in laws and regulations that apply to Auto Ancillary Industry
4. Any change in the tax laws relating to Auto Ancillary Industry

#### **OVERVIEW OF REVENUE AND EXPENSES**

## **Revenue and Expenses**

Our revenue and expenses are reported in the following manner:

### ***Total Revenue***

Our Total Revenue comprises of revenue from operations and other income.

*Revenue from operations:* Our revenue from operations comprises of revenue from domestic & export sale of manufactured engine bearings and bushes, pistons, piston rings, cylinder block/ liners and engine valves and revenue from trading of pistons Assembly and cylinder blocks/ liners, batteries

*Other Income:* Our other income comprises of income from interest on term deposits, rent income, duty draw back income, gain from foreign currency translation, profit on sale of fixed assets and other non-recurring income.

### ***Expenses***

Our expenses comprise of cost of material consumed, purchase of stock in trade, changes in inventories of work-in-progress, finished goods and stock in trade, employee benefit expenses, finance costs, depreciation and amortisation expenses and other expenses.

*Cost of material consumed:* Cost of material consumed primarily consist of consumption of copper lead, aluminium tin, white metal, aluminium alloy, Bi-Metal strip, grey cast iron, alloyed cast iron, steel, stainless steel, graded cast iron, chemicals and metallurgical structure.

*Purchase of Stock In Trade:* Our purchase of stock in trade primarily consists of purchase of pistons and cylinder blocks/ liners, batteries.

*Change in Inventory of work-in-progress, finished goods and Stock in Trade:* Changes in inventory of stock in trade consist of change in our inventory of finished goods as at the beginning and end of the year.

*Employee benefit expense:* Our employee benefit expenses include salary & other allowances, contribution to PF, contribution to ESIC, bonus and ex gratia bonus, gratuity expense, leave encashment expense, insurance, directors' remuneration and staff welfare expenses.

*Finance costs:* Our finance costs comprise of interest on long and short term loans, interest on loan from related parties and bank commission & financial charges.

*Depreciation and amortisation expenses:* Depreciation and amortisation expenses comprise of depreciation on tangible fixed assets.

*Other expenses:* Our other expenses comprise of audit fees, bad debts, coupon expenses, donation, electricity expenses, insurance expenses, other expenses, postage & courier expenses, printing & stationery expenses, professional & legal charges, rates & taxes, rebate & discount, rent & maintenance charges, repairs & maintenance to machinery, building and others, sales commission, selling & distribution, telephone & internet expenses, travelling expenses, and foreign exchange rate difference expense among others.

### ***Our Results of Operations***

The following table sets forth select financial data from our restated standalone financial statement of profit and loss for the financial years 2017, 2016, 2015 and for the period ended September 30, 2017, the components of which are also expressed as a percentage of total revenue for such periods:

Particulars`	For the period ended September 30, 2017	(Rs. in Lakhs)		
		For the Year ended March 31,		
		2017	2016	2015
<b>Total Revenue:</b>				
Revenue from operations	4,597.10	10,411.47	8,000.12	7,168.81
As a % of Total Revenue	99.63%	99.75%	99.70%	99.84%
Other income	17.02	26.35	23.92	11.73
As a % of Total Revenue	0.37%	0.25%	0.30%	0.16%
<b>Total Revenue</b>	<b>4,614.12</b>	<b>10,437.82</b>	<b>8,024.05</b>	<b>7,180.55</b>
<b>Expenses:</b>				
Cost of material consumed	1,446.65	2,140.01	3,088.85	3,228.37
As a % of Total Revenue	31.35%	20.50%	38.49%	44.96%
Purchase of stock in trade	2,787.07	7,044.92	3,871.33	1,740.89
As a % of Total Revenue	60.40%	67.49%	48.25%	24.24%
Changes in inventories of work-in-progress and finished goods	(601.58)	(448.93)	(203.77)	793.28
As a % of Total Revenue	(13.04)%	(4.30)%	(2.54)%	11.06%
Employee benefit expenses	164.41	335.55	333.64	295.29
As a % of Total Revenue	3.56%	3.21%	4.16%	4.11%
Finance costs	230.04	378.44	324.89	420.59
As a % of Total Revenue	4.99%	3.63%	4.05%	5.86%
Depreciation and amortization expense	57.15	71.75	84.95	96.41
As a % of Total Revenue	1.24%	0.69%	1.06%	1.34%
Other expenses	147.65	281.54	407.67	536.53
As a % of Total Revenue	3.20%	2.70%	5.08%	7.47%
<b>Total Expenses</b>	<b>4,231.39</b>	<b>9,803.28</b>	<b>7,907.57</b>	<b>7,111.89</b>
As a % of Total Revenue	91.71%	93.92%	98.55%	99.04%
<b>Profit before exceptional, extraordinary items and tax</b>	<b>382.73</b>	<b>634.54</b>	<b>116.48</b>	<b>68.65</b>
As a % of Total Revenue	8.29%	6.08%	1.45%	0.96%
Exceptional items	-	-	-	-
As a % of Total Revenue	-	-	-	-
<b>Profit before extraordinary items and tax</b>	<b>382.73</b>	<b>634.54</b>	<b>116.48</b>	<b>68.65</b>
As a % of Total Revenue	8.29%	6.08%	1.45%	0.96%
Extraordinary items	-	-	-	-
As a % of Total Revenue	-	-	-	-
<b>Profit before tax</b>	<b>382.73</b>	<b>634.54</b>	<b>116.48</b>	<b>68.65</b>
PBT Margin	8.29%	6.08%	1.45%	0.96%
Tax expense :				
(i) Current tax	133.08	192.63	51.85	37.70
(ii) Deferred tax	(8.68)	(13.47)	(11.06)	(15.00)
(iii) MAT Credit	-	-	-	-

Particulars`	For the period ended September 30, 2017	For the Year ended March 31,		
		2017	2016	2015
Total Tax Expense	124.39	179.16	40.79	22.70
% of total income	2.70%	1.72%	0.51%	0.32%
<b>Profit for the year/ period</b>	<b>258.34</b>	<b>455.38</b>	<b>75.68</b>	<b>45.96</b>
<b>PAT Margin</b>	<b>5.60%</b>	<b>4.36%</b>	<b>0.94%</b>	<b>0.64%</b>

***Review of Operation for the Period Ended September 30, 2017***

***Total Revenue***

Total revenue for the period ended September 30, 2017 was Rs. 4614.12 lakhs which comprised of following:

***Revenue from operations***

Revenue from operations for the period ended September 30, 2017 amounted to Rs. 4597.10 lakhs which was primarily on account of revenue from domestic & export sale of manufactured engine bearings and bushes, pistons, piston rings, cylinder block/liners, valves, ring and engine valves and revenue from trading of pistons assembly, batteries, cylinder blocks/ liners, valves and ring.

***Other income***

Other income of Rs. 17.02 lakhs for the period ended September 30, 2017, comprised of interest income on term deposits, profit on sale of fixed assets and profit from foreign currency translations.

***Total Expenses***

Total expenses amounted to Rs. 4231.39 lakhs for the period ended September 30, 2017 which comprised of following:

***Cost of material consumed***

Cost of material consumed for the period ended September 30, 2017 was Rs. 1446.65 lakhs. It primarily comprised of consumption of copper lead, aluminium tin, white metal, aluminium alloy, grey cast iron, alloyed cast iron, steel, Bi-Metal strip, stainless steel, graded cast iron, chemicals and metallurgical structure. It also comprised of consumption of stores & spares parts and packing materials, power & fuel expenses, electricity expenses, factory alary & wages, job work charges and excise duty on closing stock. Our Cost of material consumed was 31.35% of our total revenue for the period ended September 30, 2017.

***Purchase of Stock In Trade***

Purchase of stock in trade for the period ended September 30, 2017 was Rs. 2787.07 lakhs. It was 60.40% of our total revenue for the period ended September 30, 2017.

***Changes in inventories of work-in-progress, finished goods and stock in trade***

Changes in inventories of work-in-progress, finished goods and stock in trade amounted to (Rs. 601.58) lakhs for the period ended September 30, 2017. it was (13.04%) of our total total revenue for

the period ended September 30, 2017.

#### *Employee Benefit Expenses*

Our employee benefit expenses for the period ended September 30, 2017 were Rs. 164.41 lakhs which primarily comprised of salary & other allowances, contribution to PF, contribution to ESIC, bonus and ex gratia bonus, gratuity expense, leave encashment expense, insurance, directors' remuneration and staff welfare expenses. Our employee benefit expenses were 3.56% of our total revenue for the period ended September 30, 2017.

#### *Finance Costs*

Our Finance costs for the period ended September 30, 2017 were Rs. 230.04 lakhs primarily consisting of interest on long term loan of Rs. 90.57 lakhs, interest on short term loan of Rs. 128.07 lakhs and other bank charges of Rs. 11.39 lakhs. Finance costs were 4.99% of our total revenue for the period ended September 30, 2017.

#### *Depreciation and Amortisation Expenses*

Depreciation and amortisation expenses were Rs. 57.15 lakhs for the period ended September 30, 2017 comprising of depreciation on tangible fixed assets. It was 1.24% of our total revenue for the period ended September 30, 2017.

#### *Other expenses*

Our other expenses for the period ended September 30, 2017 were Rs. 147.65 lakhs comprising of audit fees, coupon expenses, donation, electricity expenses, insurance expenses, other expenses, postage & courier expenses, printing & stationery expenses, professional & legal charges, rates & taxes, rebate & discount, rent & maintenance charges, repairs & maintenance to machinery and others, selling & distribution, telephone & internet expenses and travelling expenses among others. Our other expenses were 3.20% of the total revenue for the period ended September 30, 2017.

#### *Profit before Tax*

Our Profit before tax for the period ended September 30, 2017 was Rs. 382.73 lakhs which was 8.29% of our total revenue.

#### *Tax Expenses*

Our tax expenses for the period ended September 30, 2017 were Rs. 124.39 lakhs which was 2.70% of our total revenue.

#### *Profit after Tax*

Our profit after tax for the period ended September 30, 2017 was Rs. 258.34 lakhs which was 5.60% of our total revenue.

### **FINANCIAL YEAR 2016-17 COMPARED WITH FINANCIAL YEAR 2015-16**

#### ***Total Revenue***

Our total revenue increased by 30.08% to Rs. 10437.82 lakhs for the financial year 2016-17 from Rs.

8024.05 lakhs for the financial year 2015-16 due to the factors described below:

*Revenue from operations:* Our revenue from operations increased by 30.14% to Rs. 10411.47 lakhs for the financial year 2016-17 from Rs. 8000.12 lakhs for the financial year 2015-16. The increase was mainly due to increase in revenue from trading of goods by 120.51% or Rs 4728.12 lakhs and increase in revenue from sale of solar in the financial year 2016-17. However, this increase was partially offset by decrease in our revenue from sale of manufactured products by 56.83% or Rs. 2316.77 lakhs in the financial year 2016-17.

#### ***Other income***

Our other income increased by 10.16% to Rs. 26.35 lakhs for the financial year 2016-17 from Rs. 23.92 lakhs for the financial year 2015-16 mainly due to increase in interest income on term deposit by Rs 3.99 lakhs, rent income by Rs. 0.57 lakhs and decrease in loss on sale of fixed assets by Rs. 0.50 lakhs. However, this increase was partially offset by decrease in income from duty drawback by Rs 0.60 lakhs and decrease in foreign currency translation income by Rs 2.02 lakhs in the financial year 2016-17.

#### ***Total Expenses***

Our total expenses before exceptional item increased by 23.97% to Rs. 9803.28 lakhs for the financial year 2016-17 from Rs.7907.57lakhs for the financial year 2015-16, due to the factors described below:

#### ***Cost of material consumed***

Our Cost of consumed decreased by 30.72% to Rs 2140.01 lakhs for the financial year 2016-17 from Rs. 3088.85 lakhs for the financial year 2015-16. The decrease was primarily due to decrease in our revenue from sale of manufactured products. Briefly, our cost of raw material consumed decreased by 41.93% in the financial year 2016-17. However, our manufacturing expenses increased by 31.60% in the financial year 2016-17.

#### ***Purchase of Stock In Trade***

Our Purchase of Stock In Trade increased by 81.98 % to Rs 7044.92 lakhs in the financial year 2016-17 from Rs 3871.33 lakhs in the financial year 2015-16. The increase was primarily due to increase in our revenue from sale of traded goods & solar.

*Changes in inventories of finished goods:* The amount of changes in inventories of finished goods was Rs. (448.93) lakhs for the financial year 2016-17 as against Rs. (203.77) lakhs for the financial year 2015-16.

*Employee benefits expenses:* Our employee benefit expenses increased by 0.57 % to Rs. 335.55 lakhs for the financial year 2016-17 from Rs. 333.64 lakhs for the financial year 2015-16. The increase was mainly due to increase in contribution to PF by Rs. 10.35 lakhs, contribution to ESIC by Rs 8.22 lakhs, gratuity expense by Rs 6.90 lakhs, staff welfare expense by Rs 1.93 lakhs and directors' remuneration by Rs 4.00 lakhs. However, the increase was offset by decrease in insurance expense by Rs 11.19 lakhs and salary & other allowances by Rs 18.39 and leave encashment expense by Rs. 0.30 lakhs.

*Finance costs:* Our finance costs increased by 16.48% to Rs. 378.44 lakhs for the financial year 2016-17 from Rs. 324.89 lakhs for the financial year 2015-16. The increase was mainly on account

of increase in interest expense on short term borrowing by Rs. 89.46 lakhs. However, the increase was partially offset by decrease in interest expenses on term loan by Rs. 4.20 lakhs and decrease in interest to related parties and bank charges by Rs. 4.13 lakhs and financial charges by Rs. 27.60 lakhs respectively.

*Depreciation and amortisation expense:* Our depreciation and amortisation decreased by 15.54% to Rs. 71.75 lakhs for the financial year 2016-17 from Rs. 84.95 lakhs for the financial year 2015-16. The decrease was mainly due to net addition of fixed assets of Rs. 349.72 lakhs in the financial year 2015-16 as against Rs. 36.72 lakhs in the financial year 2016-17.

*Other expenses:* Our other expenses decreased by 30.94% to Rs. 281.54 lakhs for the financial year 2016-17 from Rs. 407.67 lakhs for the financial year 2015-16. The decrease was mainly due to decrease in coupon expense by Rs 33.53 lakhs, travelling expenses foregin by Rs. 33.12 lakhs, rebate & discount by Rs. 33.00 lakhs, travelling expenses Rs. 23.66 lakhs, sales commission by Rs. 18.31 lakhs, selling & distribution by Rs. 13.04 lakhs, other expenses by Rs. 3.38 lakhs, postage & courier expenses by Rs. 1.24 lakhs, telephone & internet expenses by Rs. 0.95 lakhs and machinery & building repairs & maintenance expenses by Rs. 0.33 lakhs. However, the decrease was partially offset by increase in professional & legal charges by Rs. 11.61 lakhs, bad debts by Rs. 8.59 lakhs, electricity expenses by Rs. 5.74 lakhs, insurance expenses by Rs. 2.98 lakhs, other repairs by Rs. 2.02 lakhs, rent & maintenance expenses by Rs. 1.92 lakhs, printing & stationery expenses by Rs. 1.71 lakhs, rates & taxes by Rs. 0.71 lakhs and audit fees by Rs. 0.08 lakhs.

*Profit before tax:* Our profit before tax increased by 444.78% to Rs. 634.54 lakhs for the financial year 2016-17 from Rs. 116.48 lakhs for the financial year 2015-16. The increase was mainly due to increase in our business operations.

*Tax expenses:* Our tax expenses increased by 339.19% to Rs. 179.16 lakhs for the financial year 2016-17 from Rs. 40.79 lakhs for the financial year 2015-16 mainly due to increase in our current tax expense by Rs. 140.78 lakhs in the financial year 2016-17.

*Profit after tax:* Our profit after tax increased by 501.69 % to Rs. 455.38 lakhs for the financial year 2016-17 from Rs. 75.68 lakhs for the financial year 2015-16.

## **FINANCIAL YEAR 2015-16 COMPARED WITH FINANCIAL YEAR 2014-15**

### ***Total Revenue***

Our total revenue increased by 11.75% to Rs. 8024.45 lakhs for the financial year 2015-16 from Rs. 7180.55 lakhs for the financial year 2014-15 due to the factors described below:

*Revenue from operations:* Our revenue from operations increased by 11.60% to Rs. 8000.12 lakhs for the financial year 2015-16 from Rs. 7168.81 lakhs for the financial year 2014-15. The increase was mainly due to increase in revenue from trading income by Rs 1424.43 lakhs in the financial year 2015-16. However, this increase was primarily offset by decrease in our revenue from sale of manufactured products by Rs. 593.12 lakhs in the financial year 2015-16.

*Other income:* Our other income increased by 103.92% to Rs. 23.92 lakhs for the financial year 2015-16 from Rs. 11.73 lakhs for the financial year 2014-15 mainly due to increase in interest income on term deposit by Rs 15.47 lakhs in the financial year 2015-16 and increase in profit from foreign currency translation by Rs. 5.21 lakhs and rent income by Rs 0.92 lakhs in the financial year 2015-16. However, this increase was partially offset by decrease in income from duty drawback by Rs 0.03 lakhs and decrease in loss on sale of fixed assets of by Rs. 9.36 lakhs in the financial year



2015-16.

### ***Total Expenses***

Our total expenses before exceptional item increased by 11.19% to Rs. 7907.57 lakhs for the financial year 2015-16 from Rs.7111.89lakhs for the financial year 2014-15, due to the factors described below:

#### ***Cost of material consumed***

Our Cost of consumed decreased by 4.32% to Rs. 3088.85 lakhs in the financial year 2015-16 from Rs. 3228.37 lakhs in the financial year 2014-15. The decrease was primarily due to decrease in our revenue from sale of manufactured goods.

#### ***Purchase of Stock In Trade***

Our Purchase of Stock In Trade increased by 122.38% to Rs. 3871.33 lakhs in the financial year 2015-16 from Rs 1740.89 lakhs in the financial year 2014-15. The increase was primarily due to increase in our revenue from sale of traded goods.

*Changes in inventories of finished goods:* The amount of changes in inventories of finished goods was Rs. (203.77) lakhs for the financial year 2015-16 as against Rs. 793.82 lakhs for the financial year 2014-15.

*Employee benefits expenses:* Our employee benefit expenses increased by 12.99% to Rs. 333.64 lakhs for the financial year 2015-16 from Rs. 295.29 lakhs for the financial year 2014-15. The increase was mainly due to increase in salary & other allowances expense by Rs. 19.58 lakhs, bonus & gratia expenses by Rs. 4.99 lakhs, leave encashment expenses by Rs. 1.41 lakhs, insurance expenses by Rs. 19.63 lakhs and directors' remuneration by Rs. 3.00 lakhs and gratuity expenses by Rs. 0.35 lakhs. However, the increase was partially offset by decrease in contribution to PF by Rs. 3.66 lakhs, contribution to ESIC by Rs. 6.61 lakhs and staff welfare expenses by Rs. 0.34 lakhs among others.

*Finance costs:* Our finance costs decreased by 22.75% to Rs. 324.89 lakhs for the financial year 2015-16 from Rs. 420.59 lakhs for the financial year 2014-15. The decrease was mainly on account of decrease in interest expense on long term borrowings by Rs. 83.19 lakhs, interest to related parties by Rs. 70.02 lakhs and bank commission and financial charges by Rs. 14.42 lakhs. However, the decrease was partially offset by increase in interest expenses on short term loan by Rs. 71.93 lakhs.

*Depreciation and amortisation expense:* Our depreciation and amortisation decreased by 11.89% to Rs. 84.95 lakhs for the financial year 2015-16 from Rs. 96.41 lakhs for the financial year 2014-15.

*Other expenses:* Our other expenses decreased by 24.02 % to Rs. 407.67 lakhs for the financial year 2015-16 from Rs. 536.53 lakhs for the financial year 2014-15. The decrease was mainly due to decrease in coupon expense by Rs. 134.24 lakhs, selling & distribution expenses by Rs. 35.68 lakhs, other expenses by Rs. 14.27 lakhs, insurance expenses by Rs. 9.77 lakhs, rates & taxes by Rs. 7.06 lakhs, others repairs by Rs. 5.54 lakhs, rebate & discount by Rs. 5.44 lakhs, professional & legal charges by Rs. 2.97 lakhs and telephone & internet expenses by Rs. 0.23 lakhs. However, the decrease was offset by increase in travelling expenses by Rs. 67.00 lakhs, rent & maintenance expenses by Rs. 9.92 lakhs, repair and maintenance expenses for building & machinery by Rs 3.42 lakhs, electricity expense by Rs 3.00 lakhs, sales commission by Rs. 0.92 lakhs, donations by Rs. 0.86 lakhs, printing & machinery by Rs. 0.85 lakhs, postage & courier expenses by Rs. 0.20 lakhs

and audit expenses by Rs. 0.16 lakhs.

*Profit before tax:* Our profit before tax increased by 69.66% to Rs. 116.48 lakhs for the financial year 2015-16 from Rs. 68.65 lakhs for the financial year 2014-15.

*Tax expenses:* Our tax expenses increased by 79.73% to Rs. 40.79 lakhs for the financial year 2015-16 from Rs. 22.70 lakhs for the financial year 2014-15 mainly due to increase in our current tax expense by Rs 14.16 lakhs in the financial year 2015-16.

*Profit after tax:* Our profit after tax increased by 64.69 % to Rs. 75.68 lakhs for the financial year 2015-16 from Rs. 45.96 lakhs for the financial year 2014-15.

*\*Since our company has started preparing its consolidated financials statements from the financial year 2015-16 onwards, the analysis and discussion has been given on the basis of restated standalone financial statements only.*

### **Other Key Ratios**

The table below summaries key ratios in our Restated Standalone Financial Statements for the financial years ended March 31, 2017, 2016, 2015 and for the period ended September 30, 2017:

Particulars	For the period ended September 30, 2017	For the year ended March 31,		
		2017	2016	2015
Fixed Asset Turnover Ratio	5.83	15.87	11.58	17.39
Debt Equity Ratio	1.74	1.73	1.82	2.04
Current Ratio	1.73	1.80	1.65	1.81
Inventory Turnover Ratio	1.75	3.92	3.19	2.52

*Fixed Asset Turnover Ratio:* This is defined as revenue from operations divided by total fixed assets, based on Restated Standalone Financial Statements.

*Debt Equity Ratio:* This is defined as total debt divided by total shareholder funds. Total debt is the sum of long-term borrowings, short-term borrowings and current maturity of long term debt, based on Restated Standalone Financial Statements.

*Current Ratio:* This is defined as current assets divided by current liabilities, based on Restated Standalone Financial Statements.

*Inventory Turnover Ratio:* This is defined as revenue from operations divided by average inventory. Average inventory is computed by dividing the sum of opening inventory and closing inventory by two, based on Restated Standalone Financial Information.

### **Cash Flow**

The table below summaries our cash flows from our Restated Standalone Financial Information for the financial years 2017, 2016, 2015 and for the period ended September 30, 2017:

(Rs. in lakhs)

Particulars	For the	For the year ended March 31,
-------------	---------	------------------------------

	<b>period ended September 30, 2017</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
Net cash (used in)/ generated from operating activities	(21.85)	(314.91)	336.18	1,520.86
Net cash (used in)/ generated from investing activities	(173.40)	(15.68)	(362.41)	(40.06)
Net cash (used in)/ generated from financing activities	171.14	296.55	371.59	(1524.17)
Net increase/ (decrease) in cash and cash equivalents	(24.11)	(34.05)	345.36	(43.37)
Cash and Cash Equivalents at the beginning of the period	364.16	398.21	52.85	96.22
Cash and Cash Equivalents at the end of the period	340.06	364.16	398.21	52.85

### ***Operating Activities***

#### *Period Ended September 30, 2017*

Our net cash used in operating activities was Rs. 21.85 lakhs for the period ended September 30, 2017. Our operating profit before working capital changes was Rs. 652.90 lakhs for the period ended September 30, 2017 which was primarily adjusted by increase in trade receivables by Rs. 929.83 lakhs, increase in other loans & advances receivables by Rs. 167.92 lakhs, decrease in inventories by Rs. 240.34 lakhs, increase in trade payable by Rs. 199.98 lakhs, increase in other current liabilities by Rs. 96.32 lakhs, increase in long term provision by Rs. 5.95 lakhs and decrease in short term provision by Rs. 119.60 lakhs,.

#### *Financial year 2016-17*

Our net cash used in operating activities was Rs. 314.91 lakhs for the financial year 2016-17. Our operating profit before working capital changes was Rs. 1058.70 lakhs for the financial year 2016-17 which was primarily adjusted by payment of income tax of Rs. 192.63 lakhs, increase in trade receivables by Rs. 945.97 lakhs, decrease in other loans & advances receivables by Rs 108.04 lakhs, increase in inventories by Rs. 179.91 lakhs and decrease in trade payable by Rs. 267.13 lakhs, decrease in other current liabilities by Rs. 84.72 lakhs, increase in long term provision by Rs. 15.56 lakhs and increase in short term provision by Rs. 173.15 lakhs.

#### *Financial year 2015-16*

Our net cash generated from operating activities was Rs. 336.18 lakhs for the financial year 2015-16. Our operating profit before working capital changes was Rs. 503.32 lakhs for the financial year 2015-16 which was primarily adjusted by payment of income tax of Rs. 51.85 lakhs, decrease in trade receivables by Rs. 257.89 lakhs, increase in other loans & advances by Rs. 251.74 lakhs, increase in inventories by Rs. 117.47 lakhs and decrease in trade payable by Rs. 7.09 lakhs, decrease in other current liabilities by Rs. 10.43 lakhs, increase in long term provision by Rs 8.84 lakhs and increase in short term provision by Rs. 4.72 lakhs.

#### *Financial year 2014-15*

Our net cash generated from operating activities was Rs. 1520.86 lakhs for the financial year 2014-15. Our operating profit before working capital changes was Rs. 574.88 lakhs for the financial year

2014-15 which was primarily adjusted by payment of income tax of Rs. 37.70 lakhs, decrease in trade receivables by Rs. 106.19 lakhs, decrease in other loans & advances by Rs 51.56 lakhs, decrease in inventories by Rs. 804.02 lakhs and decrease in trade payable by Rs. 131.21 lakhs, increase in other current liabilities by Rs. 11.40 lakhs, increase in long term provision by Rs. 8.14 lakhs and increase in short term provision by Rs. 133.59 lakhs.

### ***Investing Activities***

#### ***Period Ended September 30, 2017***

Net cash used in investing activities was Rs. 173.40 lakhs for the period ended September 30, 2017. This was primarily on account of purchase of fixed assets of Rs. 200.61 lakhs, purchase of investments of Rs 0.49 lakhs in equity instruments, sale of fixed assets of Rs. 18.19 lakhs, foreign exchange gain of Rs. 0.38 lakhs and interest income of Rs. 9.13 lakhs.

#### ***Financial year 2016-17***

Net cash used in investing activities was Rs. 15.68 lakhs for the financial year 2016-17. This was primarily on account of purchase of fixed assets of Rs. 36.72 lakhs, purchase of investment of Rs. 5.00 lakhs in Alternate Investment Fund, foreign exchange gain of Rs 0.54 lakhs, rent income of Rs. 1.60 lakhs and interest income of Rs. 23.89 lakhs.

#### ***Financial year 2015-16***

Net cash used in investing activities was Rs. 362.41 lakhs for the financial year 2015-16. This was primarily on account of purchase of fixed assets of Rs. 369.30 lakhs, sale of fixed assets of Rs. 4.90 lakhs, purchase of investment of Rs. 21.51 in non-current investment, foreign exchange gain of Rs 2.56 lakhs, rent income of Rs. 1.04 lakhs and interest income of Rs. 19.90 lakhs.

#### ***Financial year 2014-15***

Net cash used in investing activities was Rs. 40.06 lakhs for the financial year 2014-15. This was primarily on account of purchase of fixed assets of Rs. 56.71 lakhs, sale of fixed assets of Rs. 14.74 lakhs, foreign exchange loss of Rs. 2.64 lakhs, rent income of Rs. 0.12 lakhs and interest income of Rs 4.43 lakhs.

### ***Financing Activities***

#### ***Period Ended September 30, 2017***

Net cash generated from financing activities for period ended September 30, 2017 was Rs. 171.14 lakhs primarily consisting of proceeds from secured and unsecured loans of Rs. 401.18 lakhs and payment of interest of Rs. 230.04 lakhs.

#### ***Financial year 2016-17***

Net cash generated from financing activities for the financial year 2016-17 was Rs. 296.55 lakhs primarily consisting of proceeds from secured and unsecured loans of Rs. 674.99 lakhs and payment of interest of Rs. 378.44 lakhs.

#### ***Financial year 2015-16***

Net cash generated from financing activities for the financial year 2015-16 was Rs. 371.59 lakhs primarily consisting of Rs. 60.00 lakhs from issue of share capital, Rs 240.00 lakhs from security premium, proceeds from secured and unsecured loans of Rs. 396.48 lakhs and payment of interest of Rs. 324.89 lakhs.

#### *Financial year 2014-15*

Net cash used in financing activities for the financial year 2014-15 was Rs. 1524.17 lakhs primarily consisting of repayment of secured and unsecured loans of Rs. 1103.58 lakhs and payment of interest of Rs. 420.59 lakhs.

#### ***Financial Indebtedness***

As on September 30, 2017, the total outstanding borrowings of our Company includes long-term borrowings of Rs. 1398.21 lakhs, short-term borrowings of Rs. 2389.14 lakhs and current maturities of long term borrowings of Rs. 146.43 lakhs. For further details, refer chapter titled “*Financial Indebtedness*” beginning on page 324 of this Prospectus.

		(Rs. in lakhs)
Particulars		As at September 30, 2017
<b><i>Long Term Borrowings (A)</i></b>		
<b>Secured</b>		
- Term Loan		695.23
- Vehicle Loan		158.21
<b>Unsecured</b>		
- Loans and advances from related parties		144.76
- Loans and Advances from Bank & Financial Institutions		400.01
	<b>Sub Total (A)</b>	<b>1398.21</b>
<b><i>Short Term Borrowings (B)</i></b>		
<b>Secured</b>		
- Working Capital Loans		2389.14
	<b>Sub Total (B)</b>	<b>2389.14</b>
<b><i>Current Maturities of Long Term Borrowings (C)</i></b>		<b>146.43</b>
	<b>Total (A)+(B)+(C)</b>	<b>3933.78</b>

In the event, any of our lenders declare an event of default, such current and any future defaults could lead to acceleration of our repayment obligations, termination of one or more of our financing agreements or force us to sell our assets, any of which could adversely affect our business, results of operations and financial condition.

#### ***Related Party Transactions***

Related party transactions with certain of our promoters, directors and their entities and relatives primarily relates to remuneration payable, loans & advances given and taken and Issue of Equity Shares. For further details of such related parties under AS18, refer chapter titled “*Financial Statements*” beginning on page 238 of this Prospectus.

#### ***Contingent Liabilities***

Details of Contingent Liabilities of Our Company as of September 30, 2017 and March 31, 2017 as

per Restated Standalone Financial Statements is as follows:

Particulars	As at September 30, 2017	As at March 31, 2017
Claim under the Central Excise Act, 1944	36.97	33.98
Claim under the Income Tax Act, 1961	141.07	141.07
<b>Total</b>	<b>178.04</b>	<b>175.05</b>

### ***Off-Balance Sheet Items***

We do not have any other off-balance sheet arrangements, derivative instruments or other relationships with any entity that have been established for the purposes of facilitating off-balance sheet arrangements.

### ***Qualitative Disclosure about Market Risk***

#### **Financial Market Risks**

Market risk is the risk of loss related to adverse changes in market prices, including interest rate risk. We are exposed to interest rate risk, inflation and credit risk in the normal course of our business.

#### **Interest Rate Risk**

Our financial results are subject to changes in interest rates, which may affect our debt service obligations and our access to funds.

#### **Effect of Inflation**

We are affected by inflation as it has an impact on the raw material cost, wages, etc. In line with changing inflation rates, we rework our margins so as to absorb the inflationary impact.

#### **Credit Risk**

We are exposed to credit risk on monies owed to us by our customers. If our customers do not pay us promptly, or at all, we may have to make provisions for or write-off such amounts.

#### **Reservations, Qualifications and Adverse Remarks**

Except as disclosed in chapter titled “*Financial Statements*” beginning on page 238 of this Prospectus, there have been no reservations, qualifications and adverse remarks.

#### **Details of Default, if any, Including Therein the Amount Involved, Duration of Default and Present Status, in Repayment of Statutory Dues or Repayment of Debentures or Repayment of Deposits or Repayment of Loans from any Bank or Financial Institution**

Except as disclosed in chapter titled “*Financial Statements*” beginning on page 238 of this Prospectus, there have been no defaults in payment of statutory dues or repayment of debentures and interest thereon or repayment of deposits and interest thereon or repayment of loans from any bank or financial institution and interest thereon by the Company during the period April 1, 2015 up to September 30, 2017.

#### **Material Frauds**

There are no material frauds, as reported by our statutory auditor, committed against our Company, in the last five Fiscals.

#### **Unusual or Infrequent Events or Transactions**

As on date, there have been no unusual or infrequent events or transactions including unusual trends on account of business activity, unusual items of income, change of accounting policies and discretionary reduction of expenses.

#### **Significant Economic Changes that Materially Affected or are Likely to Affect Income from Continuing Operations**

Indian rules and regulations as well as the overall growth of the Indian economy have a significant bearing on our operations. Major changes in these factors can significantly impact income from continuing operations.

There are no significant economic changes that materially affected our Company's operations or are likely to affect income from continuing operations except as described in chapter titled "*Risk Factors*" beginning on page 21 of this Prospectus.

#### **Known Trends or Uncertainties that have had or are expected to have a Material Adverse Impact on Sales, Revenue or Income from Continuing Operations**

Other than as described in the section titled "*Risk Factors*" beginning on page 21 of this Prospectus and in this chapter, to our knowledge there are no known trends or uncertainties that are expected to have a material adverse impact on revenues or income of our Company from continuing operations.

#### **Future Changes in Relationship between Costs and Revenues, in Case of Events Such as Future Increase in Labour or Material Costs or Prices that will Cause a Material Change are known**

Other than as described in chapter titled "*Risk Factors*" beginning on page 21 of this Prospectus and in this section, to our knowledge there are no known factors that might affect the future relationship between cost and revenue.

#### **Extent to which Material Increases in Net Sales or Revenue are due to Increased Sales Volume, Introduction of New Products or Services or Increased Sales Prices**

Changes in revenue in the last three financial years are as explained in the part "*Financial Year 2016-17 compared with financial year 2015-16 and Financial Year 2015-16 Compared With Financial Year 2014-15*" above.

#### **Total Turnover of Each Major Industry Segment in Which the Issuer Operates**

Our business is limited to a single reportable segment.

#### **Competitive Conditions**

We have competition with Indian and international manufacturers and our results of operations could be affected by competition in the auto components industry in India and international market in the future. We expect competition to intensify due to possible new entrants in the market, existing competitors further expanding their operations and our entry into new markets where we may

compete with well-established unorganized companies / entities. This we believe may impact our financial condition and operations. For details, please refer to the chapter titled “Risk Factors” beginning on page 21 of this Prospectus.

#### **Increase in income**

Increases in our income are due to the factors described above in in this chapter under “*Significant Factors Affecting Our Results of Operations*” and chapter titled “*Risk Factors*” beginning on page 21 of this Prospectus.

#### **Status of any Publicly Announced New Products or Business Segments**

Except as disclosed elsewhere in the Prospectus, we have not announced and do not expect to announce in the near future any new products or business segments.

#### **Significant Dependence on a Single or Few Suppliers or Customers**

Significant proportion of our revenues have historically been derived from a limited number of customers. The % of Contribution of our Company’s customer and supplier vis a vis the total revenue from operations respectively as March 31, 2017 is as follows:

<b>Particulars</b>	<b>Customers</b>	<b>Suppliers</b>
Top 5 (%)	60.34%	73.20%
Top 10 (%)	71.91%	81.94%

#### **Seasonality of Business**

The nature of business is not seasonal.

#### **Significant Developments after September 30, 2017 that May Affect Our Results of Operations**

Except as set out in this Prospectus and as mentioned below, in the opinion of the Board of Directors of our Company and to our knowledge, no circumstances have arisen since the date of the last financial statements as disclosed in this Prospectus which materially or adversely affect or are likely to affect, our operations or profitability, or the value of our assets or our ability to pay our material liabilities within the next 12 months.



## FINANCIAL INDEBTEDNESS

In terms of the Articles of Association of the Company, the Board is authorized to accept deposits from members either in advance of calls or otherwise, and generally accept deposits, raise loans or borrow or secure the payment of any sum of moneys to be borrowed together with the moneys already borrowed including acceptance of deposits apart from temporary loans obtained from the Company's Bankers in the ordinary course of business, exceeding the aggregate of the paid-up capital of the Company and its free reserves (not being reserves set apart for any specific purpose) or upto such amount as may be approved by the shareholders from time to time.

Our Company has obtained the necessary consents required under the relevant loan documentation with banks and financial institutions for undertaking activities, such as change in its capital structure, change in its shareholding pattern and change in promoter's shareholding which has a possible change in the management control of our Company.

As on September 30, 2017, our Company has total outstanding secured borrowings from banks and financial institutions aggregating to Rs. 3320.43 Lakhs.

Set forth below is a brief summary of our aggregate borrowings from banks and financial institutions on a consolidated basis as of September 30, 2017:

Category of Borrowing	Sanctioned Amount (Rs. in lakh )	Outstanding Amount (Rs. in lakh)
<b>Term Loan including current maturities</b>	<b>802.25</b>	<b>733.92</b>
Working Capital Fund Based	2310.00*	2389.14***
Working Capital Non Fund Based	310.00**	-
<b>Total Working Capital Limit</b>	<b>2620.00</b>	<b>2389.14</b>
<b>Total Vehicle Loans</b>	<b>264.00</b>	<b>197.37</b>
<b>Current Maturities of Term Loans</b>		<b>77.86</b>

*\*The sanctioned limit of fund based working capital includes interchangeable non fund based limit of Rs 120 lakh and amount of Rs. 10 lakh sanctioned under Raw Material Assistance Scheme by National Small Industries Corporation Limited.*

*\*\*including sanctioned limit of Rs. 10 lakh for Bank Guarantee.*

*\*\*\* Outstanding amount is greater than the sanctioned amount due to reconciliation differences.*

### **Principal terms of the borrowings availed by us from banks:**

#### **Interest:**

In terms of the loans availed by our Company, the interest rate is typically the base rate of a specified lender and spread per annum, subject to a minimum interest rate. The spread varies between different loans. The interest rate for the loans availed by our Company ranges from 8.30 % per annum to 18.00% per annum. However, the same shall be subject to change depending upon the terms and conditions of the sanction letters.

**Tenor/ Repayment:** The tenor of the term loans availed by our Company typically ranges from 160 months to 240 months). The tenor of the vehicle loans typically ranges from 36 months to 84 months. The working capital facilities are typically repayable on demand.

**Security:** In terms of our borrowings where security needs to be created, our Company is typically required to:

- a. Create exclusive hypothecation charge on the entire current assets of the borrower, present and future.
- b. Create charge over Immovable property of Benara International Pvt. Ltd. situated at Kh No. 660/2, Mauza, Artoni, NH-2, Agra.
- c. Create charge over Immovable property of Company (Jointly owned by M/s. Benara International Pvt. Ltd., Mr. Vivek Benara, M/s Benara Bearings & Pistons Limited, Mrs. Ketaki Benara, Mrs. Sarla Jain and Mr. Panna Lal Jain) situated at 7203 -B, Loadha Marquise, Opp. Hard Rock Café, Worli, Mumbai - 400025.
- d. Provide collateral security by creating equitable mortgage over:
  - i. Factory land & building situated at A-3 and A-4, Site B, Industrial Area, Sikandra Agra measuring 3600sq. mtr. Owned by M/s. Benara Bearings & Piston Limited.
  - ii. Residential house no. 1/205-E measuring 318.52 sq. mtr. Owned by Mrs. Sarla Jain
  - iii. Property measuring 6142 sq. mts situated at Khasra No. 626, Artoni owned by Mr. Vivek Benara
  - iv. Exclusive hypothecation charge over entire moveable fixed assets of the Company both present and future other than those on hire and purchase basis and vehicles.

The repayment of working capital loans have also been personally guaranteed by Mr. Panna Lal Jain, Mrs. Sarla Jain, Mrs. Ketaki Benara and Mr. Vivek Benara.

The amount sanctioned by National Small Industries Corporation Limited is secured against Bank Guarantee.

This is an indicative list and there may be additional requirements for creation of security under the various borrowing arrangements entered into by our Company.

#### **Restrictive Covenants:**

Borrower shall not, without the prior written approval of the Bank:

- i. enter into any merger/ amalgamation, etc. or do a buyback
- ii. make any restricted payments other than as permitted
- iii. wind up/ liquidate its affair
- iv. agree/ authorise to settle any litigation/ arbitration having a material adverse effect
- v. change the general nature of the business or undertake any expansion.
- vi. change remuneration of its directors in any manner other than as mandated by legal or regulatory provisions
- vii. make any amendments to its constitutional documents.

This is an indicative list and there may be additional terms that may amount to an event of default under the various loan facilities availed by our Company.

#### **Unsecured Borrowings:**

In addition to the secured borrowings availed by us from banks, we have also availed certain Unsecured loans.

Set forth below is a brief summary of Unsecured Loans outstanding as on September 30, 2017:

##### **A. From Banks and Financial Institutions:**

<b>Name of the Lender</b>	<b>Outstanding Amount (Rs. in lakh)</b>
Visu Leasing & Finance	24.13
Magma Finance Corporation Limited	30.84
India Bull Finance Limited	49.31

Deutsche Bank	48.23
Bajaj Finance Limited	28.68
Tata Capital	37.40

B. From Promoters:

Name of the Lender	Outstanding Amount (Rs. in lakh)
Panna Lal Jain	32.36
Vivek Benara	1.85

C. From Related Parties:

Name of the Lender	Outstanding Amount (Rs. in lakh)
Sarla Jain	0.71
Ketaki Benara	3.25
Benara Infrastructure Dev.P.Ltd	1.36
Benara International Pvt Ltd	1.64
Sky Mark Leasing & Finance Ltd.	30.63
Benara Automotives Pvt. Ltd. Agra	23.00

D. Inter Corporate Deposits:

Name of the Lender	Outstanding Amount (Rs. in lakh)
Bamalwa Finance Pvt Ltd.	25.00
Inter Globe Finance Ltd.	200.00
Preeti Commercial Co. Pvt Ltd	25.00
Sarthak Vinimoy Pvt Ltd	25.00
Chetak Mercantile Pvt Ltd	25.00

**Tenor/Re-payment:**

The Unsecured loans taken from promoters and related parties are repayable on demand.

**Interest Rate**

No interest on loan taken from Promoters and Related Parties (except for Sky Mark Leasing & Finance Ltd). The interest rate on loan taken from Sky Mark Leasing & Finance Ltd is 9%p.a. and interest rate on inter corporate deposits ranges from 12% p.a. to 15% p.a.

## SECTION VI – LEGAL AND OTHER INFORMATION

### OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

*Except as stated below, there are no outstanding litigation, suits, criminal or civil prosecutions, proceedings or tax liabilities against our Company, our Directors, our Promoters, Subsidiary Companies and Group Companies that would have a material adverse effect on our business. Further, except as stated below there are no defaults, non-payment of statutory dues, over-dues to banks/financial institutions, defaults against banks/financial institutions, defaults in dues payable to holders of any debenture, bonds and fixed deposits and arrears of preference shares issued by our Company, default in creation of full security as per terms of issue/other liabilities. No proceedings have been initiated for economic/civil/any other offences (including past cases where penalties may or may not have been awarded and irrespective of whether they are specified under paragraph (a) of Part I of Schedule V of the Companies Act, 2013) other than unclaimed liabilities of our Company and no disciplinary action has been taken by SEBI or any stock exchanges against our Company, our Promoters, our Directors and Group Companies.*

*Our Board of Directors, in its meeting held on December 23, 2017 determined that outstanding legal proceedings involving our Company, Directors, Promoters, Subsidiary Companies and Group Companies: (a) the aggregate amount involved in such individual litigation exceeds Rs. 5 Lakhs, as per the last audited financial statements; (b) where the decision in one litigation is likely to affect the decision in similar litigations, even though the amount involved in such single litigation individually may not exceed Rs. 5 Lakhs as per the last audited financial statements, if similar litigations put together collectively exceed Rs. 5 Lakhs; (c) litigations whose outcome could have a material impact on the business, operations, prospects or reputations of the Company and the Board or any of its committees shall have the power and authority to determine the suitable materiality thresholds for the subsequent financial years on the aforesaid basis or any other basis as may be determined by the Board or any of its committees.*

*Further, dues owed by our Company to small scale undertakings and other creditors, which exceeds Rs. 50 Lakh as at September 30, 2017 ("**Material Creditors**") have been considered as material dues for the purposes of disclosure in this Prospectus.*

*Further, except as stated below, in the last five years preceding the date of this Prospectus there have been (a) no instances of material frauds committed against our Company (b) no inquiries, inspections or investigations initiated or conducted under the Companies Act or any previous companies law in the case of our Company and no prosecutions have been filed (whether pending or not), fines imposed or compounding of offences for our Company (c) no litigation or legal action pending or taken by any ministry or department of the government or any statutory body against our Promoters.*

*Further, except as described below, there are no proceedings initiated or penalties imposed by any authorities against our Company, and Directors and no adverse findings in respect of our Company, our Promoters, and our Group Companies and the persons/entities connected therewith, as regards compliance with securities laws. Further, except as described below, there are no instances where our Company, or Directors have been found guilty in suits or criminal or civil prosecutions, or proceedings initiated for economic or civil offences or any disciplinary action by SEBI or any stock exchange, or tax liabilities.*

*Further, except as disclosed below there are no (i) litigation against our Directors or our Promoters involving violation of statutory regulations or alleging criminal offence; (ii) past cases in which penalties were imposed by the relevant authorities on our Company, our Directors, our Promoters*

and our Group Companies; and (iii) outstanding litigation or defaults relating to matters likely to affect the operations and finances of our Company including disputed tax liabilities and prosecution under any enactment in respect of Schedule V to the Companies Act, 2013.

Unless stated to the contrary, the information provided below is as on the date of this Prospectus.

## CONTINGENT LIABILITIES

Sr. No.	Particulars	Remarks
1	Tax Liability	1,75,05,232
	<b>Total</b>	<b>1,75,05,232</b>

### A. LITIGATION INVOLVING OUR COMPANY

#### (I) Litigation against our Company:

- (a) *Litigation Involving Criminal Laws:* NIL
- (b) *Litigation Involving Actions by Statutory/Regulatory Authorities:* NIL
- (c) *Litigation Involving Tax Liabilities*
  - (i) *Direct Tax Liabilities*

Assessing year	Section under which notice is issued	Demand Identification Number	Tax assessment date	Outstanding Amount (Rs.)	Status
2010-2011	143(1a)	2011201010060039954C	October 14, 2011	1,93,210	Company is in process of filing for rectification of mistakes
2014-2015	143(3)	2016201410004792113C	December 4, 2016	32,04,340	Company has filed an appeal disputing the said demand and the same is pending

#### (ii) *Indirect Tax Liabilities:*

1. *Sales tax order by Office of Joint Commissioner (Corporate) Commercial Tax, Agra.*

A sales tax order was passed by the Office of Joint Commissioner (corporate) Commercial Tax, Agra ("**Authority**") against our Company dated October 12, 2017. Under this order the validity of order passed on July 15, 2017 under section 31 of the VAT Act is questioned. An *ex-parte* order was passed on March 31, 2017 penalizing our Company to the tune of Rs. 10,000 u/s. 54(1) of the Uttar Pradesh Value Added Tax Act, 2008 ("**UP VAT Act**") against which our Company filed an application u/s

32 of the UP VAT Act dated May 12, 2017 ("**Application**"). However, on account of remaining absent on the date of hearing of the said application an order was passed on July 15, 2017 ("**Order**"). The Company filed another application dated August 3, 2017 objecting to the said Order where it clearly mentioned that the Company declared the central sales through Form C and uploaded the compliance payment of Rs. 7,53,725. However, due to lack of knowledge to upload the central sales list, the same remained un-complied. The Authority analyzed the Order and held that as per para no 2 of the Order, it was stated that the Company was to upload the central sales list as per the provisions of the VAT Act, which has not been complied with by the Company. Furthermore, they also held that the Company has made central sales worth Rs. 60,53,725 which is contrary to Form C. Lastly, the reason for being absent on the date of the hearing was also held as not proper and satisfactory. Therefore, the Authority rejected the Application and held the Order dated 15<sup>th</sup> July 2017 to be maintainable. The appeal is pending with the Commissioner Corporate (Commercial).

2. *Sales Tax Notice by Office of the Ass Collector/Commissioner for Commercial Tax, Agra.*

A sales tax notice dated October 16, 2017 ("**Sales Tax Notice**") has been issued to our Company for the due payment of commercial tax of Rs. 19,09,146 and the applicable interest accrued on the said amount. The demand was raised as a result of non-compliance of deposit of Form C. The Company is required to deposit the said amount and acquire an acknowledgement of payment before October 23, 2017. Non-payment of the amount will lead to initiation of forceful measures, procedure for arrest warrant and freezing of bank account. Our Company has deposited an amount of Rs. 10,000 as appeal fees and filed appeal against its demand. Our Company took the stay for balance amount after paying 35% of Rs. 19,09,146. The total outstanding amount therefore is Rs.12,40,945. The appeal is pending with the Commissioner Corporate Commercial.

3. *Joint Commissioner, Central Excise & Services Tax Audit Commissionerate v. Benara Bearings and Pistons Limited*

A draft audit report was drawn in respect of our Company bearing number C.No. V(1) 127-Audit/EA-2000/BBPL-2/GRP-1/2015 on December 3, 2015. Under this report, four major objections were raised against our Company, the first being that there was non-payment of Central Excise Duty on clearance of finished goods falling under chapter heading 84099911, 84099912 and 84099913 of Central Excise Tariff Act, 1985, cleared through invoice of issued under Rule 11 of Central Excise Rules. As a result, Rs. 31,10,537 was to be recovered along with interest from our Company. The second objection that was raised against our Company was that our Company had availed wrongful CENVAT credit in the month of June 2014 as a result of which Rs. 42,519 is to be recovered. The third objection was that there had been non-payment of service tax under Reverse Charge Mechanism ("**RCM**") as a result of which Rs. 5,42,821 was to be recovered from our Company. Lastly, an objection was been raised to the non-payment of service tax on arbitrary fee under RCM as a result of which Rs. 1,236 is to be recovered. The total outstanding amount therefore is Rs. 36,97,113. The appeal is pending with the Superintendent (Audit Circle) Agra.

4. *Benara Bearings and Pistons P. Ltd. v. Joint Commissioner, (Corporate)*

*Commercial Tax, Agra.*

Our Company ("**Appellant**") has filed an appeal bearing no. AGRI/0087/17 ("**Appeal**") in the court of addl. Commissioner grade 2 (appeal)-I, commercial tax, Agra ("**Authority**") against the Joint Commissioner (Corporate) Commercial Tax, Agra ("**Respondent**"). Our company has submitted an adjournment application wherein it is stated that the penalized tax in the appeal amounts to Rs. 72,96,964 whereas the Appellant has deposited C form of Rs. 40,80,760 against this demand. Therefore, the disputed balance amounts to Rs. 32,16,204. It is stated in the Appeal that the alleged disputed amount has been assisted in an extremely improper manner and contrary to all the basis and principles of law. Furthermore, the financial condition of the Appellant is poor and therefore, an adjournment is prayed by the Company. The Authority passed an order for the recovery of 70% of the penalized tax amount i.e. Rs. 32,16,204 to be postponed and the collection of the same was to be done within a period of 30 days. Our Company has paid an amount of Rs. 9,64,861 which is 30% of the disputed balance amount of 32,16,204. The outstanding amount therefore is 31,15,899. The matter is currently pending for adjudication.

(d) *Other Material Pending Litigations: NIL*

(II) **Litigation by our Company:**

(a) *Litigation Involving Criminal Laws: NIL*

(b) *Litigation Involving Actions by Statutory/Regulatory Authorities: NIL*

(c) *Litigation Involving Tax Liabilities*

(i) *Direct Tax Liabilities - NIL*

(ii) *Indirect Tax Liabilities - NIL*

(d) *Other Material Pending Litigations :*

1. *Benara Bearings and Pistons Limited v. Mahle Engine Components India Pvt. Ltd.*

In 2006, our Company was appointed as the exclusive distributor for motorcycle pistons for the territories of India, Sri Lanka, Nepal and Bangladesh under the brand name Mahle Original. In 2014, our Company entered into a formalized distribution agreement ("**Agreement**") with the respondent Mahle Engine Components India Pvt. Ltd. ("**Respondent**") which was to get automatically renewed after one year. The Agreement was renewed on March 20, 2015 and the Respondent informed our Company about its intension to not renew the Agreement on June 24, 2015. Subsequently, our Company communicated of its intension to carry on the business and in pursuance of the same a number of email exchanges and meetings were conducted between the parties and a proposal was drawn whereby our Company and the Respondent entered into a MOU. The parties carried out many discussions and negotiations with respect to the fixation of MRP of the products and finalization of the terms of the contract. On March 21, 2016 our Company vide an email stated that the MRP of the goods should be affixed by the Respondent as per the agreed value of September 2015 but did not dispute any terms or conditions proposed by the Respondent but on the contrary reaffirmed its acceptance of the Respondents proposal of September 4, 2015 as well as the MRP/selling structure of the Respondent as per its email on February 3, 2016. Thus, the acceptance of the offer given by the Respondent to our Company on March

18, 2016 by our Company on March 21, 2016 was unqualified and unequivocal and the contract ("**Distribution Agreement**") between the parties was said to be complete. However, *vide* its email of April 21, 2016 the Respondent terminated the Distribution Agreement. It is pertinent to note that no issue of MRP was even mentioned in this email and lack of better business results was cited as the reason for termination of the Distribution Agreement. Our Company made efforts to resolve the issues between the parties but was unsuccessful. Therefore, our Company filed a petition under Section 9 of the Arbitration & Conciliation Act, 1996 ("**Act**") seeking interim measures of protection against the Respondent to the Hon'ble High Court of Delhi ("**Court**"). Our Company invoked arbitration proceedings on May 11, 2016 under the Distribution Agreement and filed its request for arbitration to ICC Court of Arbitration ("**Arbitration Tribunal**"). The Respondent filed an application to the Arbitration Tribunal contending the absence of a concluded contract and arbitration agreement between the parties. Meanwhile, our Company's petition under Section 9 of the Act was dismissed by the Court *vide* its judgment and order dated August 26, 2016. Therefore, our Company filed an appeal to the Division Bench of the Court dated August 27, 2016 ("**Appeal**"). The Arbitration Tribunal *vide* its impugned order dated January 12, 2017 held the Distribution Agreement to not have been concluded and implied the absence of an arbitration agreement between the parties. The Division bench of the Court dismissed the Appeal preferred by our Company *vide* its order judgment and order dated March 1, 2017 ("**Order**"). Our Company filed a Special Leave Petition ("**SLP**") before the Hon'ble Supreme Court ("**Supreme Court**") challenging the judgment and order dated The Supreme Court dismissed the SLP, however, it clarified that the findings of the Division bench of the Court are provisional findings.

2. *Benara Bearing & Pistons Limited v. M/s Baba Bhootnath*

Our Company has filed a complaint (Money Suit) dated May 31, 2016 against M/s Baba Bhootnath for the recovery of an amount of Rs. 41,23,661.66. The said complaint has been registered before the Hon'ble Civil Court (Upper Section), Agra ("**Court**"). The money has been received by the Company and the matter has been settled.

B. **LITIGATION INVOLVING OUR DIRECTORS**

(I) **Litigation against our Directors:**

(a) ***Litigation Involving Criminal Laws:***

1. *Mr. Manoj Agarwal v. Mr. Vivek Benara*

Mr. Manoj Agarwal ("**Complainant**") has filed a complaint dated October 10, 2012 against one of our Directors, Mr. Vivek Benara ("**Opponent**") under sections 420, 467, 406, 384 of the Indian Penal Code ("**IPC**") and invoking of warrant against the Opponent. The complaint has been filed in the II Court of Upper Chief Judicial Magistrate, Agra ("**Court**") for the recovery of an amount of Rs. 1,94,529 allegedly payable to the Complainant by the Opponent as incentive towards the performance of his duty as General Manager (Sales & Marketing) in Four Square Retail Private Limited and Benara Bearings & Pistons Limited from the period between February 1, 2010 and January 26, 2012, the date of the resignation of the Complainant. *Vide* order dated February 28, 2013, the Court found Vivek Benara guilty under section 420 of the IPC. Upon appeal by the Company, the Court redirected the case to lower court for further hearing. The Complainant was not present during the hearing conducted on September 22, 2017, October 30, 2017 and November 30, 2017. The matter is pending in the lower court for further hearing.



(b) ***Litigation Involving Actions by Statutory/Regulatory Authorities:*** NIL

(c) ***Litigation Involving Tax Liabilities***

(i) ***Direct Tax Liabilities***

As per the website of the Income Tax Department, the outstanding demands in respect of our Directors for various assessment years is as set out below.

Assessment Year	Section	Date of demand	Outstanding Demand (Rs.)	Status
<b><i>Panna Lal Jain</i></b>				
2011-12	143(1a)	March 30, 2013	22,630	Mr. Panna Lal Jain is in the process of filing for rectification of mistake.
2012-13	143(1a)	December 30, 2013	8,280	Mr. Panna Lal Jain is in the process of filing for rectification of mistake.
<b><i>Vivek Benara</i></b>				
2013-2014	143(3)	February 29, 2016	3,70,76,080	Mr. Vivek Benara has filed an appeal with the CIT disputing the amount and the same is pending.
2014-2015	143(3)	December 30, 2016	1,20,710	Mr. Vivek Benara has filed an appeal with the CIT disputing the said amount and the same is pending.
<b><i>Ketaki Benara</i></b>				
2012-2013	-	June 21, 2016	9,170	Ms. Ketaki Benara is in the process of filing for rectification of mistakes
2014-2015	143(3)	December 19, 2016	1,24,580	Company has filed an appeal with the ITAT, disputing the said amount and the same is pending

(ii) ***Indirect Tax Liabilities:*** NIL

(d) ***Other Material Pending Litigations:*** NIL

(II) **Litigation by our Directors:**

(a) ***Litigation Involving Criminal Laws:***

1. *Mr. Pannalal Jain v. Ajay Kumar Goswami*

One of our Directors, Mr. Pannalal Jain ("**Complainant**") has a filed a complaint dated October 9, 2014 against one Mr. Ajay Kumar Goswami ("**Accused**") for recovering of an amount of Rs. 6,80,209 towards goods comprising auto parts and accessories that was purchased by the Accused from the Complainant. The said complaint was filed in the VIII Court of Hon'ble Chief Judicial Magistrate, Agra ("**Court**") on account of non-receipt of the said amount despite repeated requests from the Complainant and assurances received from the Accused and his unwillingness to repay the said amount. The Complainant had served a legal notice to the Accused on August 18, 2014 which also remained unheeded. The Complainant has held the Accused guilty of crimes under Sections 406, 420, 504 and 506 of the Indian Penal Code, 1860 ("**IPC**") and has requested the Court to issue warrant in the name of the Accused and for the recovery of the amount of Rs. 6,80,209 alongwith interest at the rate of 24%. *Vide* order dated May 29, 2017, the Court held that the Accused is *prima facie* guilty under sections 406, 504, 506 of the IPC and summoned the Accused to be physically present in the Court on or before July 7, 2017. The Accused was not present before the Court on the said date and several other dates, the last being November 9, 2017.

2. *Mr. Pannalal Jain v. Prashid Kumar*

One of our Directors, Mr. Pannalal Jain ("**Complainant**") has a filed a complaint dated October 9, 2014 against one Mr. Prashid Kumar ("**Accused**") for recovering of an amount of Rs. 3,30,835 towards goods comprising auto parts and accessories that was purchased by the Accused from the Complainant. The said complaint was filed in the VIII Court of Hon'ble Chief Judicial Magistrate, Agra ("**Court**") on account of non-receipt of the said amount despite repeated requests from the Complainant and assurances received from the Accused and his unwillingness to repay the said amount. The Complainant had served a legal notice to the Accused on August 18, 2014 which also remained unheeded. The Complainant has held the Accused guilty of crimes under Sections 406, 420, 504 and 506 of the Indian Penal Code, 1860 ("**IPC**") and has requested the Court to issue warrant in the name of the Accused and for the recovery of the amount of Rs. 3,30,835 alongwith interest at the rate of 24%.

3. *Vivek Benara v. Government of Uttar Pradesh & Gurvinder Singh Arsi*

One of our Directors Mr. Vivek Benara ("**Complainant**") has filed a complaint against Government of Uttar Pradesh ("**Opponent No. 1**") and one Mr. Gurvindersinh Arsi ("**Opponent No. 2**") ("**Opponents**") in the Court of Assistant Chief of Judicial Magistrate No. VIII ("**Court**"). The complaint has been filed on account of the Opponent No. 2 providing all the confidential information and the business related information data to M/s Mahle Engine Company India Private Limited, a competitor of Benara Bearing & Pistons Limited and illegal gains made by the Opponents from the distributors of Benara Bearings & Pistons Limited. The police thereafter conducted an investigation and filed its report in the Court. Court *vide* its order accepted the investigation report which stated that there is competition between the two companies. The Complainant filed a review application against the said order and the same was rejected *vide* order dated May 9, 2017. The Complainant has thereafter filed a crime review petition dated May 30, 2017 against the said order dated May 9, 2017 in the Hon'ble District Sessions Court, Agra ("**Sessions Court**"). *Vide* order dated May 31, 2017, the Sessions Court rejected the protest order passed by the subordinate court and has admitted the penal observation and ordered notices to be issued to the Opponents. The matter is pending in the Sessions Court.

(b) *Litigation Involving Actions by Statutory/Regulatory Authorities: NIL*

- (c) ***Litigation Involving Tax Liabilities***
  - (i) ***Direct Tax Liabilities:*** NIL
  - (ii) ***Indirect Tax Liabilities:*** NIL

- (d) ***Other Material Pending Litigations:*** NIL

**C. LITIGATION INVOLVING OUR PROMOTERS:**

**(I) Litigation against our Promoters:**

**(a) *Litigation Involving Criminal Laws:***

*With respect to litigation involving our Promoters Mr. Vivek Benara, please refer to "LITIGATION INVOLVING DIRECTORS – Litigation Against Our Directors – Litigation Involving Criminal Laws".*

- (b) ***Litigation Involving Actions by Statutory/Regulatory Authorities:*** NIL

**(c) *Litigation Involving Tax Liabilities:***

- (i) ***Direct Tax Liabilities:***

*With respect to direct tax liability of our Promoters Mr. Panna Lal Jain and Mr. Vivek Benara, please refer to "LITIGATION INVOLVING DIRECTORS – Litigation Against Our Directors – Direct Tax Liabilities."*

- (ii) ***Indirect Tax Liabilities:*** NIL

- (d) ***Other Material Pending Litigations :*** NIL

**(II) Litigation by our Promoters:**

**(a) *Litigation Involving Criminal Laws:***

*With respect to litigation involving our Promoters Mr. Vivek Benara and Mr. Panna Lal Jain "LITIGATION INVOLVING DIRECTORS – Litigation by Our Directors – Litigation Involving Criminal Laws".*

- (b) ***Litigation Involving Actions by Statutory/Regulatory Authorities:*** NIL

**(c) *Litigation Involving Tax Liabilities***

- (i) ***Direct Tax Liabilities -*** NIL
- (ii) ***Indirect Tax Liabilities -*** NIL

- (d) ***Other Material Pending Litigations :*** NIL

**D. LITIGATION INVOLVING GROUP COMPANIES**

**(I) Litigation against our Subsidiary and Group Companies**

- (a) ***Litigation Involving Criminal Laws:*** NIL

- (b) ***Litigation Involving Actions by Statutory/Regulatory Authorities:*** NIL
- (c) ***Litigation Involving Tax Liabilities***
  - (i) ***Direct Tax Liabilities:*** NIL
  - (ii) ***Indirect Tax Liabilities:*** NIL
- (d) ***Other Material Pending Litigations:*** NIL

1. ***Revell GMBH & Co. KG v. Fore Square Retail Private Limited***

Revell GMBH & Co. KG ("**Petitioner**") filed a winding up petition at the High Court of Delhi under section 433(e) and 434 of the Companies Act, 1956 against Fore Square Retail Private Limited ("**Respondent**") on the ground that the respondent has failed and neglected to pay a sum of USD 5,34,696.20 on account of supply of goods by the Petitioners. The Respondent had disputed the claim stating that no amount was due and had alleged that the goods supplied by the Petitioner were defective, hazardous and substandard. The Respondents had entered into an agreement ("**Letter of Agreement**") whereby the Petitioner had agreed to supply and sell the goods to the Respondent on credit basis. Subsequently, the Petitioners raised invoices for an amount aggregating to USD 5,37,226.52. However, *vide* an email dated January 10, 2008 the Respondent informed the Petitioner that they would be unable to take the goods of their last order as they were facing problem in selling these goods at such high prices. On further exchange of emails, it was also stated by the Respondent that in order to move the goods from the retail space, a discount to the tune of 50% from the Petitioner would help sell the products and pay off the money. The Respondent also expressed that they were in financial problem and would not be able to pay the Petitioner and hence an amicable settlement should be drawn up. The Learned Single Judge was of the opinion that the only problem pointed out by the Respondents was with regard to the price of the goods and not with respect to quality of goods. He held that the dispute raised by the Respondent was neither substantial nor bonafide and therefore admitted the winding up petition.

As a result the Respondent filed an appeal in the High Court of Delhi against the order of the Learned Single Judge dated February 21, 2014 ("**Appeal**"). However, the Division bench rejected the submissions of the Respondent stating that the debt is undisputed and that the Respondent has not been able to bonafide the dispute nor had it raised any substantive defense. The Division bench dismissed the Appeal and also directed the Respondent to pay a sum of Rs. 50,000.

(II) **Litigation by our Group Companies:**

- (a) ***Litigation Involving Criminal Laws:*** NIL
- (b) ***Litigation Involving Actions by Statutory/Regulatory Authorities:*** NIL
- (c) ***Litigation Involving Tax Liabilities***
  - (i) ***Direct Tax Liabilities -*** NIL
  - (ii) ***Indirect Tax Liabilities -*** NIL
- (d) ***Other Material Pending Litigations :*** NIL

E. **OUTSTANDING DUES TO CREDITORS OF OUR COMPANY**

As on October 31, 2017 our Company does not owe a sum exceeding Rs. 50 lakh to any undertaking except the following:

<b>Sr. No.</b>	<b>Particulars</b>	<b>Amount (Rs. Lakhs)</b>
1.	Sparco Batteries Private Limited	81,81,632
2.	Auto & Machinery House	88,88,655
	<b>Total</b>	<b>1,70,70,287</b>

The details pertaining to net outstanding dues towards our Material Creditors shall be made available under investors' section on the website of our Company i.e. [www.benara-phb.com](http://www.benara-phb.com). It is clarified that such details available on our website do not form a part of this Red Herring Prospectus. Anyone placing reliance on any other source of information, including our Company's website, [www.benara-phb.com](http://www.benara-phb.com), would be doing so at their own risk.

**F. MATERIAL DEVELOPMENTS SINCE THE LAST BALANCE SHEET DATE**

Our Company has issued 92,93,466 Bonus Shares amounting to Rs.9,29,34,660 as on December 31, 2017. Further, except as mentioned under the chapter "Management Discussion and Analysis of Financial Condition and Result of Operation" on page 308 of this Prospectus, there have been no material developments, since the date of the last audited balance sheet

## **GOVERNMENT AND OTHER STATUTORY APPROVALS**

*We have received the necessary consents, licenses, permissions and approvals from the Central and State Government and other governmental agencies/regulatory authorities/certification bodies required to undertake the Issue or continue our business activities. It must be distinctly understood that in granting these approvals, the Government of India does not take any responsibility for the financial soundness of the Company or for the correctness of any of the statements made or opinions expressed in this behalf.*

*In view of the approvals listed below, we can undertake the Issue and our current/ proposed business activities and no further material approvals from any statutory authority are required to be undertaken, in respect of the Issue or to continue our business activities.*

*The main objects clause of the Memorandum of Association and objects incidental to the main objects enable our Company to carry out its activities.*

### ***Approvals for the Issue***

1. The Board of Directors have, pursuant to Section 62(1)(c) of the Companies Act 2013, by a resolution passed at its meeting held on December 23, 2017 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, January 15, 2018 authorized the Issue.
3. In-principle approval from the BSE dated February 22, 2018.

### ***Approvals in relation to the incorporation of our Company***

1. Certificate of Incorporation dated November 26, 1990 issued by the Registrar of Companies Kanpur, Uttar Pradesh in the name of “Benara Automotive Private Limited”.
2. A fresh certificate of incorporation pursuant to change of name from “Benara Automotives Private Limited” to “PHB Engineerings Limited” was issued on April 27, 1993, by the Registrar of Companies, Kanpur, Uttar Pradesh.
3. A fresh certificate of incorporation pursuant to change of name from “PHB Engineerings Limited” to “PHB Engineering Limited” was issued on October 6, 1993, by the Registrar of Companies, Kanpur, Uttar Pradesh.
4. A fresh certificate of incorporation pursuant to change of name from “PHB Engineering Limited” to “Benara Bearing & Piston Limited” was issued on March 28, 2002, by the Registrar of Companies, Kanpur, Uttar Pradesh.
5. The Corporate Identity Number (CIN) of the Company is U50300UP1990PLC012518.

### ***Tax approvals in relation to our Company***

1. The Permanent Account Number (PAN) of our Company is AABCB7583K.
2. The Tax Deduction Account (TAN) number of our Company is AGRB10218F.

3. The GST registration number of our Company is 09AABCB7583K1Z7 was received on July 1, 2017 and is valid until cancelled.

***Approvals in relation to the business of our Company***

1. Our Company has obtained Udhog Aadhar Registration bearing number UP01B0017588 issued by the Micro, Small and Medium Enterprises, Government of India, inter-alia, in respect of manufacture of bearing bushes, crank shaft, thick ball bearings, thrust washers, strips power generated by solar energy for SPV cells modules systems, power plant solar panel, solar battery lead acid any other PV systems solar water pumping sets solar street lights, Solar lantern, solar torches, solar home lights, CFL LED etc., solar drinking system, solar water heating cooling systems, solar LED lamps, AC fans DC Fans, all spare parts for two three four wheelers on June 30, 2016.
2. Our Company has obtained registration and license to work a factory bearing number AGR-1384 on January 29, 2005 issued by Deputy Director, Factory Uttar Pradesh under Factories Act, 1948. The last date of the license renewal was October 12, 2017 and is valid till 11<sup>th</sup> October 2018.
3. Our Company has obtained registration and license to work a factory bearing number AGR-2204 on May 27, 2015 issued by Director of Factories under Factories Act, 1948. The last date of the license renewal was January 1, 2016 and is valid till December 31, 2016.
4. Our Company has obtained certificate of Importer Exporter Code (IEC) bearing IEC number 0696005247 on March 6, 1997 by Foreign Trade Development Officer, Ministry of Commerce

***Approvals in relation to the units of our Company***

1. Our Company has obtained ISO 9001:2015 bearing certificate number 30175/A/0001/UK/En from United Registrar of Systems for manufacture and supply of air cooled cylinder blocks, cylinder liner, sleeves, pistons, piston pins, piston rings, engine bearings, and bushes and bi-metallic strips at the Company's Unit-I situated at A-3/A-4, Site B, Industrial Area, Sikandra Agra, Uttar Pradesh. This Certificate is valid upto April 28, 2020.
2. Our Company has obtained ISO 9001:2015 bearing certificate number 30175/A/0002/UK/En from United Registrar of Systems for manufacture and supply of air cooled cylinder blocks, cylinder liner, sleeves, pistons, piston pins, piston rings, engine bearings, and bushes and bi-metallic strips at the Company's Unit-II situated at 15 KM Mile Stones, Artoni, Agra-Mathura Road, Agra Uttar Pradesh. This Certificate is valid upto April 28, 2020.




***Labour approvals in relation to our Company***

1. Our Company has obtained employee state insurance registration bearing code number 21000038740000607 on June 23, 2011 from Regional office, Employee State Insurance Corporation under the Employee State Insurance Act, 1948.
2. Our Company has obtained employee provident fund registration bearing code number MRAGR0021529000 on April 1, 2015 from Sub-Regional office, Employee Provident Fund Organization under Employees Provident Fund and Miscellaneous Provisions Act, 1952.

***Environment approvals in relation to our Company***

1. Our Company has obtained a of certificate bearing number 568/water pollution/RO-308/16 from the Uttar Pradesh Pollution Control Board under the Water (Prevention and Control Pollution) Act, 1974 on July 8, 2016 and is valid till December 31, 2016.

***Intellectual property approval obtained by our Company***

<b>SR. NO</b>	<b>BRAND NAME/ LOGO TRADEMARK</b>	<b>REGISTRATION NUMBER</b>	<b>CLASS</b>	<b>NATURE OF TRADEMARK</b>	<b>Validity</b>
1.	Copyright	A-65606/2003	-		Valid for a period of 60 years from March 28, 2003
2.	Trademark	675859	12		August 7, 2019
3.	Trademark	2824344	7		Pending hearing

***Licenses pending for approval of our Company***

1. Our Company has applied for the renewal of the Factories license bearing number AGR-2204.
2. Our Company has applied for certificate from the Uttar Pradesh Pollution Control Board under the Water (Prevention and Control Pollution) Act, 1974 for the year 2018.



## OTHER REGULATORY AND STATUTORY DISCLOSURES

### AUTHORITY FOR THE ISSUE

The Board of Directors, pursuant to a resolution passed at their meeting held on December 23, 2017 authorized the Issue, subject to the approval of the shareholders of our Company under Section 62(1)(c) of the Companies Act, 2013, and such other authorities as may be necessary.

The shareholders of our Company have, pursuant to a special resolution passed under Section 62(1)(c) of the Companies Act, 2013 at an Extra Ordinary General Meeting held on January 15, 2018 authorized the Issue.

Our Company has obtained in-principle approval from the SME Platform of BSE for using its name in the Draft Red Herring Prospectus/Red Herring Prospectus/Prospectus pursuant to an approval letter dated February 22, 2018. BSE is the Designated Stock Exchange.

### PROHIBITION BY SEBI OR OTHER GOVERNMENTAL AUTHORITIES

Our Company, our Promoters, members of the Promoter Group, our Directors, Group Companies or the person(s) in control of our Company have not been prohibited from accessing the capital market for any reason or restrained from buying, selling or dealing in securities, under any order or directions by the SEBI or any other regulatory or Government Authorities.

There are no violations of securities laws committed by any of them in the past or pending against them, nor have any companies with which any of our Company, our Promoters, Directors, persons in control of our Company are or were associated as a promoter, director or person in control, been debarred or prohibited from accessing the capital markets under any order or direction passed by the SEBI or any other authority.

None of our Directors are in any manner associated with the securities market and there has been no action taken by SEBI against our Directors or any entity in which our Directors are involved as Promoters or Directors.

The listing of any securities of our Company has never been refused at any time by any of the Stock Exchanges in India or abroad.

### PROHIBITION BY RBI

Neither our Company, our Promoter, our Directors, Group Companies, relatives (as per Companies Act, 2013) of Promoter or the person(s) in control of our Company have been identified as a willful defaulter by the RBI or other governmental authority and no such proceedings are pending against any of them except as details provided in the chapter titled “*Outstanding Litigations and Material Development*” on page 327 of this Prospectus.

### ELIGIBILITY FOR THE ISSUE

Our Company is eligible for the Issue in accordance with Regulation 106(M) (2) and other provisions of Chapter XB of the SEBI (ICDR) Regulations, as we are an Issuer whose post issue paid up capital is more than Rs. 10 Crore and upto Rs. 25 Crore, Therefore, we may issue Equity Shares to the

public and propose to list the same on the Small and Medium Enterprise Exchange (in this case being the "SME Platform of BSE").

We confirm that:

1. In accordance with Regulation 106(P) of the SEBI (ICDR) Regulations, this issue is 100% underwritten and that the Book Running Lead Manager to the Issue shall underwrite minimum 15% of the total Issue size. For further details pertaining to said underwriting please refer to chapter titled "*General Information – Underwriting*" beginning on page 81 of this Prospectus.
2. In accordance with Regulation 106(R) of the SEBI (ICDR) Regulations, we shall ensure that the total number of proposed allottees in the Issue shall be greater than or equal to 50 (fifty), otherwise, the entire application money will be unblocked forthwith. If such money is not repaid within 8 (eight) Working Days from the date our Company becomes liable to repay it, then our Company and every officer in default shall, on and from expiry of 8 (eight) Working Days, be liable to repay such application money, with an interest at the rate as prescribed under the SEBI (ICDR) Regulations, Companies Act 2013 and other applicable laws.
3. In accordance with Regulation 106(O) the SEBI (ICDR) Regulations, we have not filed any Offer Document with SEBI nor has SEBI issued any observations on our Offer Document. Also, we shall ensure that our Book Running 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.
4. In accordance with Regulation 106(V) of the SEBI (ICDR) Regulations, we hereby confirm that we have entered into an agreement with the Book Running Lead Manager and a Market Maker to ensure compulsory Market Making for a minimum period of 3 (three) years from the date of listing of Equity Shares on the SME Platform of BSE. For further details of the arrangement of market making, see chapter titled "*General Information – Details of the Market Making Arrangements for this Issue*" beginning on page 81 of this Prospectus.
5. The Company has Net Tangible assets of at least Rs. 3 Crore as per the latest audited financial results.
6. The Net worth (excluding revaluation reserves) of the Company is at least Rs. 3 Crore as per the latest audited financial results.
7. The Company has track record of distributable profits in terms of section 123 of the Companies Act for at least two years out of immediately preceding three financial years and each financial year has a period of at least 12 months. However, our Company has net worth (excluding revaluation reserves) at least Rs. 5 Crore as per the latest audited financial results.
8. The distributable profit of the Company as per the restated financial statements for the period ended September 30, 2017 and year ended March 31, 2017, 2016, 2015, 2014 and 2013 is as set forth below:

*Based on Standalone Restated Financials*

**(Rs. In Lakhs)**

Particulars	March 31, 2013	March 31, 2014	March 31, 2015	March 31, 2016	March 31, 2017	September 30, 2017
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Distributable Profits*	22.77	2.87	45.96	75.68	455.38	258.34
Net Tangible Assets**	5,180.51	5,403.18	4,342.20	5,099.35	6,053.12	7,019.67
Net Worth***	1,131.70	1,134.57	1,170.26	1,545.95	2,001.32	2,259.66

*Based on Consolidated Restated Financials*

**(Rs. In Lakhs)**

Particulars	March 31, 2016	March 31, 2017	September 30, 2017
Distributable Profits*	75.59	421.59	408.69
Net Tangible Assets**	5,101.67	6,372.07	8,705.98
Net Worth***	1,545.06	1,966.65	2,332.85

\* “Distributable profits” have been computed in terms section 123 of the Companies Act, 2013.

\*\* ‘Net tangible assets’ are defined as the sum of all net assets of our Company, excluding intangible assets as defined in Accounting Standard 26 (AS 26) issued by the Institute of Chartered Accountants of India

\*\*\* “Net Worth” has been defined as the aggregate of the paid up share capital, share application money (excluding the portion included in other current liabilities) and reserves and surplus excluding miscellaneous expenditure, if any.

9. The Post-issue paid up capital of the Company shall be at least Rs. 3 Crore. The post issue capital of our Company shall be Rs. 1,770.73 Lakhs
10. The Company shall mandatorily facilitate trading in demat securities and will enter into an agreement with the depositories.
11. The Company has not been referred to Board for Industrial and Financial Reconstruction.
12. No petition for winding up is admitted by a Court or a liquidator has not been appointed of competent jurisdiction against the Company.
13. No material regulatory or disciplinary action has been taken by any stock exchange or regulatory authority in the past three years against the Company.
14. There has been no change in the Promoter(s) of the Company in the one year preceding the date of filing application to BSE for listing on SME segment.
15. The Company has a website: [www.benara-phb.com](http://www.benara-phb.com)

We further confirm that we shall be complying with all the other requirements as laid down for such an issue under Chapter XB of SEBI (ICDR) Regulations, as amended from time to time and subsequent circulars and guidelines issued by SEBI and the Stock Exchange.

As per Regulation 106(M)(3) of SEBI (ICDR) Regulations, the provisions of Regulations 6(1), 6(2), 6(3), Regulation 8, Regulation 9, Regulation 10, Regulation 25, Regulation 26, Regulation 27 and

sub regulation (1) of Regulation 49 of SEBI (ICDR) Regulations, 2009 shall not apply to us in this Issue.

#### **COMPLIANCE WITH PART A OF SCHEDULE VIII OF THE SEBI (ICDR) REGULATIONS**

Our Company is in compliance with the provisions specified in Part A of the SEBI (ICDR) Regulations. No exemption from eligibility norms has been sought under Regulation 109 of the SEBI (ICDR) Regulations, with respect to the Issue.

#### **DISCLAIMER CLAUSE OF SEBI**

**IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF OFFER DOCUMENT TO THE SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI) SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE OFFER DOCUMENT. THE LEAD MERCHANT BANKER, PANTOMATH GROUP HAS CERTIFIED THAT THE DISCLOSURES MADE IN THE OFFER DOCUMENT ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING INVESTMENT IN THE PROPOSED ISSUE.**

**IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE ISSUER IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE OFFER DOCUMENT, THE LEAD MERCHANT BANKER, PANTOMATH GROUP IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ISSUER DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE LEAD MERCHANT BANKER HAS FURNISHED TO SEBI A DUE DILIGENCE CERTIFICATE WHICH READS AS FOLLOWS:**

**WE, THE UNDER NOTED LEAD MANAGER TO THE ABOVE MENTIONED FORTHCOMING ISSUE STATE AND CONFIRM AS FOLLOWS:**

- 1. WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION LIKE COMMERCIAL DISPUTES, PATENT DISPUTES, CIVIL LITIGATIONS, DISPUTES WITH COLLABORATORS, CRIMINAL LITIGATIONS ETC. AND OTHER MATERIAL IN CONNECTION WITH THE FINALISATION OF THE DRAFT PROSPECTUS PERTAINING TO THE SAID OFFER;**
- 2. ON THE BASIS OF SUCH EXAMINATION AND THE DISCUSSIONS WITH THE ISSUER, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES, AND INDEPENDENT VERIFICATION OF THE STATEMENTS CONCERNING THE OBJECTS OF THE OFFER, PRICE JUSTIFICATION AND THE CONTENTS OF THE DOCUMENTS AND OTHER PAPERS FURNISHED BY THE ISSUER, WE CONFIRM THAT:**

- A. THE PROSPECTUS FILED WITH THE BOARD IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS RELEVANT TO THE OFFER;**
  - B. ALL THE LEGAL REQUIREMENTS RELATING TO THE OFFER AS ALSO THE REGULATIONS, GUIDELINES, INSTRUCTIONS, ETC. FRAMED/ISSUED BY THE BOARD, THE CENTRAL GOVERNMENT AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH; AND**
  - C. THE DISCLOSURES MADE IN THE PROSPECTUS ARE TRUE, FAIR AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL INFORMED DECISION AS TO THE INVESTMENT IN THE PROPOSED OFFER AND SUCH DISCLOSURES ARE IN ACCORDANCE WITH THE REQUIREMENTS COMPANIES ACT, 1956, APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013, THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 AND OTHER APPLICABLE LEGAL REQUIREMENTS.**
- 3. WE CONFIRM THAT BESIDES OURSELVES, ALL THE INTERMEDIARIES NAMED IN THE PROSPECTUS ARE REGISTERED WITH THE BOARD AND THAT TILL DATE SUCH REGISTRATION IS VALID.**
- 4. WE HAVE SATISFIED OURSELVES ABOUT THE CAPABILITY OF THE UNDERWRITERS TO FULFILL THEIR UNDERWRITING COMMITMENTS**
- 5. WE CERTIFY THAT WRITTEN CONSENT FROM PROMOTERS HAS BEEN OBTAINED FOR INCLUSION OF THEIR SPECIFIED SECURITIES AS PART OF PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN AND THE SPECIFIED SECURITIES PROPOSED TO FORM PART OF PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN SHALL NOT BE DISPOSED / SOLD / TRANSFERRED BY THE PROMOTER DURING THE PERIOD STARTING FROM THE DATE OF FILING THE PROSPECTUS WITH THE BOARD TILL THE DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THE DRAFT PROSPECTUS.**
- 6. WE CERTIFY THAT REGULATION 33 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, WHICH RELATES TO SPECIFIED SECURITIES INELIGIBLE FOR COMPUTATION OF PROMOTERS CONTRIBUTION, HAS BEEN DULY COMPLIED WITH AND APPROPRIATE DISCLOSURES AS TO COMPLIANCE WITH THE SAID REGULATION HAVE BEEN MADE IN THE PROSPECTUS.**
- 7. WE UNDERTAKE THAT SUB-REGULATION (4) OF REGULATION 32 AND CLAUSE (C) AND (D) OF SUB-REGULATION (2) OF REGULATION 8 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 SHALL BE COMPLIED WITH. WE CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE RECEIVED AT LEAST ONE DAY BEFORE THE OPENING OF THE OFFER. WE UNDERTAKE**

**THAT AUDITORS' CERTIFICATE TO THIS EFFECT SHALL BE DULY SUBMITTED TO THE BOARD. WE FURTHER CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE KEPT IN AN ESCROW ACCOUNT WITH A SCHEDULED COMMERCIAL BANK AND SHALL BE RELEASED TO THE ISSUER ALONG WITH THE PROCEEDS OF THE PUBLIC OFFER. – NOT APPLICABLE**

- 8. WE CERTIFY THAT THE PROPOSED ACTIVITIES OF THE COMPANY FOR WHICH THE FUNDS ARE BEING RAISED IN THE PRESENT OFFER FALL WITHIN THE 'MAIN OBJECTS' LISTED IN THE OBJECT CLAUSE OF THE MEMORANDUM OF ASSOCIATION OR OTHER CHARTER OF THE ISSUER AND THAT THE ACTIVITIES WHICH HAVE BEEN CARRIED OUT UNTIL NOW ARE VALID IN TERMS OF THE OBJECT CLAUSE OF ITS MEMORANDUM OF ASSOCIATION. – COMPLIED WITH TO THE EXTENT APPLICABLE.**
- 9. WE CONFIRM THAT NECESSARY ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT THE MONEYS RECEIVED PURSUANT TO THE OFFER ARE KEPT IN A SEPARATE BANK ACCOUNT AS PER THE PROVISIONS OF SUB-SECTION (3) OF SECTION 40 OF THE COMPANIES ACT, 2013 AND THAT SUCH MONEYS SHALL BE RELEASED BY THE SAID BANK ONLY AFTER PERMISSION IS OBTAINED FROM ALL THE STOCK EXCHANGES MENTIONED IN THE PROSPECTUS. WE FURTHER CONFIRM THAT THE AGREEMENT ENTERED INTO BETWEEN THE BANKERS TO THE OFFER AND THE COMPANY SPECIFICALLY CONTAINS THIS CONDITION – NOTED FOR COMPLIANCE.**
- 10. WE CERTIFY THAT A DISCLOSURE HAS BEEN MADE IN THE PROSPECTUS THAT THE INVESTORS SHALL BE GIVEN AN OPTION TO GET THE SHARES IN DEMAT OR PHYSICAL MODE.- NOT APPLICABLE, AS IN TERMS OF THE PROVISIONS OF SECTION 29 OF THE COMPANIES ACT, 2013, THE SHARES ISSUED IN THE PUBLIC OFFER SHALL BE IN DEMAT FORM ONLY.**
- 11. WE CERTIFY THAT ALL THE APPLICABLE DISCLOSURES MANDATED IN THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 HAVE BEEN MADE IN ADDITION TO DISCLOSURES WHICH, IN OUR VIEW, ARE FAIR AND ADEQUATE TO ENABLE THE INVESTOR TO MAKE A WELL INFORMED DECISION.**
- 12. WE CERTIFY THAT THE FOLLOWING DISCLOSURES HAVE BEEN MADE IN THE PROSPECTUS:**
  - A. AN UNDERTAKING FROM THE ISSUER THAT AT ANY GIVEN TIME, THERE SHALL BE ONLY ONE DENOMINATION FOR THE EQUITY SHARES OF THE ISSUER AND**
  - B. AN UNDERTAKING FROM THE ISSUER THAT IT SHALL COMPLY WITH SUCH DISCLOSURE AND ACCOUNTING NORMS SPECIFIED BY THE BOARD FROM TIME TO TIME.**
- 13. WE UNDERTAKE TO COMPLY WITH THE REGULATIONS PERTAINING TO**

**ADVERTISEMENT IN TERMS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 WHILE MAKING THE OFFER. – NOTED FOR COMPLIANCE**

14. WE ENCLOSE A NOTE EXPLAINING HOW THE PROCESS OF DUE DILIGENCE THAT HAS BEEN EXERCISED BY US IN VIEW OF THE NATURE OF CURRENT BUSINESS BACKGROUND OF THE ISSUER, SITUATION AT WHICH THE PROPOSED BUSINESS STANDS, THE RISK FACTORS, PROMOTERS EXPERIENCE, ETC.
15. WE ENCLOSE A CHECKLIST CONFIRMING REGULATION-WISE COMPLIANCE WITH THE APPLICABLE PROVISIONS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, CONTAINING DETAILS SUCH AS THE REGULATION NUMBER, ITS TEXT, THE STATUS OF COMPLIANCE, PAGE NUMBER OF THE PROSPECTUS WHERE THE REGULATION HAS BEEN COMPLIED WITH AND OUR COMMENTS, IF ANY (CHECKLIST ENCLOSED)
16. WE ENCLOSE STATEMENT ON 'PRICE INFORMATION OF PAST ISSUES HANDLED BY MERCHANT BANKER' AS PER FORMAT SPECIFIED BY THE BOARD (SEBI) THROUGH CIRCULAR – DETAILS ARE ENCLOSED IN "ANNEXURE A"
17. WE CERTIFY THAT PROFITS FROM RELATED PARTY TRANSACTIONS HAVE ARISEN FROM LEGITIMATE BUSINESS TRANSACTIONS."COMPLIED WITH TO THE EXTENT OF THE RELATED PARTY TRANSACTIONS REPORTED IN ACCORDANCE WITH ACCOUNTING STANDARD 18 IN THE FINANCIAL STATEMENTS OF THE COMPANY INCLUDED IN THE PROSPECTUS
18. WE CERTIFY THAT THE ENTITY IS ELIGIBLE UNDER 106Y (1) (A) OR (B) (AS THE CASE MAY BE) TO LIST ON THE INSTITUTIONAL TRADING PLATFORM, UNDER CHAPTER XC OF THESE REGULATIONS – NOT APPLICABLE

**ADDITIONAL CONFIRMATIONS/ CERTIFICATION TO BE GIVEN BY MERCHANT BANKER IN DUE DILIGENCE CERTIFICATE TO BE GIVEN ALONG WITH ISSUE DOCUMENT REGARDING SME EXCHANGE**

1. WE CONFIRM THAT NONE OF THE INTERMEDIARIES NAMED IN THE PROSPECTUS HAVE BEEN DEBARRED FROM FUNCTIONING BY ANY REGULATORY AUTHORITY.
2. WE CONFIRM THAT ALL THE MATERIAL DISCLOSURES IN RESPECT OF THE ISSUER HAVE BEEN MADE IN PROSPECTUS AND CERTIFY THAT ANY MATERIAL DEVELOPMENT IN THE ISSUER OR RELATING TO THE ISSUE UP TO THE COMMENCEMENT OF LISTING AND TRADING OF THE SPECIFIED SECURITIES ISSUED THROUGH THIS ISSUE SHALL BE INFORMED THROUGH PUBLIC NOTICES/ ADVERTISEMENTS IN ALL THOSE NEWSPAPERS IN WHICH PRE-ISSUE ADVERTISEMENT AND ADVERTISEMENT FOR OPENING OR CLOSURE OF THE ISSUE HAVE BEEN GIVEN.
3. WE CONFIRM THAT THE ABRIDGED PROSPECTUS CONTAINS ALL THE

**DISCLOSURES AS SPECIFIED IN THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 - NOTED FOR COMPLIANCE.**

- 4. WE CONFIRM THAT AGREEMENTS HAVE BEEN ENTERED INTO WITH THE DEPOSITORIES FOR DEMATERIALISATION OF THE SPECIFIED SECURITIES OF THE ISSUER – COMPLIED.**
- 5. WE CERTIFY THAT AS PER THE REQUIREMENTS OF FIRST PROVISOR TO SUB REGULATION (4) OF REGULATION 32 OF SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009; CASH FLOW STATEMENT HAS BEEN PREPARED AND DISCLOSED IN THE PROSPECTUS. - NOT APPLICABLE.**
- 6. WE CONFIRM THAT UNDERWRITING AND MARKET MAKING ARRANGEMENTS AS PER REQUIREMENTS OF REGULATION 106P AND 106V OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 HAVE BEEN MADE.**

**Note:**

*The filing of this Prospectus does not, however, absolve our Company from any liabilities under Section 34, Section 35, Section 36 and Section 38 (1) of the Companies Act, 2013 or from the requirement of obtaining such statutory and / or other clearances as may be required for the purpose of the proposed Issue. SEBI further reserves the right to take up at any point of time, with the Lead Manager any irregularities or lapses in the 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, Kanpur in terms of sections 26, 32 and 33 of the Companies Act, 2013.*

**STATEMENT ON PRICE INFORMATION OF PAST ISSUES HANDLED BY PANTOMATH GROUP**

For details regarding the price information and track record of the past issue handled by Pantomath Capital Advisors Private Limited, as specified in Circular reference CIR/CFD/DIL/7/2015 dated October 30, 2015 issued by SEBI, please refer “Annexure A” to this Prospectus and the website of Book Running Lead Manager at [www.pantomathgroup.com](http://www.pantomathgroup.com)

**DISCLAIMER FROM OUR COMPANY AND THE BOOK RUNNING LEAD MANAGER**

Our Company, its Directors and the Book Running Lead Manager accept no responsibility for statements made otherwise than those contained in this Prospectus or, in case of the Company, in any advertisements or any other material issued by or at our Company’s instance and anyone placing reliance on any other source of information would be doing so at his or her own risk.

The Book Running Lead Manager accepts no responsibility, save to the limited extent as provided in the MOU entered between the Book Running Lead Manager (Pantomath Group) and our Company on December 27, 2017 and the Underwriting Agreement dated February 7, 2018 entered into between the Underwriters and our Company and the Market Making Agreement dated February 7, 2018 entered into among the Market Maker and our Company.



All information shall be made available by our Company and the Book Running Lead Manager to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever including at road show presentations, in research or sales reports, at collection centers or elsewhere.

The Book Running Lead Manager and their respective associates and affiliates may engage in transactions with, and perform services for, our Company, our Promoter Group, Group Companies, or our affiliates or associates in the ordinary course of business and have engaged, or may in future engage, in commercial banking and investment banking transactions with our Company, our Promoter Group, Group Companies, and our affiliates or associates, for which they have received and may in future receive compensation.

#### **Note**

Investors who apply in the Issue will be required to confirm and will be deemed to have represented to our Company and the Underwriters and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of our Company and will not offer, sell, pledge or transfer the Equity Shares of our Company to any person who is not eligible under applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of our Company. Our Company, the Underwriters and their respective directors, officers, agents, affiliates and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire the Equity Shares in the Issue.

#### **Disclaimer in Respect of Jurisdiction**

This Issue is being made in India to persons resident in India (including Indian nationals resident in India who are majors, HUFs, companies, corporate bodies and societies registered under applicable laws in India and authorized to invest in shares, Indian mutual funds registered with SEBI, Indian financial institutions, commercial banks, regional rural banks, cooperative banks (subject to RBI permission), or trusts under applicable trust law and who are authorized under their constitution to hold and invest in shares, public financial institutions as specified in Section 2 (72) of the Companies Act, 2013, VCFs, state industrial development corporations, insurance companies registered with the Insurance Regulatory and Development Authority, provident funds (subject to applicable law) with a minimum corpus of Rs. 2500.00 (Twenty Five Hundred) Lakhs and pension funds with a minimum corpus of Rs. 2,500.00 (Twenty Five Hundred) Lakhs, and permitted non-residents including FIIs, Eligible NRIs, multilateral and bilateral development financial institutions, FVCIs and eligible foreign investors, insurance funds set up and managed by army, navy or air force of the Union of India and insurance funds 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 Mumbai, Maharashtra, 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**

BSE Limited ("BSE") has given vide its letter dated February 22, 2018 permission to this Company to use its name in this offer document as one of the stock exchanges on which this company's securities are proposed to be listed on the SME Platform. BSE has scrutinized this offer document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Company. BSE Ltd 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 or will continue to be listed on BSE; or
- iii. take any responsibility for the financial or other soundness of this Company, its promoter, its management or any scheme or project of this Company;

and it should not for any reason be deemed or construed that this offer document has been cleared or approved by BSE. Every person who desires to apply for or otherwise acquires any securities of this Company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against BSE 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 for any other reason whatsoever..

#### **DISCLAIMER CLAUSE UNDER RULE 144A OF THE U.S. SECURITIES ACT**

The Equity Shares have not been, and will not be, registered under the U.S. Securities Act 1933, as amended (the "Securities Act") or any state securities laws in the United States and may not be offered or sold within the United States or to, or for the account or benefit of, "U.S. persons" (as defined in Regulation S under the Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Equity Shares will be offered and sold outside the United States in compliance with Regulation S of the Securities Act and the applicable laws of the jurisdiction where those offers and sales occur. The Equity Shares have not been, and will not be, registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Further, each Applicant where required agrees that such Applicant will not sell or transfer any Equity Shares or create any economic interest therein, including any off-shore derivative instruments, such as participatory notes, issued against the Equity Shares or any similar security, other than pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with applicable laws and legislations in each jurisdiction, including India.

#### **FILING**

This Prospectus shall not be filed with the SEBI nor will SEBI issue any observation on the Prospectus in term of Regulation 106(M) (3) of the SEBI (ICDR) Regulations. However, a copy of the Prospectus shall be filed with SEBI at the Securities and Exchange Board of India, Corporation Finance Department, 5th Floor, Bank of Baroda Building, 16, Sansad Marg, New Delhi, Delhi

110001, India for their record purpose only.

A copy of the Prospectus and Prospectus, along with the documents required to be filed under Section 26 and Section 32 of the Companies Act, 2013 would be delivered for registration to the Registrar of Companies, Uttar Pradesh, Kanpur.

## **LISTING**

In terms of Chapter XB of the SEBI (ICDR) Regulations, there is no requirement of obtaining in-principle approval from SME Platform of BSE Limited. However, application will be made to the SME Platform of BSE Limited for obtaining permission to deal in and for an official quotation of our Equity Shares. BSE Limited will be the Designated Stock Exchange, with which the Basis of Allotment will be finalized.

The SME Platform of BSE Limited has given its in-principal approval for using its name in our Prospectus vide its letter No. February 22, 2018.

If the permissions to deal in and for an official quotation of our Equity Shares are not granted by the SME Platform of BSE Limited, our Company will forthwith repay, without interest, all moneys received from the bidders in pursuance of the Prospectus. If such money is not repaid within 8 days after our Company becomes liable to repay it (i.e. from the date of refusal or within 15 working days from the Offer Closing Date), then our Company and every Director of our Company who is an officer in default shall, on and from such expiry of 8 days, be liable to repay the money, with interest at the rate of 15 per cent per annum on application money, as prescribed under section 40 of the Companies Act, 2013.

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 Limited mentioned above are taken within six Working Days from the Offer Closing Date.

## **IMPERSONATION**

Attention of the Applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:

Any person who-

- (a) *Makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or*
- (b) *Makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or*
- (c) *Otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name,*

Shall be liable to action under section 447 of the Companies, Act 2013. The liability prescribed under Section 447 of the Companies Act, 2013, includes imprisonment for a term of not less than six months extending up to ten years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the

fraud, extending up to three times of such amount.

## CONSENTS

Consents in writing of (a) our Directors, our Promoters, our Company Secretary & Compliance Officer, Chief Financial Officer, our Statutory Auditor, our Peer Review Auditor (b) Book Running Lead Manager, Registrar to the Issue, Banker(s) to the Issue\*, Legal Advisor to the Issue, Underwriter(s) to the Issue and Market Maker to the Issue to act in their respective capacities have been obtained as required under Section 26 and Section 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 the Prospectus with RoC and their consents as above would be obtained prior to the filing of the Prospectus with RoC.

In accordance with the Companies Act and the SEBI (ICDR) Regulations, Agrawal Jain & Gupta, Chartered Accountants, Statutory Auditor and Peer Review Auditors of the Company has agreed to provide their written consent to the inclusion of their respective reports on Statement of Possible Tax Benefits relating to the possible tax benefits and restated financial statements as included in this Draft Red Herring Prospectus/Red Herring Prospectus/Prospectus in the form and context in which they appear therein and such consent and reports will not be withdrawn up to the time of delivery of this Prospectus.

## EXPERTS OPINION

Except for the reports in the section titled "*Financial information of the Company*", "*Statement of Tax Benefits*" and "*Material Contracts and Documents for Inspection*" beginning on page 69, 133 and page 474 of this Prospectus from the Peer Review Auditors and Statutory Auditor and Anju Jain FCS, Practicing Company Secretary, our Company has not obtained any expert opinions.

## EXPENSES OF THE ISSUE

The expenses of this Issue include, among others, underwriting and management fees, printing and distribution expenses, legal fees, statutory advertisement expenses and listing fees. For details of total expenses of the Issue, refer to chapter "Objects of the Issue" beginning on page 118 of this Prospectus.

### **Fees, Brokerage and Selling Commission payable to the Book Running Lead Manager**

The total fees payable to the Book Running Lead Manager will be as per the (i) Memorandum of Understanding dated December 27, 2017 with the Book Running Lead Manager Pantomath Group, (ii) the Underwriting Agreement dated February 7, 2018 with Underwriter and (iii) the Market Making Agreement dated February 7, 2018 with Market Maker, a copy of which is available for inspection at our Registered Office from 10.00 am to 5.00 pm on Working Days from the date of the 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 MOU between our Company and

the Registrar to the Issue dated December 27, 2017 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**

Except as disclosed in chapter titled "*Capital Structure*" beginning on page 93 in this Prospectus, our Company has not made any previous public or rights issue in India or Abroad the 5 (five) years preceding the date of this Prospectus.

#### **PREVIOUS ISSUES OF EQUITY SHARES OTHERWISE THAN FOR CASH**

For a detailed description, see chapter titled "*Capital Structure*" beginning on page 93 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.

#### **PARTICULARS IN REGARD TO OUR COMPANY AND OTHER LISTED GROUP-COMPANIES / SUBSIDIARIES/ ASSOCIATES UNDER THE SAME MANAGEMENT WITHIN THE MEANING OF SECTION 370 (1B) OF THE COMPANIES ACT, 1956 / SECTION 186 OF THE COMPANIES ACT, 2013 WHICH MADE ANY CAPITAL ISSUE DURING THE LAST THREE YEARS:**

Neither our Company nor any other companies under the same management within the meaning of Section 370(1B) of the Companies Act, 1956 has made/Section 186 of the Companies Act, 2013, had made any public issue or rights issue during the last three years.

#### **PERFORMANCE VIS-A-VIS OBJECTS – PUBLIC/RIGHT ISSUE OF OUR COMPANY AND /OR LISTED GROUP COMPANIES/ SUBSIDIARIES AND ASSOCIATES OF OUR COMPANY**

Except as stated in the chapter titled "*Capital Structure*" beginning on page 93 of this Prospectus our Company has not undertaken any previous public or rights issue. None of the Group Companies/ Entities or associates of our Company are listed on any stock exchange.

#### **PERFORMANCE VIS-A-VIS OBJECTS - LAST ISSUE OF GROUP/ASSOCIATE COMPANIES**

Except Sky Mark Leasing and Finance Limited, none of our Group/Associate Companies are listed. Further, none of our Group / Associate Companies including Sky Mark Leasing and Finance Limited have made a public issue of shares during the last ten years.

#### **OUTSTANDING DEBENTURES OR BOND ISSUES OR REDEEMABLE PREFERENCE**

## **SHARES**

Our Company does not have any outstanding debentures or bonds or Preference Redeemable Shares as on the date of filing this Prospectus.

## **OUTSTANDING CONVERTIBLE INSTRUMENTS**

Our Company does not have any outstanding convertible instruments as on the date of filing this Prospectus.

## **OPTION TO SUBSCRIBE**

Equity Shares being offered through the Prospectus can be applied for in dematerialized form only.

## **STOCK MARKET DATA OF THE EQUITY SHARES**

This being an Initial Public Offering of the Equity Shares of our Company, the Equity Shares are not listed on any Stock Exchanges.

## **MECHANISM FOR REDRESSAL OF INVESTOR GRIEVANCES**

The agreement between the Registrar to the Issue and our Company provides for retention of records with the Registrar to the Issue for a period of at least 3 (three) years from the last date of dispatch of the letters of allotment and demat credit to enable the investors to approach the Registrar to the Issue for redressal of their grievances.

We hereby confirm that there is no investor complaints received during the three years preceding the filing of Prospectus. Since there is no investor complaints received, none are pending as on the date of filing of this Prospectus.

All grievances relating to the Issue may be addressed to the Registrar to the Issue, with a copy to the Compliance Officer and with a copy to the relevant Designated Intermediary with whom the Application Form was submitted.

The Applicant should give full details such as name of the sole/ first Applicant, Application Form number, Applicant DP ID, Client ID, PAN, date of the Application Form, address of the Applicant, number of the Equity Shares applied for and the name and address of the Designated Intermediary where the Application Form was submitted by the Applicant. Further, the investor shall also enclose the Acknowledgement Slip from the Designated Intermediaries in addition to the documents or information mentioned herein above.

## **DISPOSAL OF INVESTOR GRIEVANCES BY OUR COMPANY**

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 15(fifteen) 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 Artee Sahu as the Compliance Officer to redress complaints, if any, of the investors participating in the Issue. Contact details for our Company Secretary and Compliance Officer are as follows:

**Benara Bearings and Piston Limited**

A-3&4, Site-B, Industrial Area, Sikandra,

Agra-282007 (U.P.), India.

Tel: +91 562 2970158

Website: [www.benara-phb.com](http://www.benara-phb.com)

Email id: [investorgrievance@benara-phb.com](mailto:investorgrievance@benara-phb.com)

For further details, see chapter titled “*Our Management*” beginning on page 202 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.

**CHANGE IN AUDITORS DURING THE LAST THREE (3) YEARS**

Sr. No.	Financial Year	Statutory Auditor
1.	2008-2015	Vikas Om and Associates
2.	2015-2016	Agarwal Jain & Gupta

**CAPITALIZATION OF RESERVES OR PROFITS**

Except as disclosed under section titled “*Capital Structure*” beginning on page 93 of this Prospectus, our Company has not capitalized its reserves or profits at any time during the last 5 (five) years.

**REVALUATION OF ASSETS**

Our Company has not revalued its assets in 5 (five) years preceding the date of this Prospectus.

**TAX IMPLICATIONS**

Investors who are allotted Equity Shares in the Issue will be subject to capital gains tax on any resale of the Equity Shares at applicable rates, depending on the duration for which the investors have held the Equity Shares prior to such resale and whether the Equity Shares are sold on the Stock Exchanges. For details, please refer the chapter titled “*Statement of Tax Benefits*” beginning on page 133 of this Prospectus.

## **PURCHASE OF PROPERTY**

Other than as disclosed in chapter titled “*Our Business*” on page 163 of the Prospectus, there is no property which has been purchased or acquired or is proposed to be purchased or acquired which is to be paid for wholly or partly from the proceeds of the present Issue or the purchase or acquisition of which has not been completed on the date of the Prospectus, other than property, in respect of which:-

The contract for the purchase or acquisition was entered into in the ordinary course of business, or the contract was entered into in contemplation of the Issue, or that the Issue was contemplated in consequence of the contract; or the amount of the purchase money is not material.

Except as stated elsewhere in the Prospectus, our Company has not purchased any property in which the Promoter and/or Directors have any direct or indirect interest in any payment made there under.

## **SERVICING BEHAVIOR**

Except as stated in this Prospectus, there has been no default in payment of statutory dues or of interest or principle in respect of our borrowings or deposits.

## **PAYMENT OR BENEFIT TO OFFICERS OF OUR COMPANY**

Except statutory benefits upon termination of their employment in our Company or superannuation, no officer of our Company is entitled to any benefit upon termination of his employment in our Company or superannuation.

Except as disclosed in chapter titled “*Our Management*” beginning on page 202 and “*Related Party Transactions*” beginning on page 236 of this Prospectus, none of the beneficiaries of loans and advances and sundry debtors are related to the Directors of our Company



## **SECTION VII – ISSUE RELATED INFORMATION**

### **TERMS OF THE ISSUE**

The Equity Shares being issued and transferred pursuant to this Issue shall be subject to the provisions of the Companies Act, 2013, SEBI ICDR Regulations, SCRA, SCRR, the Memorandum and Articles of Association, the SEBI Listing Regulations, the terms of the Prospectus, the Abridged Prospectus, Bid cum Application Form, the Revision Form, the CAN/ the Allotment Advice and other terms and conditions as may be incorporated in the Allotment Advices and other documents/certificates that may be executed in respect of the Issue. The Equity Shares shall also be subject to laws, as applicable, guidelines, rules, notifications and regulations relating to the issue of capital and listing and trading of securities issued from time to time by SEBI, the Government of India, the FIPB, the Stock Exchanges, the RBI, RoC and/or other authorities, as in force on the date of the Issue and to the extent applicable or such other conditions as may be prescribed by SEBI, the RBI, the Government of India, the FIPB, the Stock Exchanges, the RoC and any other authorities while granting their approval for the Issue. SEBI has notified the SEBI Listing Regulations on September 2, 2015, which among other things governs the obligations applicable to a listed company which were earlier prescribed under the Equity Listing Agreement. The Listing Regulations have become effective from December 1, 2015.

Please note that, in terms of SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015. All the investors applying in a public issue shall use only Application Supported by Blocked Amount (ASBA) facility for making payment.

Further vide the said circular Registrar to the Issue and Depository Participants have also been authorised to collect the Application forms. Investors may visit the official website of the concerned stock exchange for any information on operationalization of this facility of form collection by Registrar to the Issue and DPs as and when the same is made available.

### **RANKING OF EQUITY SHARES**

The Equity Shares being issued and transferred in the Issue shall be subject to the provisions of the Companies Act, 2013 and the Memorandum and Articles of Association and shall rank *pari-passu* with the existing Equity Shares of our Company including rights in respect of dividend. The Allottees upon receipt of Allotment of Equity Shares under this Issue will be entitled to dividends and other corporate benefits, if any, declared by our Company after the date of Allotment in accordance with Companies Act, 1956 and Companies Act, 2013 and the Articles. For further details, please refer to the chapter titled *Main Provisions of Articles of Association* beginning on page 428 of this Prospectus.

### **MODE OF PAYMENT OF DIVIDEND**

The declaration and payment of dividend will be as per the provisions of Companies Act, SEBI Listing Regulations and recommended by the Board of Directors at their discretion and approved by the shareholders 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 dividend, if declared, to our Shareholders as per the provisions of the Companies Act, SEBI Listing Regulations and our Articles of Association. For further details, please refer to the chapter titled *Dividend Policy* on page 237 of this Prospectus.

## **FACE VALUE AND ISSUE PRICE PER SHARE**

The face value of the Equity Shares is Rs. 10 each and the Issue Price at the lower end of Price Band is Rs. 60 per Equity Share and at the higher end of the Price Band is Rs. 63 per Equity Share.

The Price Band and the minimum Bid Lot size for the Issue will be decided by our Company in consultation with the BRLM and advertised in all editions of Business Standard Newspaper, all editions of the Business Standard Newspaper and the Regional newspaper Swarajya Times, each with wide circulation, at least five Working Days prior to the Bid/Issue Opening Date and shall be made available to the Stock Exchanges for the purpose of uploading the same on their websites. The Price Band, along with the relevant financial ratios calculated at the Floor Price and at the Cap Price, shall be prefilled in the Bid cum Application Forms available on the websites of the Stock Exchanges. At any given point of time there shall be only one denomination of Equity Shares.

## **COMPLIANCE WITH SEBI ICDR REGULATIONS**

Our Company shall comply with all requirements of the SEBI ICDR Regulations. Our Company shall comply with all disclosure and accounting norms as specified by SEBI from time to time.

## **RIGHTS OF THE EQUITY SHAREHOLDERS**

Subject to applicable laws, rules, regulations and guidelines and the Articles of Association, the Equity shareholders shall have the following rights:

- Right to receive dividend, if declared;
- Right to 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 issue for rights shares and be allotted bonus shares, if announced;
- Right to receive surplus on liquidation subject to any statutory and preferential claim being satisfied;
- Right of free transferability subject to applicable law, including any RBI rules and regulations; and
- Such other rights, as may be available to a shareholder of a listed public limited company under the Companies Act, 2013 Act, the terms of the SEBI Listing Regulations and the Memorandum and Articles of Association of our Company.

For a detailed description of the main provisions of the Articles of Association relating to voting rights, dividend, forfeiture and lien and / or consolidation / splitting, please refer to the chapter titled *Main Provisions of Articles of Association* beginning on page 428 of this Prospectus.

## **MINIMUM APPLICATION VALUE, MARKET LOT AND TRADING LOT**

Pursuant to Section 29 of the Companies Act, 2013 the Equity Shares shall be allotted only in dematerialised form. As per the SEBI ICDR Regulations, the trading of the Equity Shares shall only be in dematerialised form. In this context, two agreements have been signed amongst our Company, the respective Depositories and the Registrar to the Issue:

- Agreement dated February 20, 2018 amongst NSDL, our Company and the Registrar to the Issue; and
- Agreement dated February 15, 2018 amongst CDSL, our Company and the Registrar to the Issue.

Since trading of the Equity Shares is in dematerialised form, the tradable lot is 2,000 Equity Share. Allotment in this Issue will be only in electronic form in multiples of one Equity Share subject to a minimum Allotment of 2,000 Equity Shares to the successful applicants in terms of the SEBI circular No. CIR/MRD/DSA/06/2012 dated February 21, 2012.

Allocation and allotment of Equity Shares through this Issue will be done in multiples of 2,000 Equity Share subject to a minimum allotment of 2,000 Equity Shares to the successful applicants.

#### **MINIMUM NUMBER OF ALLOTTEES**

Further in accordance with the Regulation 106R of SEBI (ICDR) Regulations, the minimum number of allottees in this Issue shall be 50 shareholders. In case the minimum number of prospective allottees is less than 50, no allotment will be made pursuant to this Issue and the monies blocked by the SCSBs shall be unblocked within 4 working days of closure of issue.

#### **JURISDICTION**

Exclusive jurisdiction for the purpose of this Issue is with the competent courts / authorities in Mumbai, Maharashtra, 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 issued or sold within the United States or to, or for the account or benefit of, "U.S. persons" (as defined in Regulation S), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. Accordingly, the Equity Shares are being issued and sold only outside the United States in offshore transactions in reliance on Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those issues 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 issued or sold, and applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

#### **JOINT HOLDER**

Where two or more persons are registered as the holders of any Equity Shares, they shall be deemed to hold the same as joint tenants with benefits of survivorship.

#### **NOMINATION FACILITY TO BIDDERS**

In accordance with Section 72 of the Companies Act, 2013 the sole Bidder, or the first Bidder along with other joint Bidders, may nominate any one person in whom, in the event of the death of sole Bidder or in case of joint Bidders, death of all the Bidders, 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 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/transfer/alienation of equity share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at our Registered Office or to the registrar and transfer agents of our Company.

Any person who becomes a nominee by virtue of the provisions of Section 72 of the Companies Act, 2013 shall upon the production of such evidence as may be required by the Board, elect either:

- (a) to register himself or herself as the holder of the Equity Shares; or
- (b) to make such transfer of the Equity Shares, as the deceased holder could have made.

Further, the Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the Allotment of Equity Shares in the Issue will be made only in dematerialized mode there is no need to make a separate nomination with our Company. Nominations registered with respective depository participant of the applicant would prevail. If the investor wants to change the nomination, they are requested to inform their respective depository participant.

#### **WITHDRAWAL OF THE ISSUE**

Our Company in consultation with the BRLM, reserve the right to not to proceed with the Issue after the Bid/Issue Opening Date but before the Allotment. In such an event, our Company would issue a public notice in the newspapers in which the pre-Issue advertisements were published, within two days of the Bid/Issue Closing Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Issue. The Book Running Lead Manager through, the Registrar to the Issue, shall notify the SCSBs to unblock the bank accounts of the ASBA Bidders within one Working Day from the date of receipt of such notification. Our Company shall also inform the same to the Stock Exchanges on which Equity Shares are proposed to be listed.

Notwithstanding the foregoing, this Issue is also subject to obtaining (i) the final listing and trading approvals of the Stock Exchange, which our Company shall apply for after Allotment, and (ii) the final RoC approval of the Prospectus after it is filed with the RoC. If our Company withdraws the Issue after the Bid/ Issue Closing Date and thereafter determines that it will proceed with an issue/issue for sale of the Equity Shares, our Company shall file a fresh Prospectus with Stock Exchange.

#### **BID/ ISSUE OPENING DATE**

<b>Event</b>	<b>Indicative Date</b>
Bid / Issue Opening Date	March 20, 2018
Bid / Issue Closing Date	March 22, 2018
Finalisation of Basis of Allotment with the Designated Stock Exchange	On or before March 27, 2018
Initiation of Refunds	On or before March 28, 2018
Credit of Equity Shares to demat accounts of Allottees	On or before April 02, 2018
Commencement of trading of the Equity Shares on the Stock Exchange	On or before April 03, 2018

The above timetable is indicative and does not constitute any obligation on our Company, and the BRLM. 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.

Bids and any revision to the same shall be accepted only between 10.00 a.m. and 5.00 p.m. (IST) during the Bid/Issue Period. On the Bid/Issue Closing Date, the Bids and any revision to the same shall be accepted between 10.00 a.m. and 5.00 p.m. (IST) or such extended time as permitted by the Stock Exchanges, in case of Bids by Retail Individual Bidders after taking into account the total number of Bids received up to the closure of timings and reported by the Book Running Lead Manager to the Stock Exchanges. It is clarified that Bids not uploaded on the electronic system would be rejected. Bids will be accepted only on Working Days, i.e., Monday to Friday (excluding any public holiday).

Due to limitation of time available for uploading the Bids on the Bid/Issue Closing Date, the Bidders are advised to submit their Bids one day prior to the Bid/Issue Closing Date and, in any case, no later than 5.00 p.m. (IST) on the Bid/Issue Closing Date. All times mentioned in this Prospectus are Indian Standard Time.

Bidders are cautioned that in the event a large number of Bids are received on the Bid/Issue Closing Date, as is typically experienced in public issue, some Bids may not get uploaded due to lack of sufficient time. Such Bids that cannot be uploaded will not be considered for allocation under the Issue. Bids will be accepted only on Business Days. Neither our Company nor the Book Running Lead Manager is liable for any failure in uploading the Bids due to faults in any software/hardware system or otherwise. Any time mentioned in this Prospectus is Indian Standard Time.

Our Company in consultation with the BRLM, reserves the right to revise the Price Band during the Bid/ Issue Period, provided that the Cap Price shall be less than or equal to 120% of the Floor Price and the Floor Price shall not be less than the face value of the Equity Shares. The revision in Price Band shall not exceed 20% on the either side i.e. the floor price can move up or down to the extent of 20% of the Floor Price and the Cap Price will be revised accordingly.

In case of revision of the Price Band, the Bid/Issue Period will be extended for at least three additional working days after revision of Price Band subject to the Bid/ Issue Period not exceeding 10 working days. Any revision in the Price Band and the revised Bid/ Issue Period, if applicable, will be widely disseminated by notification to the Stock Exchange, by issuing a press release and also by indicating the changes on the websites of the Book Running Lead Manager and at the terminals of the Syndicate Member.

In case of any discrepancy in the data entered in the electronic book vis-à-vis the data contained in the Bid cum Application Form, for a particular Bidder, the Registrar to the Issue shall ask for rectified data.

## **MINIMUM SUBSCRIPTION**

This Issue is not restricted to any minimum subscription level and is 100% underwritten.

As per Section 39 of the Companies Act, 2013, if the "stated minimum amount" has not been subscribed and the sum payable on application is not received within a period of 30 days from the date of the Prospectus, the application money has to be returned within such period as may be

prescribed. If our Company does not receive the 100% subscription of the issue through the Issue

Document including devolvement of Underwriters, if any, within sixty (60) days from the date of closure of the issue, our Company shall forthwith refund the entire subscription amount received. If there is a delay beyond eight days after our Company becomes liable to pay the amount, our Company and every officer in default will, on and from the expiry of this period, be jointly and severally liable to repay the money, with interest or other penalty as prescribed under the SEBI Regulations, the Companies Act 2013 and applicable law.

In accordance with Regulation 106 P(1) of the SEBI ICDR Regulations, our Issue shall be 100% underwritten. Thus, the underwriting obligations shall be for the entire hundred percent of the issue through the Prospectus and shall not be restricted to the minimum subscription level.

Further, in accordance with Regulation 106(R) of the SEBI (ICDR) Regulations, our Company shall ensure that the number of prospective allottees to whom the Equity Shares will allotted will not be less than 50 (Fifty).

Further, in accordance with Regulation 106(Q) of the SEBI (ICDR) Regulations, our Company shall ensure that the minimum application size in terms of number of specified securities shall not be less than Rs.1,00,000/- (Rupees One Lakh) per application.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be issued or sold, and applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

## **MIGRATION TO MAIN BOARD**

Our company may migrate to the Main board of BSE Limited from SME Exchange on a later date subject to the following:

- *If the Paid up Capital of our Company is likely to increase above Rs. 2,500 lakhs by virtue of any further issue of capital by way of rights issue, 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), our Company shall apply to BSE Limited for listing of its shares on its Main Board subject to the fulfillment of the eligibility criteria for listing of specified securities laid down by the Main Board.*

OR

- *If the Paid up Capital of our company is more than Rs. 1,000 lakhs but below Rs. 2,500 lakhs, our Company may still apply for migration to the Main Board and if the Company fulfils the eligible criteria for listing laid by the Main Board and if the same has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the Promoter in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal.*

## **MARKET MAKING**

The shares issued and transferred through this Issue are proposed to be listed on the SME Platform of BSE Limited with compulsory market making through the registered Market Maker of the SME

Exchange for a minimum period of three years or such other time as may be prescribed by the Stock Exchange, from the date of listing on SME Platform of BSE Limited. For further details of the market making arrangement please refer to chapter titled *General Information* beginning on page 81 of this Prospectus.

#### **ARRANGEMENT FOR DISPOSAL OF ODD LOT**

The trading of the equity shares will happen in the minimum contract size of 2,000 shares in terms of the SEBI circular no. CIR/MRD/DSA/06/2012 dated February 21, 2012. However, the market maker shall buy the entire shareholding of a shareholder in one lot, where value of such shareholding is less than the minimum contract size allowed for trading on SME platform of BSE Limited.

#### **AS PER THE EXTANT POLICY 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, FIIs 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 SECURITIES IN DEMATERIALIZED FORM**

In accordance with the SEBI ICDR Regulations, Allotment of Equity Shares to successful applicants will only be in the dematerialized form. Applicants will not have the option of Allotment of the Equity Shares in physical form. The Equity Shares on Allotment will be traded only on the dematerialized segment of the Stock Exchange. Allottees shall have the option to re-materialise the Equity Shares, if they so desire, as per the provisions of the Companies Act and the Depositories Act.

#### **NEW FINANCIAL INSTRUMENTS**

There are no new financial instruments such as deep discounted bonds, debenture, warrants, secured premium notes, etc. issued by our Company.

#### **APPLICATION BY ELIGIBLE NRIs, FPI'S REGISTERED WITH SEBI, VCF'S, AIF'S REGISTERED WITH SEBI AND QFI'S**

It is to be understood that there is no reservation for Eligible NRIs or FPIs or QFIs or VCFs or AIFs registered with SEBI. Such Eligible NRIs, QFIs, FPIs, VCFs or AIFs registered with SEBI will be treated on the same basis with other categories for the purpose of Allocation.

#### **RESTRICTIONS, IF ANY ON TRANSFER AND TRANSMISSION OF EQUITY SHARES**

Except for lock-in of the pre-Issue Equity Shares and Promoter's minimum contribution in the Issue as detailed in the chapter titled *Capital Structure* beginning on page 93 of this Prospectus and except as provided in the Articles of Association, there are no restrictions on transfers of Equity Shares. There are no restrictions on transmission of shares and on their consolidation / splitting except as

provided in the Articles of Association. For details please refer to the chapter titled *Main Provisions of the Articles of Association* beginning on page 428 of this Prospectus.

*The above information is given for the benefit of the Applicants. The Applicants are advised to make their own enquiries about the limits applicable to them. Our Company and the Book Running Lead Manager do not accept any responsibility for the completeness and accuracy of the information stated hereinabove. Our Company and the Book Running Lead Manager are not liable to inform the investors of any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of the Prospectus. Applicants are advised to make their independent investigations and ensure that the number of Equity Shares Applied for do not exceed the applicable limits under laws or regulations.*



## ISSUE STRUCTURE

This Issue is being made in terms of Regulation 106(M)(2) of Chapter XB of SEBI ICDR Regulations, 2009, as amended from time to time, whereby, our post issue face value capital exceeds ten crore rupees but does not exceed twenty five crores. The Company shall issue specified securities 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 Limited).

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 356 and 367 of this Prospectus.

### Following is the issue structure:

Initial Public Issue of 53,16,000 Equity Shares of face value of Rs. 10/- each ("Equity Shares") fully paid for cash at a price of Rs. 63 (including a premium of Rs. 53) aggregating to Rs. 3,349.08 Lakhs. The Issue comprises a Net Issue to the public of 49,68,000 Equity Shares ("Net Issue"). The Issue and Net Issue will constitute 30.02% and 28.06% of the post-Issue paid-up Equity Share capital of our Company.

The issue comprises a reservation of 2,72,000 Equity Shares of Rs. 10 each for subscription by the designated Market Maker ("the Market Maker Reservation Portion") and a reservation of 76,000 Equity Shares of Rs. 10 each for subscription by Eligible Employees ("Eligible Employees Portion").

Particulars	Net issue to Public*	Market Maker Reservation Portion	Employee Reservation Portion
<b>Number of Equity Shares</b>	49,68,000 Equity Shares	2,72,000 Equity Shares	76,000 Equity Shares
<b>Percentage of Issue Size available for allocation</b>	93.45% of Issue Size	5.12% of Issue Size	1.43% of Issue Size
<b>Basis of Allotment / Allocation if respective category is oversubscribed</b>	Proportionate subject to minimum allotment of 2,000 equity shares and further allotment in multiples of 2,000 equity shares each. For further details please refer to the section titled " <i>Issue Procedure</i> " beginning on page 367 of the Prospectus	Firm allotment	Proportionate subject to minimum allotment of 2,000 equity shares and further allotment in multiples of 2,000 equity shares each. For further details please refer to the section titled " <i>Issue Procedure</i> " beginning on page 367 of the Prospectus
<b>Mode of Bid cum Application</b>	All Applicants/Bidders shall make the application (Online or Physical through ASBA Process only)	Through ASBA Process only	All Applicants/Bidders shall make the application (Online or Physical through ASBA Process only)
<b>Minimum Bid Size</b>	<b><i>For QIB and NII</i></b> Such number of Equity Shares in multiples of 2,000 Equity Shares such that the Application size	2,72,000 Equity Shares of Face Value of Rs. 10.00 each	2,000 Equity Shares and in multiples of 2,000 Equity Shares thereafter.

Particulars	Net issue to Public*	Market Maker Reservation Portion	Employee Reservation Portion
	exceeds Rs 2,00,000 <b>For Retail Individuals</b> 2,000 Equity shares		
<b>Maximum Bid Size</b>	<b>For Other than Retail Individual Investors:</b> For all other investors the maximum application size is the Net Issue to public subject to limits as the investor has to adhere under the relevant laws and regulations as applicable. <b>For Retail Individuals:</b> 2,000 Equity Shares	2,72,000 Equity Shares of Face Value of Rs 10 each	Such number of Equity Shares in multiples of 2,000 equity shares so as to ensure that the Bid Amount does not exceed Rs. 5,00,000.
<b>Mode of Allotment</b>	Compulsorily in Dematerialised mode	Compulsorily in Dematerialised mode	Compulsorily in Dematerialised mode
<b>Trading Lot</b>	2,000 Equity Shares	2,000 Equity Shares, however the Market Maker may accept odd lots if any in the market as required under the SEBI ICDR Regulations	2,000 Equity Shares
<b>Terms of payment</b>	The entire Bid Amount will be payable at the time of submission of the Bid Form		

\*allocation in the net issue to public category shall be made as follows:

- (a) minimum fifty per cent to retail individual investors; and
- (b) remaining to:
  - (i) individual applicants other than retail individual investors; and
  - (ii) other investors including corporate bodies or institutions, irrespective of the number of specified securities applied for;
- (c) the unsubscribed portion in either of the categories specified in clauses (a) or (b) may be allocated to applicants in the other category.

For the purpose of sub-regulation 43 (4), *if the retail individual investor category is entitled to more than fifty per cent. on proportionate basis, the retail individual investors shall be allocated that higher percentage.*

In case of joint Bids, the Bid cum Application Form should contain only the name of the first Bidder whose name should also appear as the first holder of the beneficiary account held in joint names. The signature of only such first Bidder would be required in the Bid cum Application Form and such first Bidder would be deemed to have signed on behalf of the joint holders.

#### WITHDRAWAL OF THE ISSUE

Our Company in consultation with the BRLM, reserve the right to not to proceed with the Issue after the Bid/Issue Opening Date but before the Allotment. In such an event, our Company would issue a public notice in the newspapers in which the pre-Issue advertisements were published, within two days of the Bid/Issue Closing Date or such other time as may be prescribed by SEBI, providing

reasons for not proceeding with the Issue.

The Book Running Lead Manager through, the Registrar to the Issue, shall notify the SCSBs to unblock the bank accounts of the ASBA Bidders within one Working Day from the date of receipt of such notification. Our Company shall also inform the same to the Stock Exchanges on which Equity Shares are proposed to be listed.

Notwithstanding the foregoing, this Issue is also subject to obtaining (i) the final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment, and (ii) the final RoC approval of the Prospectus after it is filed with the RoC. If our Company withdraws the Issue after the Bid/ Issue Closing Date and thereafter determines that it will proceed with an issue for sale of the Equity Shares, our Company shall file a fresh Prospectus with Stock Exchange. In terms of the SEBI Regulations, Non retail applicants shall not be allowed to withdraw their Application after the Issue Closing Date.

#### **BID/ ISSUE OPENING DATE**

<b>Event</b>	<b>Indicative List</b>
Bid / Issue Opening Date	March 20, 2018
Bid / Issue Closing Date	March 22, 2018
Finalisation of Basis of Allotment with the Designated Stock Exchange	On or before March 27, 2018
Initiation of Refunds	On or before March 28, 2018
Credit of Equity Shares to demat accounts of Allottees	On or before April 02, 2018
Commencement of trading of the Equity Shares on the Stock Exchange	On or before April 03, 2018

Bids and any revisions to the same will be accepted only between 10.00 a.m. and 5.00 p.m. (Indian Standard Time) during the Issue Period at the Application Centres mentioned in the Application Form, or in the case of ASBA Applicants, at the Designated Bank Branches except that on the Issue Closing Date applications will be accepted only between 10.00 a.m. and 3.00 p.m. (Indian Standard Time). Applications will be accepted only on Working Days, i.e., all trading days of stock exchanges excluding Sundays and bank holidays. In case of Bids by Non-Institutional Bidders, the Bids and the revisions in Bids shall be accepted only between 10.00 a.m. and 3.00 p.m. (Indian Standard Time) and uploaded until 4.00 p.m. on the Bid Closing Date.

## ISSUE PROCEDURE

*All Bidders should review the General Information Document for Investing in public issues prepared and issued in accordance with the circular (CIR/CFD/DIL/12/2013) dated October 23, 2013 notified by SEBI (General Information Document), and including SEBI circular bearing number CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 and SEBI circular bearing number SEBI/HO/CFD/DIL/CIR/P/2016/26 dated January 21, 2016 included below under Part B – General Information Document, which highlights the key rules, processes and procedures applicable to public issues in general in accordance with the provisions of the Companies Act, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957 and the SEBI ICDR Regulations. The General Information Document has been updated to reflect the enactments and regulations, to the extent applicable to a public issue. The General Information Document is also available on the websites of the Stock Exchanges and the BRLM. Please refer to the relevant provisions of the General Information Document which are applicable to the Issue.*

*Our Company and the BRLM do not accept any responsibility for the completeness and accuracy of the information stated in this section and are not liable for any amendments, modifications or change in the applicable law which may occur after the date of this Prospectus. Bidders are advised to make their independent investigations and ensure that their Bids are submitted in accordance with applicable laws and do not exceed the investment limits or maximum number of the Equity Shares that can be held by them under applicable law or as specified in this Prospectus.*

*Please note that all the Bidders can participate in the Issue only through the ASBA process. All Bidders shall ensure that the ASBA Account has sufficient credit balance such that the full Bid Amount can be blocked by the SCSB at the time of submitting the Bid. Please note that all Bidders are required to make payment of the full Bid Amount along with the Bid cum Application Form.*

*Bidders are required to submit Bids to the Selected Branches / Offices of the RTAs, DPs, Designated Bank Branches of SCSBs or to the Syndicate Members. The lists of banks that have been notified by SEBI to act as SCSB (Self Certified Syndicate Banks) for the ASBA Process are provided on <http://www.sebi.gov.in>. For details on designated branches of SCSB collecting the Bid cum Application Form, please refer the above mentioned SEBI link. The list of Stock Brokers, Depository Participants (DP), Registrar to an Issue and Share Transfer Agent (RTA) that have been notified by BSE Ltd. to act as intermediaries for submitting Bid cum Application Forms are provided on <http://www.bseindia.com>. For details on their designated branches for submitting Bid cum Application Forms, please see the above mentioned website of BSE Limited.*

*Pursuant to the SEBI (Issue of Capital and Disclosure Requirements) (Fifth Amendment) Regulations, 2015, the ASBA process become mandatory for all investors w.e.f. January 1, 2016 and it allows the registrar, share transfer agents, depository participants and stock brokers to accept Bid cum Application Forms.*

## BOOK BUILDING PROCEDURE

The Issue is being made through Book Building Process wherein at least 50% of the Net Issue to Public is being issued to the Retail Individual Bidders and the balance shall be issued to QIBs and Non-Institutional Bidders. Further if the retail individual investor category is entitled to more than fifty per cent. on proportionate basis, the retail individual investors shall be allocated that higher percentage. However, if the aggregate demand from the Retail Individual Bidders is less than 50%, then the balance Equity Shares in that portion will be added to the non retail portion issued to the remaining investors including QIBs and NIIs and vice-versa subject to valid bids being received from them at or above the Issue Price.

Subject to the valid Bids 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 Bidders shall not be less than the minimum Bid 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 BRLM and the Stock Exchange.

All Bidders applying through cheques or demand drafts are required to submit their Bids through the Syndicate.

In accordance with the SEBI Regulations, QIBs and Non-Institutional Investors are not allowed to withdraw or lower the size of their Bids (both in terms of number of Equity Shares Bid for and Bid Amount) at any stage. Further, allocation to QIBs in the Net QIB Portion will be on a proportionate basis.

## **BID CUM APPLICATION FORM**

Copies of the Bid cum Application Form and the abridged prospectus will be available at the offices of the BRLM, the Designated Intermediaries at Bidding Centres, and Registered Office of our Company. An electronic copy of the Bid cum Application Form will also be available for download on the websites of the BSE Limited ([www.bseindia.com](http://www.bseindia.com)), the SCSBs, the Registered Brokers, the RTAs and the CDPs at least one day prior to the Bid/Issue Opening Date.

All Bidders shall mandatorily participate in the Issue only through the ASBA process. ASBA Bidders must provide bank account details and authorisation to block funds in the relevant space provided in the Bid cum Application Form and the Bid cum Application Forms that do not contain such details are liable to be rejected.

ASBA Bidders shall ensure that the Bids are made on Bid cum Application Forms bearing the stamp of the Designated Intermediary, submitted at the Collection Centres only (except in case of electronic Bid cum Application Forms) and the Bid cum Application Forms not bearing such specified stamp are liable to be rejected.

The prescribed colour of the Bid cum Application Form for various categories is as follows:

<b>Category</b>	<b>Colour of Bid cum application Form*</b>
Resident Indians and Eligible NRIs applying on a non-repatriation basis	White
Non-Residents and Eligible NRIs, FIIs, FVCIs, etc. applying on a repatriation basis	Blue

*\*excluding electronic Bid cum Application Form*

Designated Intermediaries (other than SCSBs) shall submit/deliver the Bid cum Application Forms to respective SCSBs where the Bidder has a bank account and shall not submit it to any non-SCSB Bank.

Applicants shall only use the specified Application Form for the purpose of making an application in terms of the Prospectus. The Application Form shall contain information about the 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. ASBA Bidders are required to ensure that the ASBA Account has sufficient credit balance as an amount equivalent to the full Bid Amount can be blocked by the SCSB at the time of submitting the Bid.

Applicants are required to submit their applications only through any of the following Application Collecting Intermediaries:

- i) an SCSB, with whom the bank account to be blocked, is maintained
- ii) a syndicate member (or sub-syndicate member)
- iii) a stock broker registered with a recognised stock exchange (and whose name is mentioned on the website of the stock exchange as eligible for this activity) ('broker')
- iv) a depository participant ('DP') (whose name is mentioned on the website of the stock exchange as eligible for this activity)
- v) a registrar to an issue and share transfer agent ('RTA') (whose name is mentioned on the website of the stock exchange as eligible for this activity)

The aforesaid intermediaries shall, at the time of receipt of application, give an acknowledgement to investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the application form, in physical or electronic mode, respectively.

The upload of the details in the electronic bidding system of stock exchange will be done by:

For applications submitted by investors to SCSB:	After accepting the form, SCSB shall capture and upload the relevant details in the electronic bidding system as specified by the stock exchange(s) and may begin blocking funds available in the bank account specified in the form, to the extent of the application money specified.
For applications submitted by investors to intermediaries other than SCSBs:	After accepting the application form, respective intermediary shall capture and upload the relevant details in the electronic bidding system of stock exchange(s). Post uploading, they shall forward a schedule as per prescribed format along with the application forms to designated branches of the respective SCSBs for blocking of funds within one day of closure of Issue.

Upon completion and submission of the Bid Cum Application Form to Application Collecting intermediaries, the Bidders are deemed to have authorised our Company to make the necessary changes in the Prospectus, without prior or subsequent notice of such changes to the Applicants.

## WHO CAN BID?

In addition to the category of Bidders set forth under *General Information Document for Investing in Public Issues – Category of Investors Eligible to participate in an Issue*, the following persons are also eligible to invest in the Equity Shares under all applicable laws, regulations and guidelines, including:

- FPIs and sub-accounts registered with SEBI other than Category III foreign portfolio

- investor;
- Category III foreign portfolio investors, which are foreign corporates or foreign individuals only under the Non Institutional Investors (NIIs) category;
- Scientific and / or industrial research organisations authorised in India to invest in the Equity Shares.

#### **MAXIMUM AND MINIMUM APPLICATION SIZE**

**(a) *For Retail Individual Bidders:***

The Bid must be for a minimum of 2,000 Equity Shares and in multiples of 2,000 Equity Shares thereafter, so as to ensure that the Bid Amount payable by the Bidder does not exceed Rs 2,00,000. In case of revision of Bid, the Retail Individual Bidders have to ensure that the Bid Amount does not exceed Rs. 2,00,000.

**(b) *For Other Bidders (Non-Institutional Bidders and QIBs):***

The Bid cum Application must be for a minimum of such number of Equity Shares such that the Bid Amount exceeds Rs.2,00,000 and in multiples of 2,000 Equity Shares thereafter. A Bid cannot be submitted for more than the Issue Size. However, the maximum Bid by a QIB investor should not exceed the investment limits prescribed for them by applicable laws. A QIB and a Non-Institutional Bidder cannot withdraw or lower the size of their Bid at any stage and are required to pay the entire Bid Amount upon submission of the Bid. The identity of QIBs applying in the Net Issue shall not be made public during the Issue Period. In case of revision in Bid, the Non-Institutional Bidders, who are individuals, have to ensure that the Bid Amount is greater than Rs 2,00,000 for being considered for allocation in the Non-Institutional Portion.

#### **INFORMATION FOR THE BIDDERS**

- (a) Our Company has filed the Red Herring Prospectus with the RoC at least three working days before the Bid Issue Opening Date.
- (b) Our Company shall, after registering the Prospectus with the RoC, make a pre- Issue advertisement, in the form prescribed under the SEBI ICDR Regulations, in English and Hindi national daily newspapers and one regional newspaper with wide circulation. In the pre- Issue advertisement, our Company and the Book Running Lead Manager shall advertise the Issue Opening Date, the Issue Closing Date. This advertisement, subject to the provisions of the Companies Act, shall be in the format prescribed in Part A of Schedule XIII of the SEBI ICDR Regulations.
- (c) The Price Band as decided by our Company in consultation with the Book Running Lead Manager is Rs. 63 per Equity Share. The Floor Price of Equity Shares is Rs. 60 per Equity Share and the Cap Price is Rs. 63 per Equity Share and the minimum bid lot is of 2,000 Equity Shares. Our Company shall also announce the Price Band at least five Working Days before the Issue Opening Date in English and Hindi national daily newspapers and one regional language newspaper with wide circulation.
- (d) This announcement shall contain relevant financial ratios computed for both upper and lower end of the Price Band. Further, this announcement shall be disclosed on the websites of the Stock Exchanges where the Equity Shares are proposed to be listed and shall also be prefilled in the Bid cum Application Forms available on the websites of the stock exchanges.

- (e) The Issue Period shall be for a minimum of three Working Days. In case the Price Band is revised, the Issue Period shall be extended, by an additional three Working Days, subject to the total Issue Period not exceeding ten Working Days. The revised Price Band and Issue Period will be widely disseminated by notification to the SCSBs and Stock Exchanges, and by publishing in English and Hindi national daily newspapers and one regional newspaper with wide circulation and also by indicating the change on the websites of the Book Running Lead Manager and at the terminals of the members of the Syndicate.

The Bidders should note that in case the PAN, the DP ID and Client ID mentioned in the Bid cum Application Form and entered into the electronic bidding system of the Stock Exchanges by the Syndicate Member does not match with the PAN, DP ID and Client ID available in the database of Depositories, the Bid cum Application Form is liable to be rejected.

#### **OPTION TO SUBSCRIBE IN THE ISSUE**

- (a) As per Section 29(1) of the Companies Act, 2013 allotment of Equity Shares shall be in dematerialised form only.
- (b) The Equity Shares, on allotment, shall be traded on the Stock Exchange in demat segment only.

A single Bid cum application from any investor shall not exceed the investment limit / minimum number of specified securities that can be held by him/her/it under the relevant regulations / statutory guidelines and applicable law.

#### **AVAILABILITY OF PROSPECTUS AND BID CUM APPLICATION FORM**

Copies of the Bid cum Application Form and the abridged prospectus will be available at the offices of the BRLM, the Designated Intermediaries at Bidding Centres, and Registered Office of our Company. An electronic copy of the Bid cum Application Form will also be available for download on the websites of SCSBs (via Internet Banking) and BSE Limited ([www.bseindia.com](http://www.bseindia.com)) at least one day prior to the Bid/Issue Opening Date.

#### **APPLICATIONS BY ELIGIBLE NRI'S/ RFPI's ON REPATRIATION BASIS**

Copies of the Bid cum Application Form and the abridged prospectus will be available at the offices of the BRLM, the Designated Intermediaries at Bidding Centres, and Registered Office of our Company. An electronic copy of the Bid cum Application Form will also be available for download on the websites of SCSBs (via Internet Banking) and BSE Limited ([www.bseindia.com](http://www.bseindia.com)) at least one day prior to the Bid/Issue Opening Date.

#### **PARTICIPATION BY ASSOCIATED/ AFFILIATES OF BOOK RUNNING LEAD MANAGER AND SYNDICATE MEMBERS**

The BRLM and the Syndicate Members, if any, shall not be allowed to purchase in this Issue in any manner, except towards fulfilling their underwriting obligations. However, the associates and affiliates of the BRLM and the Syndicate Members, if any, may subscribe the Equity Shares in the Issue, either in the QIB Category or in the Non-Institutional Category as may be applicable to such Bidders, where the allocation is on a proportionate basis and such subscription may be on their own account or on behalf of their clients.



## **APPLICATIONS BY ELIGIBLE NRI'S**

NRIs may obtain copies of Bid cum Application Form from the offices of the BRLM and the Designated Intermediaries. Eligible NRI Bidders bidding on a repatriation basis by using the Non-Resident Forms should authorize their SCSB to block their Non-Resident External (NRE) accounts, or Foreign Currency Non-Resident (FCNR) ASBA Accounts, and eligible NRI Bidders bidding on a non-repatriation basis by using Resident Forms should authorize their SCSB to block their Non Resident Ordinary (NRO) accounts for the full Bid Amount, at the time of the submission of the Bid cum Application Form.

Eligible NRIs bidding on non-repatriation basis are advised to use the Bid cum Application Form for residents (white in colour).

Eligible NRIs bidding on a repatriation basis are advised to use the Bid cum Application Form meant for Non-Residents (blue in colour).

## **BIDS BY FPI INCLUDING FIIs**

In terms of the SEBI FPI Regulations, any qualified foreign investor or FII who holds a valid certificate of registration from SEBI shall be deemed to be an FPI until the expiry of the block of three years for which fees have been paid as per the SEBI FII Regulations. An FII or a sub-account may participate in this Issue, in accordance with Schedule 2 of the FEMA Regulations, until the expiry of its registration with SEBI as an FII or a sub-account. An FII shall not be eligible to invest as an FII after registering as an FPI under the SEBI FPI Regulations.

In case of Bids made by FPIs, a certified copy of the certificate of registration issued by the designated depository participant under the FPI Regulations is required to be attached to the Bid cum Application Form, failing which our Company reserves the right to reject any Bid without assigning any reason. An FII or subaccount may, subject to payment of conversion fees under the SEBI FPI Regulations, participate in the Issue, until the expiry of its registration as a FII or sub-account, or until it obtains a certificate of registration as FPI, whichever is earlier. Further, in case of Bids made by SEBI-registered FIIs or sub-accounts, which are not registered as FPIs, a certified copy of the certificate of registration as an FII issued by SEBI is required to be attached to the Bid cum Application Form, failing which our Company reserves the right to reject any Bid without assigning any reason.

In terms of the SEBI FPI Regulations, the issue of Equity Shares to a single FPI or an investor group (which means the same set of ultimate beneficial owner(s) investing through multiple entities) must be below 10% of our post-Issue Equity Share capital. Further, in terms of the FEMA Regulations, the total holding by each FPI shall be below 10% of the total paid-up Equity Share capital of our Company and the total holdings of all FPIs put together shall not exceed 24% of the paid-up Equity Share capital of our Company. The aggregate limit of 24% may be increased up to the sectorial cap by way of a resolution passed by the Board of Directors followed by a special resolution passed by the Shareholders of our Company and subject to prior intimation to RBI. In terms of the FEMA Regulations, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs as well as holding of FIIs (being deemed FPIs) shall be included. The existing individual and aggregate investment limits an FII or sub account in our Company is 10% and 24% of the total paid-up Equity Share capital of our Company, respectively.

FPIs are permitted to participate in the Issue subject to compliance with conditions and restrictions which may be specified by the Government from time to time.

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 22 of the SEBI FPI Regulations, an FPI, other than Category III foreign portfolio and unregulated broad based funds, which are classified as Category II foreign portfolio investor by virtue of their investment manager being appropriately regulated, may issue or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by an FPI against securities held by it that are listed or proposed to be listed on any recognized stock exchange in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only to persons who are regulated by an appropriate regulatory authority; and (ii) such offshore derivative instruments are issued after compliance with know your client norms. An FPI is also required to ensure that no further issue or transfer of any offshore derivative instrument is made by or on behalf of it to any persons that are not regulated by an appropriate foreign regulatory authority.

FPIs who wish to participate in the Issue are advised to use the Bid cum Application Form for Non-Residents (blue in colour).

#### **BIDS BY SEBI REGISTERED VCFs, AIFs and FVCIs**

The SEBI FVCI Regulations and the SEBI AIF Regulations inter-alia prescribe the investment restrictions on the VCFs, FVCIs and AIFs registered with SEBI. Further, the SEBI AIF Regulations prescribe, among others, the investment restrictions on AIFs.

The holding by any individual VCF registered with SEBI in one venture capital undertaking should not exceed 25% of the corpus of the VCF. Further, VCFs and FVCIs can invest only up to 33.33% of the investible funds by way of subscription to an initial public offering.

The category I and II AIFs cannot invest more than 25% of the corpus in one Investee Company. A category III AIF cannot invest more than 10% of the corpus in one Investee Company. A venture capital fund registered as a category I AIF, as defined in the SEBI AIF Regulations, cannot invest more than 1/3rd of its corpus by way of subscription to an initial public offering of a venture capital undertaking. Additionally, the VCFs which have not re-registered as an AIF under the SEBI AIF Regulations shall continue to be regulated by the VCF Regulation until the existing fund or scheme managed by the fund is wound up and such funds shall not launch any new scheme after the notification of the SEBI AIF Regulations.

All FIIs and FVCIs should note that refunds, dividends and other distributions, if any, will be payable in Indian Rupees only and net of Bank charges and commission.

**Our Company or the BRLM will not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.**

**There is no reservation for Eligible NRIs, FPIs and FVCIs and all Bidders will be treated on the same basis with other categories for the purpose of allocation.**

#### **BIDS BY MUTUAL FUNDS**

No Mutual Fund scheme shall invest more than 10% of its net asset value in equity shares or equity related instruments of any single company provided that the limit of 10% shall not be applicable for investments in 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 Bids by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged with the Bid cum Application Form. Failing this, our Company reserves the right to accept or reject any Bid cum Application in whole or in part, in either case, without assigning any reason thereof.

In case of a mutual fund, a separate Bid cum 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 Bids clearly indicate the scheme concerned for which the Bids has been made.

The Bids made by the asset management companies or custodians of Mutual Funds shall specifically state the names of the concerned schemes for which the Applications are made.

#### **BIDS BY LIMITED LIABILITY PARTNERSHIPS**

In case of Bids made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Bid cum Application Form. Failing this, our Company reserves the right to reject any bid without assigning any reason thereof. Limited liability partnerships can participate in the Issue only through the ASBA process.

#### **BIDS BY INSURANCE COMPANIES**

In case of Bids made by insurance companies registered with the IRDA, a certified copy of certificate of registration issued by IRDA must be attached to the Bid cum Application Form. Failing this, our Company reserves the right to reject any Bid by Insurance Companies without assigning any reason thereof. The exposure norms for insurers, prescribed under the Insurance Regulatory and Development Authority (Investment) Regulations, 2000, as amended, are broadly set forth below:

- (a) equity shares of a company: the least of 10% of the investee company's subscribed capital (face value) or 10% of the respective fund in case of life insurer or 10% of investment assets in case of general insurer or reinsurer;
- (b) the entire group of the investee company: not more than 15% of the respective fund in case of a life insurer or 15% of investment assets in case of a general insurer or reinsurer or 15% of the investment assets in all companies belonging to the group, whichever is lower; and
- (c) the industry sector in which the investee company belong to: not more than 15% of the fund of a life insurer or a general insurer or a reinsurer or 15% of the investment asset, whichever is lower.

The maximum exposure limit, in the case of an investment in equity shares, cannot exceed the lower of an amount of 10% of the investment assets of a life insurer or general insurer and the amount calculated under 1, 2 and 3 above, as the case may be. Insurance companies participating in this Issue shall comply with all applicable regulations, guidelines and circulars issued by IRDAI from time to time.

#### **BIDS UNDER POWER OF ATTORNEY**

In case of Bids made pursuant to a power of attorney or by limited companies, corporate bodies, registered societies, FIIs, Mutual Funds, insurance companies and provident funds with a minimum corpus of Rs. 2500 Lakhs (subject to applicable law) and pension funds with a minimum corpus of Rs. 2500 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 along with the Bid cum Application Form. Failing this, our Company reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reasons thereof. In addition to the above, certain additional documents are required to be submitted by the following entities:

- (a) With respect to Bids by FIIs and Mutual Funds, a certified copy of their SEBI registration certificate must be lodged along with the Bid cum Application Form.
- (b) With respect to Bids by insurance companies registered with the Insurance Regulatory and Development Authority, in addition to the above, a certified copy of the certificate of registration issued by the Insurance Regulatory and Development Authority must be lodged along with the Bid cum Application Form.
- (c) With respect to Bids made by provident funds with a minimum corpus of Rs. 2500 Lakhs (subject to applicable law) and pension funds with a minimum corpus of Rs. 2500 Lakhs, 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 Bid cum Application Form.
- (d) With respect to Bids made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Bid cum Application Form
- (e) Our Company in its absolute discretion, reserves the right to relax the above condition of simultaneous lodging of the power of attorney along with the Bid cum Application Form, subject to such terms and conditions that our Company and the BRLM may deem fit.

The above information is given for the benefit of the Bidders. Our Company, the Book Running Lead Manager and the Syndicate Members are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of the Prospectus. Bidders are advised to make their independent investigations and Bidders are advised to ensure that any single Bid from them does not exceed the applicable investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in the Prospectus.

#### **BIDS BY PROVIDENT FUNDS/PENSION FUNDS**

In case of Bids made by provident funds with minimum corpus of Rs. 25 Crore (subject to applicable law) and pension funds with minimum corpus of Rs. 25 Crore, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/ pension fund must be lodged along with the Bid Cum Application Form. Failing this, the Company reserves the right to accept or reject any bid in whole or in part, in either case, without assigning any reason thereof.

#### **BIDS BY BANKING COMPANY**

In case of Bids 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 Bid cum application Form, failing which our Company reserve the right to reject any Bid by a banking company without assigning any reason.

Bid cum Application Form, failing which our Company reserve the right to reject any Bid by a banking company without assigning any reason.

The investment limit for banking companies in non-financial services companies as per the Banking Regulation Act, 1949, as amended ("Banking Regulation Act"), and the Reserve Bank of India ("Financial Services provided by Banks") Directions, 2016, is 10% of the paid-up share capital of the investee company not being its subsidiary engaged in non-financial services or 10% of the banks own

paid-up share capital and reserves, whichever is lower. However, a banking company would be permitted to invest in excess of 10% but not exceeding 30% of the paid up share capital of such investee company if (i) the investee company is engaged in non-financial activities permitted for banks in terms of Section 6(1) of the Banking Regulation Act, or (ii) the additional acquisition is through restructuring of debt / corporate debt restructuring / strategic debt restructuring, or to protect the banks' interest on loans / investments made to a company. The bank is required to submit a time bound action plan for disposal of such shares within a specified period to RBI. A banking company would require a prior approval of RBI to make (i) investment in a subsidiary and a financial services company that is not a subsidiary (with certain exception prescribed), and (ii) investment in a nonfinancial services company in excess of 10% of such investee company's paid up share capital as stated in 5(a)(v)(c)(i) of the Reserve Bank of India (Financial Services provided by Banks) Directions, 2016.

### **BIDS BY SCSBs**

SCSBs participating in the Issue are required to comply with the terms of the SEBI circulars dated September 13, 2012 and January 2, 2013. Such SCSBs are required to ensure that for making Bid cum 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 Bid cum application in public issues and clear demarcated funds should be available in such account for such Bid cum applications.

### **ISSUANCE OF A CONFIRMATION NOTE ("CAN") AND ALLOTMENT IN THE ISSUE**

- (a) Upon approval of the basis of allotment by the Designated Stock Exchange, the BRLM or Registrar to the Issue shall send to the SCSBs a list of their Bidders who have been allocated Equity Shares in the Issue.
- (b) The Registrar will then dispatch a CAN to their Bidders who have been allocated Equity Shares in the Issue. The dispatch of a CAN shall be deemed a valid, binding and irrevocable contract for the Bidder.

### **TERMS OF PAYMENT**

#### **Terms of Payment**

The entire Issue price of Rs. 63 per share is payable on Bid cum application. In case of allotment of lesser number of Equity Shares than the number applied, the Registrar to the issue shall instruct the SCSBs to unblock the excess amount blocked.

SCSBs will transfer the amount as per the instruction received by the Registrar to the Public Issue Bank Account, post finalisation of basis of Allotment. The balance amount after transfer to the Public Issue Account shall be unblocked by the SCSBs.

The Bidders 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, the Bankers to the Issue and the Registrar to the Issue to facilitate collections from the Bidders.

#### **Payment mechanism for Bidders**

The Bidders shall specify the bank account number in the Bid cum Application Form and the SCSBs shall block an amount equivalent to the Bid cum Application Amount in the bank account specified

in the Bid cum Application Form. The SCSB shall keep the Application Amount in the relevant bank account blocked until withdrawal/ rejection of the bid cum application or receipt of instructions from the Registrar to unblock the Application Amount.

However, Non Retail Bidders shall neither withdraw nor lower the size of their bid cum applications at any stage. In the event of withdrawal or rejection of the Bid cum 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 finalisation of the Basis of Allotment in the Issue and consequent transfer of the Application Amount to the Public Issue Account, or until withdrawal/ failure of the Issue or until rejection of the bid cum application by the ASBA Applicant, as the case may be. Please note that pursuant to the applicability of the directions issued by SEBI vide its circular bearing number CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015, all Investors are applying in this Issue shall mandatorily make use of ASBA facility.

#### **SIGNING OF UNDERWRITING AGREEMENT AND FILING OF PROSPECTUS WITH ROC**

- (a) Our Company has entered into an Underwriting Agreement dated February 7, 2018.
- (b) A copy of the Prospectus and Prospectus will be filed with the RoC in terms of Section 32 of the Companies Act, 2013 and section 26 of the 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. In the pre-Issue advertisement, we shall state the Bid Opening Date and the Bid Closing Date. This advertisement, subject to the provisions of Section 30 of the Companies Act, 2013, shall be in the format prescribed in Part A of Schedule XIII of the SEBI Regulations.

#### **ADVERTISEMENT REGARDING ISSUE PRICE AND PROSPECTUS**

Our Company will issue a statutory advertisement after the filing of the Prospectus with the RoC. This advertisement, in addition to the information that has to be set out in the statutory advertisement, shall indicate the final derived Issue Price. Any material updates between the date of the Prospectus and the date of Prospectus will be included in such statutory advertisement.

#### **GENERAL INSTRUCTIONS**

1. Check if you are eligible to apply as per the terms of the Prospectus and under applicable law, rules, regulations, guidelines and approvals;
2. Ensure that you have Bid within the Price Band;
3. Read all the instructions carefully and complete the Bid cum Application Form in the prescribed form;
4. Ensure that the details about the PAN, DP ID and Client ID are correct and the Bidders depository account is active, as Allotment of the Equity Shares will be in the dematerialised form only;

5. Ensure that your Bid cum Application Form bearing the stamp of a Designated Intermediary is submitted to the Designated Intermediary at the Bidding Centre;
6. If the first applicant is not the account holder, ensure that the Bid cum Application Form is signed by the account holder. Ensure that you have mentioned the correct bank account number in the Bid cum Application Form;
7. Ensure that the signature of the First Bidder in case of joint Bids, is included in the Bid cum Application Forms;
8. QIBs (other than Anchor Investors), the Non-Institutional Bidders and the Retail Bidders should submit their Bids through the ASBA process only.
9. Ensure that the name(s) given in the Bid cum Application Form is/are exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case of joint Bids, the Bid cum Application Form should contain only the name of the First Bidder whose name should also appear as the first holder of the beneficiary account held in joint names;
10. Ensure that you request for and receive a stamped acknowledgement of the Bid cum Application Form for all your Bid options;
11. Ensure that you have funds equal to the Bid Amount in the ASBA Account maintained with the SCSB before submitting the Bid cum Application Form under the ASBA process to the respective member of the Syndicate (in the Specified Locations), the SCSBs, the Registered Broker (at the Broker Centres), the RTA (at the Designated RTA Locations) or CDP (at the Designated CDP Locations);
12. Submit revised Bids to the same Designated Intermediary, through whom the original Bid was placed and obtain a revised acknowledgment;
13. Except for Bids (i) on behalf of the Central or State Governments and the officials appointed by the courts, who, in terms of a SEBI circular dated June 30, 2008, may be exempt from specifying their PAN for transacting in the securities market, and (ii) Bids by persons resident in the state of Sikkim, who, in terms of a SEBI circular dated July 20, 2006, may be exempted from specifying their PAN for transacting in the securities market, all Bidders should mention their PAN allotted under the IT Act. The exemption for the Central or the State Government and officials appointed by the courts and for investors residing in the State of Sikkim is subject to (a) the Demographic Details received from the respective depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in "active status"; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same. All other applications in which PAN is not mentioned will be rejected;
14. Ensure that the Demographic Details are updated, true and correct in all respects;
15. Ensure that thumb impressions and signatures other than in the languages specified in the Eighth Schedule to the Constitution of India are attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal;
16. Ensure that the category and the investor status is indicated;
17. Ensure that in case of Bids under power of attorney or by limited companies, corporates, trust etc., relevant documents are submitted;
18. Ensure that Bids submitted by any person outside India should be in compliance with applicable foreign and Indian laws;
19. Bidders should note that in case the DP ID, Client ID and the PAN mentioned in their Bid cum Application Form and entered into the online IPO system of the Stock Exchanges by the relevant Designated Intermediary, as the case may be, do not match with the DP ID, Client ID and PAN available in the Depository database, then such Bids are liable to be rejected. Where the Bid cum Application Form is submitted in joint names, ensure that the beneficiary account is also held in the same joint names and such names are in the same sequence in which they appear in the Bid cum Application Form;
20. Ensure that the Bid cum Application Forms are delivered by the Bidders within the time

- prescribed as per the Bid cum Application Form and the Prospectus;
21. Ensure that you have mentioned the correct ASBA Account number in the Bid cum Application Form;
  22. Ensure that you have correctly signed the authorization/undertaking box in the Bid cum Application Form, or have otherwise provided an authorization to the SCSB via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the Bid cum Application Form at the time of submission of the Bid;
  23. Ensure that you receive an acknowledgement from the concerned Designated Intermediary, for the submission of your Bid cum Application Form; and
  24. The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

#### **Dont's:**

1. Do not Bid for lower than the minimum Bid size;
2. Do not Bid/revise Bid Amount to less than the Floor Price or higher than the Cap Price;
3. Do not pay the Bid Amount in cash, by money order, cheques or demand drafts or by postal order or by stock invest;
4. Do not send Bid cum Application Forms by post; instead submit the same to the Designated Intermediary only;
5. Do not submit the Bid cum Application Forms to any non-SCSB bank or our Company;
- 6.
7. Do not Bid on a Bid cum Application Form that does not have the stamp of the relevant Designated Intermediary;
8. Do not Bid at Cut-off Price (for Bids by QIBs and Non-Institutional Bidders);
9. Do not instruct your respective Banks to release the funds blocked in the ASBA Account under the ASBA process;
10. Do not Bid for a Bid Amount exceeding Rs. 2,00,000 (for Bids by Retail Individual Bidders);
11. Do not fill up the Bid cum Application Form such that the Equity Shares Bid for exceeds the Issue size and / or investment limit or maximum number of the Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations or under the terms of the Prospectus;
12. Do not submit the General Index Register number instead of the PAN;
13. Do not submit the Bid without ensuring that funds equivalent to the entire Bid Amount are blocked in the relevant ASBA Account;
14. Do not submit Bids on plain paper or on incomplete or illegible Bid cum Application Forms or on Bid cum Application Forms in a colour prescribed for another category of Bidder;
15. Do not submit a Bid in case you are not eligible to acquire Equity Shares under applicable law or your relevant constitutional documents or otherwise;
16. Do not Bid if you are not competent to contract under the Indian Contract Act, 1872 (other than minors having valid depository accounts as per Demographic Details provided by the depository);
17. Do not submit more than five Bid cum Application Forms per ASBA Account;

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

#### **BIDS AT DIFFERENT PRICE LEVELS AND REVISION OF BIDS**

- (a) Our Company in consultation with the BRLM, and without the prior approval of, or intimation, to the Bidders, reserves the right to revise the Price Band during the Bid/ Issue



Period, provided that the Cap Price shall be less than or equal to 120% of the Floor Price and the Floor Price shall not be less than the face value of the Equity Shares. The revision in Price Band shall not exceed 20% on the either side i.e. the floor price can move up or down to the extent of 20% of the floor price disclosed. If the revised price band decided, falls within two different price bands than the minimum application lot size shall be decided based on the price band in which the higher price falls into.

- (b) Our Company in consultation with the BRLM, will finalize the Issue Price within the Price Band, without the prior approval of, or intimation, to the Bidders.
- (c) The Bidders can Bid at any price within the Price Band. The Bidder has to Bid for the desired number of Equity Shares at a specific price. Retail Individual Bidders may Bid at the Cut-off Price. However, bidding at the Cut-off Price is prohibited for QIB and Non-Institutional Bidders and such Bids from QIB and Non-Institutional Bidders shall be rejected.
- (d) Retail Individual Bidders, who Bid at Cut-off Price agree that they shall purchase the Equity Shares at any price within the Price Band. Retail Individual Bidders shall submit the Bid cum Application Form along with a cheque/demand draft for the Bid Amount based on the Cap Price with the Syndicate. In case of ASBA Bidders (excluding Non-Institutional Bidders and QIB Bidders) bidding at Cut-off Price, the ASBA Bidders shall instruct the SCSBs to block an amount based on the Cap Price.

## COMMUNICATIONS

All future communications in connection with Bids made in this Issue should be addressed to the Registrar quoting the full name of the sole or First Bidder, Bid cum Application Form number, Bidders Depository Account Details, number of Equity Shares applied for, date of Bid cum Application Form, name and address of the Application Collecting Intermediary where the Application was submitted thereof and a copy of the acknowledgement slip.

Bidders can contact the Compliance Officer or the Registrar in case of any pre Issue or post Issue related problems such as non-receipt of letters of allotment, credit of allotted shares in the respective beneficiary accounts, etc.

## IMPERSONATION

Attention of the Bidders 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 THE COMPANY**

Our Company undertake as follows:

1. That the complaints received in respect of the Issue shall be attended expeditiously and satisfactorily;
2. That all steps will be taken for the completion of the necessary formalities for listing and commencement of trading at SME Platform of BSE Limited where the Equity Shares are proposed to be listed within six working days from Issue Closure date.
3. That the funds required for making refunds as per the modes disclosed or dispatch of allotment advice by registered post or speed post shall be made available to the Registrar and Share Transfer Agent to the Issue by our Company;
4. Completion of Allotment and dispatch of the Allotment Advice including any revisions, if required shall be done within the time prescribed under Applicable Law, and in the event of failure to do so, the Company shall ensure payment of interest to the Bidders in respect of which there was such a failure, as required under Applicable Law.
5. That our Promoter's contribution in full has already been brought in;
6. That no further issue of Equity Shares shall be made till the Equity Shares issued through the Prospectus are listed or until the Application monies are refunded on account of non-listing, under-subscription etc.;
7. That adequate arrangement shall be made to collect all Applications Supported by Blocked Amount while finalizing the Basis of Allotment;
8. If our Company does not proceed with the Issue after the Bid/Issue Opening Date but before allotment, then the reason thereof shall be given as a public notice to be issued by our Company within two days of the Bid/Issue Closing Date. The public notice shall be issued in the same newspapers where the Pre-Issue advertisements were published. The stock exchanges on which the Equity Shares are proposed to be listed shall also be informed promptly;
9. If our Company withdraw the Issue after the Bid/Issue Closing Date, our Company shall be required to file a fresh Prospectus with the Stock exchange/RoC/SEBI, in the event our Company subsequently decides to proceed with the Issue;
10. Allotment is not made within the prescribed time period under applicable law, the entire subscription amount received will be refunded/unblocked within the time prescribed under applicable law. If there is delay beyond the prescribed time, our Company shall pay interest prescribed under the Companies Act, 2013, the SEBI Regulations and applicable law for the delayed period

## **UTILIZATION OF THE ISSUE PROCEEDS**

The Board of Directors of our Company certifies that:

1. all monies received out of the issue shall be 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 unutilised, under an appropriate separate head in the 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 an 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 the SEBI Listing Regulations in relation to the disclosure and monitoring of the utilisation 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 all the Stock Exchanges where listing is sought has been received.
6. The Book Running Lead Manager undertakes that the complaints or comments received in respect of the Issue shall be attended by our Company expeditiously and satisfactory.

#### **EQUITY SHARES IN DEMATERIALISED FORM WITH NSDL OR CDSL**

To enable all shareholders of the Company to have their shareholding in electronic form, the Company is in the process of signing the following tripartite agreements with the Depositories and the Registrar and Share Transfer Agent:

- (a) Agreement dated February 20, 2018 among NDSL, the Company and the Registrar to the Issue; and
- (b) Agreement dated February 15, 2018 among CDSL, the Company and the Registrar to the Issue.

The Company's shares bear ISIN no INE495Z01011.

## **PART B**

### **GENERAL INFORMATION DOCUMENT FOR INVESTING IN PUBLIC ISSUES**

*This General Information Document highlights the key rules, processes and procedures applicable to public issues in accordance with the provisions of the Companies Act, 2013 (to the extent notified and in effect), the Companies Act, 1956 (without reference to the provisions thereof that have ceased to have effect upon the notification of the Companies Act, 2013), the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957 and the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009. Bidders should not construe the contents of this General Information Document as legal advice and should consult their own legal counsel and other advisors in relation to the legal matters concerning the Issue. For taking an investment decision, the Bidders should rely on their own examination of the Issue and the Issuer, and should carefully read the prospectus before investing in the Issue.*

#### **SECTION 1: PURPOSE OF THE GENERAL INFORMATION DOCUMENT (GID)**

This document is applicable to the public issues undertaken inter-alia through the Book-Building Process as well as to the Fixed Price Issue. The purpose of the "General Information Document for Investing in Public Issues" is to provide general guidance to potential Bidders in IPOs, on the processes and procedures governing IPOs and FPOs, undertaken in accordance with the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 ("**SEBI ICDR Regulations, 2009**").

Bidders should note that investment in equity and equity related securities involves risk and Bidder should not invest any funds in the Issue unless they can afford to take the risk of losing their investment. The specific terms relating to securities and/or for subscribing to securities in an Issue and the relevant information about the Issuer undertaking the Issue are set out in the Prospectus ("RHP")/Prospectus filed by the Issuer with the Registrar of Companies ("**RoC**"). Bidders should carefully read the entire RHP/Prospectus and the Bid cum Application Form/Application Form and the Abridged Prospectus of the Issuer in which they are proposing to invest through the Issue. In case of any difference in interpretation or conflict and/or overlap between the disclosure included in this document and the RHP/Prospectus, the disclosures in the RHP/Prospectus shall prevail. The RHP/Prospectus of the Issuer is available on the websites of stock exchanges, on the website(s) of the BRLM to the Issue and on the website of Securities and Exchange Board of India ("**SEBI**") at [www.sebi.gov.in](http://www.sebi.gov.in).

For the definitions of capitalized terms and abbreviations used herein Bidders may refer to the section "*Glossary and Abbreviations*" beginning on page 3 of this Prospectus.

## **SECTION 2: BRIEF INTRODUCTION TO IPOs ON SME EXCHANGE**

### **2.1 Initial public offer (IPO)**

An IPO means an offer of specified securities by an unlisted Issuer to the public for subscription and may include an Offer for Sale of specified securities to the public by any existing holder of such securities in an unlisted Issuer.

For undertaking an IPO, an Issuer is inter-alia required to comply with the eligibility requirements of in terms of either Regulation 26(1) or Regulation 26(2) of the SEBI ICDR Regulations, 2009. For details of compliance with the eligibility requirements by the Issuer, Bidders/Applicants may refer to the DRHP.

### **2.2 Further public offer (FPO)**

An FPO means an offer of specified securities by a listed Issuer to the public for subscription and may include Offer for Sale of specified securities to the public by any existing holder of such securities in a listed Issuer. For undertaking an FPO, the Issuer is inter-alia required to comply with the eligibility requirements in terms of Regulation 26/ Regulation 27 of the SEBI ICDR Regulations, 2009. For details of compliance with the eligibility requirements by the Issuer, Bidders/Applicants may refer to the RHP/Prospectus.

The Issuer may also undertake IPO under of chapter XB of the SEBI ICDR Regulations, wherein as per,

- Regulation 106M (1): An issuer whose post- issue face value capital does not exceed ten crore rupees shall issue its specified securities in accordance with provisions of this Chapter.
- Regulation 106M (2): An issuer, whose post issue face value capital, is more than ten crore rupees and up to twenty five crore rupees, may also issue specified securities in accordance with provisions of this Chapter.

The present Issue being made under Regulation 106M (2) of Chapter XB of SEBI ICDR Regulation.

### **2.3 OTHER ELIGIBILITY REQUIREMENTS**

In addition to the eligibility requirements specified in paragraphs 2.1 and 2.2, an Issuer proposing to undertake an IPO or an FPO is required to comply with various other requirements as specified in the SEBI ICDR Regulations, 2009, the Companies Act, 1956 and the Companies Act, 2013 ("Companies Act"), The Securities Contracts (Regulation) Rules, 1957 ("SCRR"), industry-specific regulations, if any, and other applicable laws for the time being in force. Following are the eligibility requirements for making a SME IPO under Regulation 106M (2) of Chapter XB of SEBI ICDR Regulation:

- (a) In accordance with regulation 106(P) of the SEBI CDR Regulations, issue has to be 100% underwritten and the BRLM has to underwrite at least 15% of the total issue size.
- (b) In accordance with Regulation 106(R) of the SEBI ICDR Regulations, total number of proposed allottees in the issue shall be greater than or equal to fifty, otherwise, the entire application money will be refunded forthwith. If such money is not repaid

within eight days from the date the company becomes liable to repay it, than the Company and every officer in default shall, on and from expiry of eight days, be liable to repay such application money, with interest as prescribed under section 40 of the Companies Act, 2013.

- (c) In accordance with Regulation 106(O) the SEBI ICDR Regulations, Company is not required to file any Offer Document with SEBI nor has SEBI issue any observations on the Offer Document. The Book Running Lead Manager shall submit the copy of Prospectus and Prospectus along with a Due Diligence Certificate including additional confirmations as required to SEBI at the time of filing the Prospectus and Prospectus with the Registrar of Companies.
- (d) In accordance with Regulation 106(V) of the SEBI ICDR Regulations, the BRLM has to ensure compulsory market making for a minimum period of three years from the date of listing of Equity Shares offered in the issue.
- (e) The company should have track record of at least 3 years.
- (f) The company should have positive cash accruals (earnings before depreciation and tax) from operations for at least 2 financial years preceding the application and its net-worth should be positive
- (g) The post issue paid up capital of the company (face value) shall not be more than Rs. 25 crore.
- (h) The issuer shall mandatorily facilitate trading in demat securities.
- (i) The issuer should not been referred to Board for Industrial and Financial Reconstruction.
- (j) No petition for winding up is admitted by a court or a liquidator has not been appointed of competent jurisdiction against the Company
- (k) No material regulatory or disciplinary action should have been taken by any stock exchange or regulatory authority in the past three years against the issuer
- (l) The Company should have a website. Issuer shall also comply with all the other requirements as laid down for such an Issue under Chapter XB of SEBI ICDR Regulations and subsequent circulars and guidelines issued by SEBI and the Stock Exchange.

As per Regulation 106(M)(3) of SEBI (ICDR) Regulations, 2009, the provisions of Regulations 6(1), 6(2), 6(3), Regulation 7, Regulation 8, Regulation 9, Regulation 10, Regulation 25, Regulation 26, Regulation 27 and Sub regulation (1) of Regulation 49 of SEBI (ICDR) Regulations, 2009 shall not apply to this issue.

Thus Company is eligible for the issue in accordance with regulation 106M (1) and other provisions of chapter XB of the SEBI (ICDR) Regulations as the post issue face value capital does not exceed Rs. 1000 Lakhs. Company also complies with the eligibility conditions laid by the SME Platform of BSE Limited for listing of our Equity Shares.

## **2.4 TYPES OF PUBLIC ISSUES – FIXED PRICE ISSUES AND BOOK BUILT ISSUES**

In accordance with the provisions of the SEBI ICDR Regulations, 2009, an Issuer can either determine the Issue Price through the Book Building Process ("**Book Built issues**") or undertake a Fixed Price Issue ("**Fixed Price Issues**"). An issuer may mention Price or Price Band in the Prospectus (in case of a fixed price Issue) and Floor price or price band in the prospectus (in case of a book built issue) and determine the price at a later date before registering the prospectus with the Registrar of Companies.

The cap on the Price Band should be less than or equal to 120% of the Floor Price. The issuer shall announce the Price or the Floor Price or the Price Band through advertisement in all newspapers in which the pre-issue advertisement was given at least five Working Days before the Bid/ Issue Opening Date, in case of an IPO and at least one Working Day before the Bid/Issue Opening Date, in case of an FPO.

The Floor Price or the Issue price cannot be lesser than the face value of the securities. Bidders should refer to the RHP/ Prospectus or Issue advertisements to check whether the Issue is a Book Built Issue or a Fixed Price Issue.

## **2.5 ISSUE PERIOD**

The Issue may be kept open for a minimum of three Working Days (for all category of Bidders/Applicants) and not more than ten Working Days. Bidders/Applicants are advised to refer to the Bid cum Application Form and Abridged Prospectus or RHP/Prospectus for details of the Bid/Issue Period. Details of Bid/Issue Period are also available on the website of the Stock Exchange(s).

In case of a Book Built Issue, the Issuer may close the Bid/Issue Period for QIBs one Working Day prior to the Bid/Issue Closing Date if disclosures to that effect are made in the RHP. In case of revision of the Floor Price or Price Band in Book Built Issues the Bid/Issue Period may be extended by at least three Working Days, subject to the total Bid/Issue Period not exceeding 10 Working Days. For details of any revision of the Floor Price or Price Band, Bidders/Applicants may check the announcements made by the Issuer on the websites of the Stock Exchanges and the BRLM and the advertisement in the newspaper(s) issued in this regard

## **2.6 MIGRATION TO MAIN BOARD**

SME Issuer may migrate to the Main Board of SE from the SME Exchange at a later date subject to the following:

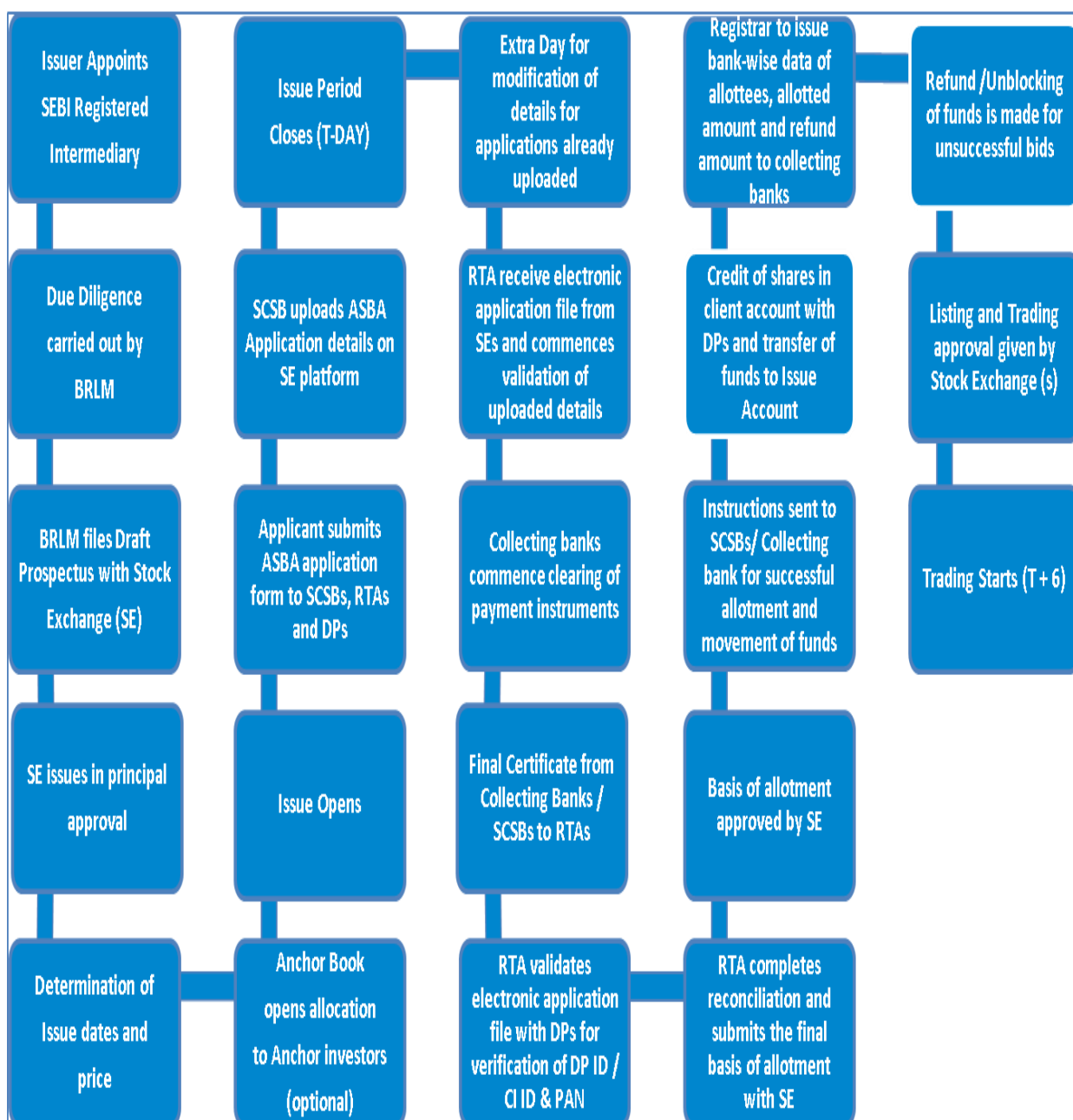
- (a) If the Paid up Capital of the Company is likely to increase above Rs. 25 crores by virtue of any further issue of capital by way of rights, preferential issue, bonus issue etc. (which has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the Promoter in favor of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal and for which the company has obtained in-principal approval from the main board), the Company shall apply to SE for listing of its shares on its Main Board subject to the fulfillment of the eligibility criteria for listing of specified securities laid down by the Main Board.

OR

- (b) If the Paid up Capital of the company is more than 10 crores but below Rs. 25 crores, the Company may still apply for migration to the main board if the same has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the Promoter in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal.

## 2.7 FLOWCHART OF TIMELINES

A flow chart of process flow in Fixed Price and Book Built Issues is as follows





### **SECTION 3: CATEGORY OF INVESTORS ELIGIBLE TO PARTICIPATE IN AN ISSUE**

***Each Bidder should check whether it is eligible to apply under applicable law.*** Furthermore, certain categories of Bidders, such as NRIs, FPIs and FVCIs may not be allowed to apply in the Issue or to hold Equity Shares, in excess of certain limits specified under applicable law. Bidders are requested to refer to the DRHP for more details.

Subject to the above, an illustrative list of Bidders is as follows:

1. Indian nationals resident in India who are not incompetent to contract in single or joint names (not more than three) or in the names of minors through natural/legal guardian;
2. Hindu Undivided Families or HUFs, in the individual name of the Karta. The Bidders should specify that the Bid is being made in the name of the HUF in the Bid cum Application Form as follows: Name of Sole or First Bidder: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta. Bids by HUFs would be considered at par with those from individuals;
3. Companies, Corporate Bodies and Societies registered under the applicable laws in India and authorized to invest in the Equity Shares under their respective constitutional and charter documents;
4. Mutual Funds registered with SEBI;
5. Eligible NRIs on a repatriation basis or on a non-repatriation basis, subject to applicable laws. NRIs other than Eligible NRIs are not eligible to participate in this Issue;
6. Indian Financial Institutions, scheduled commercial banks, regional rural banks, co-operative banks (subject to RBI permission, and the SEBI Regulations and other laws, as applicable);
7. FPIs other than Category III FPI; VCFs and FVCIs registered with SEBI;
8. Limited Liability Partnerships (LLPs) registered in India and authorized to invest in equity shares;
9. State Industrial Development Corporations;
10. 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;
11. Scientific and/or Industrial Research Organizations authorized to invest in equity shares;
12. Insurance Companies registered with IRDA;
13. Provident Funds and Pension Funds with minimum corpus of Rs. 2,500 Lakhs and who are authorized under their constitution to hold and invest in equity shares;
14. Multilateral and Bilateral Development Financial Institutions;
15. 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;

16. Insurance funds set up and managed by army, navy or air force of the Union of India or by Department of Posts, India;
17. Any other person eligible to apply in this Issue, under the laws, rules, regulations, guidelines and policies applicable to them and under Indian laws

As per the existing regulations, OCBs cannot participate in this Issue.

## SECTION 4: APPLYING IN THE ISSUE

**Book Built Issue:** Bidders should only use the specified Bid cum Application Form (or in case of Anchor Investors, the Anchor Investor Application Form) either bearing the stamp of a member of the Syndicate or any other Designated Intermediary, bearing a stamp of the Registered Broker or stamp of SCSBs as available or downloaded from the websites of the Stock Exchanges.

Bid cum Application Forms are available with the Book Running Lead Manager, members of the Syndicate, Registered Brokers, Designated Intermediaries at Branches of the Bidding Centres, SCSBs and at the registered office of the Issuer. Electronic Bid cum Application Forms will be available on the websites of the Stock Exchanges at least one day prior to the Bid/Offer Opening Date. For further details, regarding availability of Bid cum Application Forms, Bidders may refer to the DRHP/RHP.

**Fixed Price Issue:** Applicants should only use the specified cum Application Form bearing the stamp of an SCSB as available or downloaded from the websites of the Stock Exchanges. Application Forms are available with the Designated Branches of the SCSBs and at the Registered and Corporate Office of the Issuer. For further details, regarding availability of Application Forms, Applicants may refer to the Prospectus.

Bidders/Applicants should ensure that they apply in the appropriate category. The prescribed colour of the Bid cum Application Form for various categories of Bidders/Applicants is as follows:

Category	Colour of the Bid cum Application Form (Excluding download forms from SE website)
Resident Indian, Eligible NRIs applying on a non repatriation basis	White
Non-Residents and Eligible NRIs, FIIs, FVCIs, etc. applying on a repatriation basis	Blue
Anchor Investors (where applicable) & Bidders applying in the reserved category	Not applicable

Securities issued in an IPO can only be in dematerialized form in compliance with Section 29 of the Companies Act, 2013. Bidders will not have the option of getting the allotment of specified securities in physical form. However, they may get the specified securities rematerialized subsequent to allotment.

### 4.1 INSTRUCTIONS FOR FILING THE BID CUM APPLICATION FORM/ ASBA FORM

Bidders may note that forms not filled completely or correctly as per instructions provided in this GID, the RHP and the Bid cum Application Form/ Application Form are liable to be rejected. Instructions to fill each field of the Bid cum Application Form can be found on the reverse side of the Bid cum Application Form. Specific instructions for filling various fields of the Resident Bid cum Application Form and Non-Resident Bid cum Application Form and samples are provided below.

The samples of the Bid cum Application Form for resident Bidders and the Bid cum Application Form for non- resident Bidders are reproduced below:

## R Bid cum Application Form

<b>COMMON BID CUM APPLICATION FORM</b>	<b>BENARA BEARINGS AND PISTONS LIMITED - INITIAL PUBLIC ISSUE - R</b> Registered Office: A-3 & -4, Site B Industrial Area, Sikandra Agra, Uttar Pradesh India 285007, Tel. No.: +91 562 2970158; Fax No.: +91 562 2970158, E-mail: <a href="mailto:investorgrievance@benara-phb.com">investorgrievance@benara-phb.com</a> ; Website: <a href="http://www.benara-phb.com">www.benara-phb.com</a> ; CIN NO: U50300PL1990PLC012518	<b>FOR RESIDENT INDIANS INCLUDING RESIDENT QIBs AND ELIGIBLE NRIs APPLYING ON A NON-REPATRIATION BASIS</b>																																																																												
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		<b>2. PAN OF SOLE / FIRST BIDDER</b> _____																																																																												
<b>3. BIDDER'S DEPOSITORY ACCOUNT DETAILS</b> <input type="checkbox"/> NSDL <input type="checkbox"/> CDSL For NSDL enter 8 Digit DP ID followed by 8 Digit Client ID / For CDSL enter 16 Digit Client ID.		<b>6. INVESTOR STATUS</b> <input type="checkbox"/> Individual(s) - IND <input type="checkbox"/> Hindu Undivided Family* - HUF <input type="checkbox"/> Non-Resident Indians (Non-Repatriation basis) - NRI <input type="checkbox"/> Bodies Corporate - CO <input type="checkbox"/> Banks & Financial Institutions - FI <input type="checkbox"/> Mutual Funds - MF <input type="checkbox"/> National Investment Funds - NIF <input type="checkbox"/> Insurance Funds - IF <input type="checkbox"/> Insurance Companies - IC <input type="checkbox"/> Venture Capital Funds - VCF <input type="checkbox"/> Alternate Investment Funds - AIF <input type="checkbox"/> Others (Please Specify) - OTH																																																																												
<b>4. BID OPTIONS (Only Retail individual Bidders can BID at "Cut-Off")</b> Price band Rs. [●]/- to Rs. [●]/- <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th rowspan="2">Bid Options</th> <th colspan="8">No. of Equity Shares Bid (In Figures) (Bids must be in multiples of [●] equity shares)</th> <th colspan="4">Price per Equity Share (₹) / "Cut-off"</th> <th rowspan="2">Retail Individual Bidder</th> <th rowspan="2">Non Institutional Bidder</th> <th rowspan="2">QIB</th> </tr> <tr> <th>8</th><th>1</th><th>6</th><th>3</th><th>4</th><th>3</th><th>2</th><th>1</th> <th>Bid Price</th> <th>Retail Discount</th> <th>Net Price</th> <th>"Cut-Off" (Please ✓/tick)</th> </tr> </thead> <tbody> <tr> <td>Option 1</td> <td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td> <td></td><td></td><td></td><td></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> </tr> <tr> <td>(OR) Option 2</td> <td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td> <td></td><td></td><td></td><td></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> </tr> <tr> <td>(OR) Option 3</td> <td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td> <td></td><td></td><td></td><td></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> </tr> </tbody> </table>		Bid Options	No. of Equity Shares Bid (In Figures) (Bids must be in multiples of [●] equity shares)								Price per Equity Share (₹) / "Cut-off"				Retail Individual Bidder	Non Institutional Bidder	QIB	8	1	6	3	4	3	2	1	Bid Price	Retail Discount	Net Price	"Cut-Off" (Please ✓/tick)	Option 1													<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	(OR) Option 2													<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	(OR) Option 3													<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<b>5. CATEGORY</b> <input type="checkbox"/> Retail Individual Bidder <input type="checkbox"/> Non Institutional Bidder <input type="checkbox"/> QIB
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I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ AND UNDERSTOOD THE TERMS AND CONDITIONS OF THIS BID CUM APPLICATION FORM AND THE ATTACHED ABRIDGED PROSPECTUS AND THE GENERAL INFORMATION DOCUMENT FOR INVESTING IN PUBLIC OFFERS ("GID") AND HEREBY AGREE AND CONFIRM THE "BIDDERS UNDERTAKING" AS GIVEN OVERLEAF. I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ THE INSTRUCTIONS FOR FILLING UP THE BID CUM APPLICATION FORM GIVEN OVERLEAF.																																																																														
<b>8A. SIGNATURE OF SOLE / FIRST BIDDER</b>  Date: _____, 2017	<b>8 B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(S) (AS PER BANK RECORDS)</b> I/We authorize the SCSB to do all acts as are necessary to make the Application in the Offer 1) _____ 2) _____ 3) _____	SYNDICATE MEMBER/BROKER / SCSB / CDP / RTA STAMP (Acknowledging upload of Bid in Stock Exchange system)																																																																												
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# NR Bid cum Application ASBA Form

<b>COMMON BID CUM APPLICATION FORM</b>	<b>BENARA BEARINGS AND PISTONS LIMITED - INITIAL PUBLIC ISSUE - NR</b> Registered Office: A-3 & -4, Site B Industrial Area, Sikandra Agra, Uttar Pradesh India 285007, Tel. No.: +91 562 2970158; Fax No.: +91 562 2970158, E-mail: <a href="mailto:investorgrievance@benara-phb.com">investorgrievance@benara-phb.com</a> ; Website: <a href="http://www.benara-phb.com">www.benara-phb.com</a> ; CIN NO: U50300UP1990PLC012518	<b>FOR NON-RESIDENTS, INCLUDING ELIGIBLE NRIs, FIIs FPIs OR FVCIs, ETC APPLYING ON A REPATRIATION BASIS</b>																																																																														
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#### 4.1.1 NAME AND CONTACT DETAILS OF THE SOLE/ FIRST BIDDER

Bidders should ensure that the name provided in this field is exactly the same as the name in which the Depository Account is held.

- (a) **Mandatory Fields:** Bidders should note that the name and address fields are compulsory and e-mail and/or telephone number/ mobile number fields are optional. Bidders should note that the contact details mentioned in the Bid cum Application Form/ Application Form may be used to dispatch communications) in case the communication sent to the address available with the Depositories are returned undelivered or are not available. The contact details provided in the Bid cum Application Form may be used by the Issuer, the members of the Syndicate, the Registered Broker and the Registrar to the Issue only for correspondence(s) related to an Issue and for no other purposes.
- (b) **Joint Bids:** In the case of Joint Bids, the Bids should be made in the name of the Bidder whose name appears first in the Depository account. The name so entered should be the same as it appears in the Depository records. The signature of only such first Bidder would be required in the Bid cum Application Form/ Application Form and such first Bidder would be deemed to have signed on behalf of the joint holders. All payments may be made out in favour of the Bidder whose name appears in the Bid cum Application Form/ Application Form or the Revision Form and all communications may be addressed to such Bidder and may be dispatched to his or her address as per the Demographic Details received from the Depositories.
- (c) **Impersonation:** Attention of the Bidders is specifically drawn to the provisions of sub section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:

*Any person who:*

- *makes or abets making of an application in a fictitious name to a Company for acquiring, or subscribing for, its securities; or*
- *makes or abets making of multiple applications to a Company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or*
- *otherwise induces directly or indirectly a Company to allot, or register any transfer of securities to him, or to any other person in a fictitious name,*

*Shall be liable for action under section 447 of the said Act.*

- (d) **Nomination Facility to Bidder:** Nomination facility is available in accordance with the provisions of Section 72 of the Companies Act, 2013. In case of allotment of the Equity Shares in dematerialized form, there is no need to make a separate nomination as the nomination registered with the Depository may prevail. For changing nominations, the Bidders should inform their respective DP.

#### 4.1.2 PAN NUMBER OF SOLE /FIRST BIDDER

- (a) PAN (of the sole/first Bidder) provided in the Bid cum Application Form/Application Form should be exactly the same as the PAN of the person in whose sole or first name the relevant beneficiary account is held as per the

Depositories' records.

- (b) PAN is the sole identification number for participants transacting in the securities market irrespective of the amount of transaction except for Bids on behalf of the Central or State Government, Bids by officials appointed by the courts and Bids by Bidders residing in Sikkim ("PAN Exempted Bidders"). Consequently, all Bidders, other than the PAN Exempted Bidders, are required to disclose their PAN in the Bid cum Application Form, irrespective of the Bid Amount. Bids by the Bidders whose PAN is not available as per the Demographic Details available in their Depository records, are liable to be rejected.
- (c) The exemption for the PAN Exempted Bidders is subject to (a) the Demographic Details received from the respective Depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in ("active status"); and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same.
- (d) Bid cum Application Forms which provide the GIR Number instead of PAN may be rejected.
- (e) Bids by Bidders whose demat accounts have been 'suspended for credit' are liable to be rejected pursuant to the circular issued by SEBI on July 29, 2010, bearing number CIR/MRD/DP/22/2010. Such accounts are classified as "Inactive demat accounts" and Demographic Details are not provided by depositories.

#### **4.1.3 BIDDERS DEPOSITORY ACCOUNT DETAILS**

- (a) Bidder should ensure that DP ID and the Client ID are correctly filled in the Bid cum Application Form. The DP ID and Client ID provided in the Bid cum Application Form should match with the DP ID and Client ID available in the Depository database, otherwise, the Bid cum Application Form is liable to be rejected.
- (b) Bidder should ensure that the beneficiary account provided in the Bid cum Application Form is active.
- (c) Bidder should note that on the basis of DP ID and Client ID as provided in the Bid cum Application Form, the Bidder may be deemed to have authorized the Depositories to provide to the Registrar to the Issue, any requested Demographic Details of the as available on the records of the depositories. These Demographic Details may be used, among other things, for sending allocation advice and for other correspondence(s) related to the Issue.
- (d) Bidders are, advised to update any changes to their Demographic Details as available in the records of the Depository Participant to ensure accuracy of records. Any delay resulting from failure to update the Demographic Details would be at the Bidders' sole risk.

#### **4.1.4 BID OPTIONS**

- (a) Price or Floor Price or Price Band, minimum Bid Lot and Discount (if applicable) may be disclosed in the RHP by the Issuer. The Issuer is required to announce the Floor Price or Price Band, minimum Bid Lot and Discount (if applicable) by way of

an advertisement in at least one English, one Hindi and one regional newspaper, with wide circulation, at least five Working Days before Bid/Issue Opening Date in case of an IPO, and at least one Working Day before Bid/Issue Opening Date in case of an FPO.

- (b) The Bidders may Bid at or above Floor Price or within the Price Band for IPOs undertaken through the Book Building Process. Cut-Off Price: Retail Individual Investors or Employees or Retail Individual Shareholders can Bid at the Cut off Price indicating their agreement to Bid for and purchase the Equity Shares at the Offer Price as determined at the end of the Book Building Process. Bidding at the Cut-off Price is prohibited for QIBs and NIIs and such Bids from QIBs and NIIs may be rejected.
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- (d) Minimum Bid Value and Bid Lot: The Issuer in consultation with the BRLM may decide the minimum number of Equity Shares for each Bid to ensure that the minimum Bid value is within the range of above Rs.1,00,000. The minimum Bid Lot is accordingly determined by an Issuer on basis of such minimum Bid value.
- (e) Allotment: The Allotment of specified securities to each RII shall not be less than the minimum Bid Lot, subject to availability of shares in the RII category, and the remaining available shares, if any, shall be Allotted on a proportionate basis. For details of the Bid Lot, Bidders may to the RHP or the advertisement regarding the Price Band published by the Issuer.

#### **4.1.4 (i) Maximum and Minimum Bid Size**

- (a) The Bidder may Bid for the desired number of Equity Shares at a specific price. Bids by Retail Individual Investors, Employees and Retail Individual Shareholders must be for such number of shares so as to ensure that the Bid Amount less Discount (as applicable), payable by the Bidder does not exceed Rs. 200,000.
- (b) In case the Bid Amount exceeds Rs. 200,000 due to revision of the Bid or any other reason, the Bid may be considered for allocation under the Non-Institutional Category (with it not being eligible for Discount), then such Bid may be rejected if it is at the Cut-off Price.
- (c) For NRIs, a Bid Amount of up to Rs. 200,000 may be considered under the Retail Category for the purposes of allocation and a Bid Amount exceeding Rs. 200,000 may be considered under the Non-Institutional Category for the purposes of allocation.
- (d) Bids by QIBs and NIIs must be for such minimum number of shares such that the Bid Amount exceeds Rs. 200,000 and in multiples of such number of Equity Shares thereafter, as may be disclosed in the Bid cum Application Form and the RHP/Prospectus, or as advertised by the Issuer, as the case may be. Non-Institutional Investors and QIBs are not allowed to Bid at Cut off Price.



- (e) RII may revise or withdraw their bids until Bid/Offer Closing Date. QIBs and NII's cannot withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after Bidding and are required to pay the Bid Amount upon submission of the Bid.
- (f) In case the Bid Amount reduces to Rs. 200,000 or less due to a revision of the Price Band, Bids by the Non-Institutional Investors who are eligible for allocation in the Retail Category would be considered for allocation under the Retail Category.
- (g) For Anchor Investors, if applicable, the Bid Amount shall be least Rs 10 crores. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to other Anchor Investors. Bids by various schemes of a Mutual Fund shall be aggregated to determine the Bid Amount. A Bid cannot be submitted for more than 60% of the QIB Category under the Anchor Investor Portion. Anchor Investors cannot withdraw their Bids or lower the size of their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after the Anchor Investor Bid/Offer Period and are required to pay the Bid Amount at the time of submission of the Bid. In case the Anchor Investor Issue Price is lower than the Issue Price, the balance amount shall be payable as per the pay-in-date mentioned in the revised CAN. In case the Issue Price is lower than the Anchor Investor Offer Price, the amount in excess of the Issue Price paid by the Anchor Investors shall not be refunded to them.
- (h) A Bid cannot be submitted for more than the issue size.
  - (i) The maximum Bid by any Bidder including QIB Bidder should not exceed the investment limits prescribed for them under the applicable laws.
  - (ii) The price and quantity options submitted by the Bidder in the Bid cum Application Form may be treated as optional bids from the Bidder and may not be cumulated. After determination of the issue Price, the number of Equity Shares Bid for by a Bidder at or above the issue Price may be considered for Allotment and the rest of the Bid(s), irrespective of the Bid Amount may automatically become invalid. This is not applicable in case of FPOs undertaken through Alternate Book Building Process.

#### **4.1.4 (ii) Multiple Bids**

- (a) Bidder should submit only one Bid cum Application Form. Bidder shall have the option to make a maximum of Bids at three different price levels in the Bid cum Application Form and such options are not considered as multiple Bids. Submission of a second Bid cum Application Form to either the same or to another member of the Syndicate, SCSB or Registered Broker and duplicate copies of Bid cum Application Forms bearing the same application number shall be treated as multiple Bids and are liable to be rejected.
- (b) Bidders are requested to note the following procedures may be followed by the Registrar to the Issue to detect multiple Bids:
  - (i) All Bids may be checked for common PAN as per the records of the Depository. For Bidders other than Mutual Funds and FII sub-accounts, Bids bearing the same PAN may be treated as multiple Bids by a Bidder and may be rejected.

- (ii) For Bids from Mutual Funds and FII sub-accounts, submitted under the same PAN, as well as Bids on behalf of the PAN Exempted Bidders, the Bid cum Application Forms may be checked for common DP ID and Client ID. Such Bids which have the same DP ID and Client ID may be treated as multiple Bids and are liable to be rejected.
- (c) The following Bids may not be treated as multiple Bids:
  - (i) Bids by Reserved Categories Bidding in their respective Reservation Portion as well as bids made by them in the Offer portion in public category.
  - (ii) Separate Bids by Mutual Funds in respect of more than one scheme of the Mutual Fund provided that the Bids clearly indicate the scheme for which the Bid has been made.
  - (iii) Bids by Mutual Funds, and sub-accounts of FIIs (or FIIs and its sub-accounts) submitted with the same PAN but with different beneficiary account numbers, Client IDs and DP IDs.
  - (iv) Bids by Anchor Investors under the Anchor Investor Portion and the QIB Portion.

#### **4.1.5 CATEGORY OF BIDDERS**

- (a) The categories of Bidders identified as per the SEBI ICDR Regulations, 2009 for the purpose of Bidding, allocation and allotment in the Issue are RIIs, NIIs and QIBs.
- (b) An Issuer can make reservation for certain categories of Bidders as permitted under the SEBI ICDR Regulations, 2009. For details of any reservations made in the Issue, Bidders may refer to the RHP.
- (c) The SEBI ICDR Regulations, 2009, specify the allocation or allotment that may be made to various categories of Bidders in an Issue depending upon compliance with the eligibility conditions. Details pertaining to allocation are disclosed on reverse side of the Revision Form. For Issue specific details in relation to allocation Bidder may refer to the DRHP.

#### **4.1.6 INVESTOR STATUS**

- (a) Each Bidder should check whether it is eligible to apply under applicable law and ensure that any prospective allotment to it in the Issue is in compliance with the investment restrictions under applicable law.
- (b) Certain categories of Bidder, such as NRIs, FPIs and FVCIs may not be allowed to Bid/apply in the Issue or hold Equity Shares exceeding certain limits specified under applicable law. Bidders are requested to refer to the Prospectus for more details.
- (c) Bidders should check whether they are eligible to apply on non-repatriation basis or repatriation basis and should accordingly provide the investor status. Details regarding investor status are different in the Resident Bid cum Application Form and Non-Resident Bid cum Application Form.
- (d) Bidders should ensure that their investor status is updated in the Depository records.

#### **4.1.7 PAYMENT DETAILS**

- (a) The full Bid Amount (net of any Discount, as applicable) shall be blocked in the ASBA Account based on the authorisation provided in the Bid cum Application Form. If discount is applicable in the Issue, the RIIs should indicate the full Bid Amount in the Bid cum Application Form and the funds shall be blocked for the Bid Amount net of Discount. Only in cases where the RHP indicates that part payment may be made, such an option can be exercised by the Bidder. In case of Bidders specifying more than one Bid Option in the Bid cum Application Form, the total Bid Amount may be calculated for the highest of three options at net price, i.e. Bid price less Discount offered, if any.
- (b) Bid Amount cannot be paid in cash, through money order or through postal order or through stock invest.
- (c) Bidders who Bid at Cut-off Price shall DEPOSIT the Bid Amount based on the Cap Price.
- (d) All Bidders can participate in the Offer only through the ASBA mechanism.

Please note that, providing bank account details in the space provided in the Bid cum Application Form is mandatory and Applications that do not contain such details are liable to be rejected.

#### **4.1.7 (i) Payment instructions for Bidders**

- a. Bidders may submit the Bid cum Application Form either
  - (i) in electronic mode through the internet banking facility offered by an SCSB authorizing blocking of funds that are available in the ASBA account specified in the Bid cum Application Form, or
  - (ii) in physical mode to any Designated Intermediary.
- b. Bidders must specify the Bank Account number in the Bid cum Application Form. The Bid cum Application Form submitted by Bidder and which is accompanied by cash, demand draft, money order, postal order or any mode of payment other than blocked amounts in the ASBA Account maintained with an SCSB, will not be accepted.
- c. Bidders should ensure that the Bid cum Application Form is also signed by the ASBA Account holder(s) if the Bidder is not the ASBA Account holder.
- d. Bidders shall note that for the purpose of blocking funds under ASBA facility clearly demarcated funds shall be available in the account.
- e. From one ASBA Account, a maximum of five Bid cum Application Forms can be submitted.
- f. Bidders should submit the Bid cum Application Form only at the Bidding Centre i.e. to the respective member of the Syndicate at the Specified Locations, the SCSBs, the Registered Broker at the Broker Centres, the RTA at the Designated RTA Locations or CDP at the Designated CDP Locations.
- g. Bidders bidding through a Designated Intermediary, other than a SCSB, should note that Bid cum Application Forms submitted to such Designated Intermediary may not

be accepted, if the SCSB where the ASBA Account, as specified in the Bid cum Application Form, is maintained has not named at least one branch at that location for such Designated Intermediary, to deposit Bid cum Application Forms.

- h. Bidders bidding directly through the SCSBs should ensure that the Bid cum Application Form is submitted to a Designated Branch of a SCSB where the ASBA Account is maintained.
- i. Upon receipt of the Bid cum Application Form, the Designated Branch of the SCSB may verify if sufficient funds equal to the Bid Amount are available in the ASBA Account, as mentioned in the Bid cum Application Form.
- j. If sufficient funds are available in the ASBA Account, the SCSB may block an amount equivalent to the Bid Amount mentioned in the Bid cum Application Form and for application directly submitted to SCSB by investor, may enter each Bid option into the electronic bidding system as a separate Bid.
- k. If sufficient funds are not available in the ASBA Account, the Designated Branch of the SCSB may not accept such Bids and such bids are liable to be rejected.
- l. Upon submission of a completed Bid cum Application Form each Bidder may be deemed to have agreed to block the entire Bid Amount and authorized the Designated Branch of the SCSB to block the Bid Amount specified in the Bid cum Application Form in the ASBA Account maintained with the SCSBs.
- m. The Bid Amount may remain blocked in the aforesaid ASBA Account until finalisation of the Basis of Allotment and consequent transfer of the Bid Amount against the Allotted Equity Shares to the Public Issue Account, or until withdrawal or failure of the Issue, or until withdrawal or rejection of the Bid, as the case may be.
- n. SCSBs bidding in the Issue must apply through an Account maintained with any other SCSB; else their Bids are liable to be rejected.

#### **4.1.8. UNBLOCKING OF ASBA ACCOUNT**

- (a) Once the Basis of Allotment is approved by the Designated Stock Exchange, the Registrar to the Issue may provide the following details to the controlling branches of each SCSB, along with instructions to unblock the relevant bank accounts and for successful Bids transfer the requisite money to the Public Issue Account designated for this purpose, within the specified timelines: (i) the number of Equity Shares to be Allotted against each Bid, (ii) the amount to be transferred from the relevant bank account to the Public Issue Account, for each Bid, (iii) the date by which funds referred to in (ii) above may be transferred to the Public Issue Account, and (iv) details of rejected Bids, if any, to enable the SCSBs to unblock the respective bank accounts.
- (b) On the basis of instructions from the Registrar to the Issue, the SCSBs may transfer the requisite amount against each successful Bidder to the Public Issue Account and may unblock the excess amount, if any, in the ASBA Account.
- (c) In the event of withdrawal or rejection of the Bid cum Application Form and for

unsuccessful Bids, the Registrar to the Issue may give instructions to the SCSB to unblock the Bid Amount in the relevant ASBA Account within six Working Days of the Bid/Issue Closing Date.

- (d) In the event of withdrawal or rejection of the Bid cum Application Form and for unsuccessful Bidders, the Registrar to the Issue may give instructions to the SCSB to unblock the Bid Amount in the relevant ASBA Account within 6 Working Days of the Bid/Issue Closing Date.

#### **4.1.8 (i) Discount (if applicable)**

- (a) The Discount is stated in absolute rupee terms.
- (b) Bidders applying under RII category, Retail Individual Shareholder and employees are only eligible for discount. For Discounts offered in the Issue, Bidders may refer to the RHP/Prospectus.
- (c) The Bidders entitled to the applicable Discount in the Issue may make payment for an amount i.e. the Bid Amount less Discount (if applicable).

Bidder may note that in case the net payment (post Discount) is more than two lakh Rupees, the bidding system automatically considers such Bids for allocation under Non-Institutional Category. These Bids are neither eligible for Discount nor fall under RII category.

#### **4.1.8 (ii) Additional Payment Instructions for NRIs**

The Non-Resident Indians who intend to block funds through Non-Resident Ordinary (NRO) accounts shall use the form meant for Resident Indians (non-repatriation basis). In the case of Bids by NRIs applying on a repatriation basis, payment shall not be accepted out of NRO Account.

#### **4.1.9 SIGNATURES AND OTHER AUTHORISATIONS**

- (a) Only the First Bidder is required to sign the Bid cum Application Form. Bidders should ensure that signatures are in one of the languages specified in the Eighth Schedule to the Constitution of India.
- (b) If the ASBA Account is held by a person or persons other than the Bidder, then the Signature of the ASBA Account holder(s) is also required.
- (c) In relation to the Bids, signature has to be correctly affixed in the authorization/undertaking box in the Bid cum Application Form, or an authorisation has to be provided to the SCSB via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid/ amount mentioned in the Bid cum Application Form.
- (d) Bidders must note that Bid cum Application Form without signature of Bidder and /or ASBA Account holder is liable to be rejected.

#### **4.1.10. ACKNOWLEDGEMENT AND FUTURE COMMUNICATION**

- (a) Bidders should ensure that they receive the acknowledgment duly signed and

stamped by Bid Collecting Intermediary or SCSB, as applicable, for submission of the Bid cum Application Form.

- (b) All communications in connection with Bid made in the Offer should be addressed as under:
  - (i) In case of queries related to Allotment, non-receipt of Allotment Advice, credit of allotted equity shares, the Bidders should contact the Registrar to the Issue.
  - (ii) In case of ASBA Bids submitted to the Designated Branches of the SCSBs, the Bidders should contact the relevant Designated Branch of the SCSB.
  - (iii) Bidders may contact the Company Secretary and Compliance Officer or BRLM in case of any other complaints in relation to the Offer.
  - (iv) In case of queries relating to uploading of Bids by a Syndicate Member, the Bidders should contact the relevant Syndicate Member.
  - (v) In case of queries relating to uploading of Bids by a Registered Broker, the Bidders should contact the relevant Registered Broker
  - (vi) In case of Bids submitted to the RTA, the Bidders should contact the relevant RTA.
- (c) In case of Bids submitted to the DP, the Bidders should contact the relevant DP. (c) The following details (as applicable) should be quoted while making any queries -
  - (i) Full name of the sole or First Bidder, Bid cum Application Form number, Bidder's DP ID, Client ID, PAN, number of Equity Shares applied for, amount paid on Bid.
  - (ii) name and address of the Designated Intermediary, where the Bid was submitted; or

For further details, Bidder may refer to the Prospectus and the Bid cum Application Form.

## **4.2 INSTRUCTIONS FOR FILING THE REVISION FORM**



- (a) During the Bid/Offer Period, any Bidder (other than QIBs and NIIs, who can only revise their Bid amount upwards) who has registered his or her interest in the Equity Shares for a particular number of shares is free to revise number of shares applied using revision forms available separately.
- (b) RII may revise / withdraw their Bid till closure of the Bid/Offer period.
- (c) Revisions can be made only in the desired number of Equity Shares by using the Revision Form.
- (d) The Bidder can make this revision any number of times during the Bid/Offer Period. However, for any revision(s) in the Bid, the Bidders will have to use the services of the SCSB through which such Bidder had placed the original Bid.

A sample Revision form is reproduced below:

# Revision Form-R

<b>COMMON BID REVISION FORM</b>	<b>BENARA BEARINGS AND PISTONS LIMITED - INITIAL PUBLIC ISSUE - R</b> Registered Office: A-3 & -4, Site B Industrial Area, Sikandra Agra, Uttar Pradesh India 285007, Tel. No.: +91 562 2970158; Fax No.: +91 562 2970158, E-mail: investorgrivance@benara-phb.com; Website: www.benara-phb.com; CIN NO: U50300UP1990PLC012518	<b>FOR RESIDENT INDIANS INCLUDING RESIDENT QIBs AND ELIGIBLE NRIs APPLYING ON A NON-REPATRIATION BASIS</b>																																
<div style="display: flex; justify-content: space-between; align-items: center;"> <div style="text-align: center;">   <b>To,</b>  <b>The Board of Directors</b>  <b>BENARA BEARINGS AND PISTONS LIMITED</b> </div> <div style="border: 1px solid black; padding: 2px;"> <b>BOOK BUILT ISSUE</b>  <b>ISIN - INE</b> </div> <div style="text-align: right;"> <b>Bid Cum Application Form No.</b> </div> </div>		<b>1. NAME &amp; CONTACT DETAILS OF SOLE/FIRST BIDDER</b> Mr./Ms./M/s. _____ Address _____ Email _____ Tel. No (with STD code) / Mobile _____																																
<b>SYNDICATE MEMBER'S STAMP &amp; CODE</b>  <b>SUB-BROKER'S/SUB-AGENT'S STAMP &amp; CODE</b>  <b>BANK BRANCH SERIAL NO.</b>	<b>BROKER'S / SCSB / DP / RTA STAMP &amp; CODE</b>  <b>ESCROW BANK / SCSB BRANCH STAMP &amp; CODE</b>  <b>SCSB SERIAL NO.</b>	<b>2. PAN OF SOLE / FIRST BIDDER</b> _____ <b>3. BIDDERS DEPOSITORY ACCOUNT DETAILS</b> <input type="checkbox"/> NSDL <input type="checkbox"/> CDSL For NSDL enter 8 Digit DP ID followed by 8 Digit Client ID / For CDSL enter 16 Digit Client ID																																
<b>PLEASE CHANGE MY BID</b>																																		
<b>4. FROM (AS PER LAST BID OR REVISION)</b>																																		
<b>Bid Options</b>	<b>No. of Equity Shares Bid (In Figures)</b> (Bids must be in multiples of [●] equity shares)	<b>Price per Equity Share (₹) / "Cut-off" (In Figures)</b>																																
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<b>6. PAYMENT DETAILS</b>																																		
<b>PAYMENT OPTION : Full Payment</b> <input type="checkbox"/>																																		
Additional Amount Paid (₹ in Figures) _____ (₹ in words) _____																																		
ASBA Bank A/c No. _____ Bank Name & Branch _____																																		
I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ AND UNDERSTOOD THE TERMS AND CONDITIONS OF THIS BID CUM APPLICATION FORM AND THE ATTACHED ABRIDGED PROSPECTUS AND THE GENERAL INFORMATION DOCUMENT FOR INVESTING IN PUBLIC OFFERS ("GID") AND HEREBY AGREE AND CONFIRM THE 'BIDDERS UNDERTAKING' AS GIVEN OVERLEAF. I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ THE INSTRUCTIONS FOR FILLING UP THE BID CUM APPLICATION FORM GIVEN OVERLEAF.																																		
<b>7 A. SIGNATURE OF SOLE / FIRST BIDDER</b>  Date: _____, 2017	<b>7 B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(S) (AS PER BANK RECORDS)</b> I/We authorize the SCSB to do all acts as are necessary to make the Application in the Offer 1) _____ 2) _____ 3) _____	<b>SYNDICATE MEMBER/BROKER / SCSB / CDP / RTA STAMP (Acknowledging upload of Bid in Stock Exchange system)</b>																																
TEAR HERE																																		
<div style="display: flex; justify-content: space-between; align-items: center;"> <div style="text-align: center;">   <b>BENARA BEARINGS AND PISTONS LIMITED - BID REVISION FORM - INITIAL PUBLIC ISSUE - R</b> </div> <div style="border: 1px solid black; padding: 2px;"> <b>Acknowledgement Slip for Syndicate Member Broker/SCSB/CDP/RTA</b> </div> <div style="text-align: right;"> <b>Bid Cum Application Form No.</b> </div> </div>		<b>PAN of Sole / First Bidder</b> _____																																
DPID / CLID _____ Additional Amount Blocked (₹ in figures) _____ Bank & Branch _____ Received from Mr./Ms. _____ Telephone / Mobile _____ Email _____		Stamp & Signature of SCSB Branch _____																																
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<b>BENARA BEARINGS AND PISTONS LIMITED - BID REVISION FORM - INITIAL PUBLIC ISSUE - R</b>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 20%;"></td> <td style="width: 20%;">Option 1</td> <td style="width: 20%;">Option 2</td> <td style="width: 20%;">Option 3</td> </tr> <tr> <td>No. of Equity Shares</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Bid Price</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Additional Amount Blocked (₹)</td> <td></td> <td></td> <td></td> </tr> <tr> <td colspan="4">ASBA Bank A/c No.: _____</td> </tr> <tr> <td colspan="4">Bank &amp; Branch: _____</td> </tr> </table>		Option 1	Option 2	Option 3	No. of Equity Shares				Bid Price				Additional Amount Blocked (₹)				ASBA Bank A/c No.: _____				Bank & Branch: _____				<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%;">                 Stamp &amp; Signature of Syndicate Member / Registered Broker / SCSB / CDP / RTA             </td> <td style="width: 50%;"> <b>Name of Sole / First Bidder</b> </td> </tr> <tr> <td colspan="2" style="height: 40px;"></td> </tr> <tr> <td colspan="2" style="text-align: center;"> <b>Acknowledgment Slip for Bidder</b> </td> </tr> <tr> <td colspan="2"> <b>Bid Cum Application Form No.</b> </td> </tr> </table>	Stamp & Signature of Syndicate Member / Registered Broker / SCSB / CDP / RTA	<b>Name of Sole / First Bidder</b>			<b>Acknowledgment Slip for Bidder</b>		<b>Bid Cum Application Form No.</b>	
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## Revision Form- NR

<b>COMMON BID REVISION FORM</b>	<b>BENARA BEARINGS AND PISTONS LIMITED - INITIAL PUBLIC ISSUE - NR</b> Registered Office: A-3 & -4, Site B Industrial Area, Sikandra Agra, Uttar Pradesh India 285007, Tel. No.: +91 562 2970158; Fax No.: +91 562 2970158, E-mail: investorgrievance@benara-phb.com; Website: www.benara-phb.com; CIN NO: U50300UP1990PLC012518	FOR NON-RESIDENTS, INCLUDING ELIGIBLE NRIs, FIIs FPIs OR FVCIs, ETC APPLYING ON A REPATRIATION BASIS												
	To, <b>The Board of Directors BENARA BEARINGS AND PISTONS LIMITED</b>	<table border="1" style="float: right; width: 150px;"> <tr> <td style="text-align: center;"><b>BOOK BUILT ISSUE</b></td> <td style="text-align: center;"><b>Bid Cum Application Form No.</b></td> </tr> <tr> <td style="text-align: center;">ISIN - INE _____</td> <td style="height: 20px;"></td> </tr> </table>	<b>BOOK BUILT ISSUE</b>	<b>Bid Cum Application Form No.</b>	ISIN - INE _____									
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	8 7 6 5 4 3 2 1	Bid Price      Retail Discount, if any      Net Price      "Cut-off" (Please ✓ tick)												
Option 1		<div style="border: 1px solid black; width: 100px; height: 100px; margin: auto; transform: rotate(45deg); opacity: 0.5;">OPTIONAL</div>												
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(OR) Option 2		<div style="border: 1px solid black; width: 100px; height: 100px; margin: auto; transform: rotate(45deg); opacity: 0.5;">OPTIONAL</div>												
(OR) Option 3		<div style="border: 1px solid black; width: 100px; height: 100px; margin: auto; transform: rotate(45deg); opacity: 0.5;">OPTIONAL</div>												
<b>6. PAYMENT DETAILS</b>														
Additional Amount Blocked (₹ in Figures) _____		<b>PAYMENT OPTION : Full Payment <input checked="" type="checkbox"/></b>												
Blocked (₹ in Figures) _____ (₹ in words) _____														
ASBA Bank A/c No. _____														
Bank Name & Branch _____														
_____														
I/AE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/W HAVE READ AND UNDERSTOOD THE TERMS AND CONDITIONS OF THIS BID CUM APPLICATION FORM AND THE ATTACHED ABRIDGED PROSPECTUS AND THE GENERAL INFORMATION DOCUMENT FOR INVESTING IN PUBLIC OFFERS ("GID") AND HEREBY AGREE AND CONFIRM THE "BIDDERS UNDERTAKING" AS GIVEN OVER LEAF I/W (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/W HAVE READ THE INSTRUCTIONS FOR FILLING UP THE BID CUM APPLICATION FORM GIVEN OVER LEAF.														
<b>7A. SIGNATURE OF SOLE / FIRST BIDDER</b>	<b>7B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(S) (AS PER BANK RECORDS)</b> <small>I/We authorize the SCSEB to do all acts as are necessary to make the Application in the Offer</small> 1) _____ 2) _____ 3) _____	<b>SYNDICATE MEMBER/BROKER / SCSEB / CDP / RTA STAMP (Acknowledging upload of Bid in Stock Exchange system)</b>												
Date: _____, 2017														
TEAR HERE														
 <table style="width: 100%;"> <tr> <td style="width: 40%; text-align: center; background-color: #f0f0f0;"><b>BENARA BEARINGS AND PISTONS LIMITED - BID REVISION FORM - INITIAL PUBLIC ISSUE - NR</b></td> <td style="width: 20%; text-align: center; background-color: #f0f0f0;"><b>Acknowledgement Slip for Syndicate Member Broker/SCSEB/CDP/RTA</b></td> <td style="width: 40%; text-align: center; background-color: #f0f0f0;"><b>Bid Cum Application Form No.</b></td> </tr> </table>			<b>BENARA BEARINGS AND PISTONS LIMITED - BID REVISION FORM - INITIAL PUBLIC ISSUE - NR</b>	<b>Acknowledgement Slip for Syndicate Member Broker/SCSEB/CDP/RTA</b>	<b>Bid Cum Application Form No.</b>									
<b>BENARA BEARINGS AND PISTONS LIMITED - BID REVISION FORM - INITIAL PUBLIC ISSUE - NR</b>	<b>Acknowledgement Slip for Syndicate Member Broker/SCSEB/CDP/RTA</b>	<b>Bid Cum Application Form No.</b>												
DPID/CLJD _____ Additional Amount Blocked (₹ in figures) _____ Bank & Branch _____ Received from Mr./Ms. _____ Telephone / Mobile _____	ASBA A/c No. _____ Stamp & Signature of SCSEB Branch _____	PAN of Sole / First Bidder _____												
TEAR HERE														
No. of Equity Shares _____ Bid Price _____ Additional Amount Blocked (₹) _____ ASBA Bank A/c No.: _____ Bank & Branch: _____	Stamp & Signature of Syndicate Member / Registered Broker / SCSEB / CDP / RTA _____	Name of Sole / First Bidder _____ Acknowledgment Slip for Bidder _____ Bid Cum Application Form No. _____												



#### **4.2.1. NAME AND CONTACT DETAILS OF SOLE/FIRST BIDDER, PAN OF SOLE/FIRST BIDDER & DEPOSITORY ACCOUNT DETAILS OF THE BIDDER**

Bidders should refer to instructions contained in paragraphs 4.1.1, 4.1.2 and 4.1.3.

#### **4.2.2. BID OPTIONS REVISION 'FROM' AND 'TO'**

- (a) Apart from mentioning the revised number of shares in the Revision Form, the Bidder must also mention the details of shares applied/bid for given in his or her Bid cum Application Form or earlier Revision Form. For example, if a Bidder has Bid for three options in the Bid cum Application Form and such Bidder is changing only one of the options in the Revision Form, the Bidder must still fill the details of the other two options that are not being revised, in the Revision Form. The members of the Syndicate, the Registered Brokers and the Designated Branches of the SCSBs may not accept incomplete or inaccurate Revision Form.
- (b) In case of revision, Bid options should be provided by Bidders in the same order as provided in the Bid cum Application Form.
- (c) In case of revision of Bids by RIIs, Employees and Retail Individual Shareholders, such Bidders should ensure that the Bid Amount, subsequent to revision, does not exceed Rs. 2,00,000. In case the Bid Amount exceeds Rs. 2,00,000 due to revision of the Bid or for any other reason, the Bid may be considered, subject to eligibility, for allocation under the Non-Institutional Category, not being eligible for Discount (if applicable) and such Bid may be rejected if it is at the Cut-off Price. The Cut-off Price option is given only to the RIIs, Employees and Retail Individual Shareholders indicating their agreement to Bid for and purchase the Equity Shares at the Issue Price as determined at the end of the Book Building Process.
- (d) In case the total amount (i.e., original Bid Amount plus additional payment) exceeds Rs. 200,000, the Bid will be considered for allocation under the Non-Institutional Category in terms of the RHP. If, however, the RII does not either revise the Bid or make additional payment and the Issue Price is higher than the cap of the Price Band prior to revision, the number of Equity Shares Bid for shall be adjusted downwards for the purpose of allocation, such that no additional payment would be required from the RII and the RII is deemed to have approved such revised Bid at Cut-off Price.
- (e) In case of a downward revision in the Price Band, RIIs and Bids by Employees under the Reservation Portion, who have bid at the Cut-off Price could either revise their Bid or the excess amount paid at the time of Bidding may be unblocked in case of Bidders.

#### **4.2.3. PAYMENT DETAILS**

All Bidders are required to make payment of the full Bid Amount (less Discount, if applicable) along with the Bid Revision Form. In case of Bidders specifying more than one Bid Option in the Bid cum Application Form, the total Bid Amount may be calculated for the highest of three options at net price, i.e. Bid price less discount offered, if any.

- (a) Bidder may Issue instructions to block the revised amount based on cap of the

revised Price Band (adjusted for the Discount (if applicable) in the ASBA Account, to the same Designated Intermediary through whom such Bidder had placed the original Bid to enable the relevant SCSB to block the additional Bid Amount, if any.

- (b) In case the total amount (i.e., original Bid Amount less discount (if applicable) plus additional payment) exceeds Rs. 2,00,000, the Bid may be considered for allocation under the Non-Institutional Category in terms of the DRHP. If, however, the Bidder does not either revise the Bid or make additional payment and the Issue Price is higher than the cap of the Price Band prior to revision, the number of Equity Shares Bid for may be adjusted downwards for the purpose of Allotment, such that additional amount is required blocked and the Bidder is deemed to have approved such revised Bid at the Cut-off Price.
- (c) In case of a downward revision in the Price Band, RIIs, Employees and Retail Individual Shareholders, who have bid at the Cut-off Price, could either revise their Bid or the excess amount paid at the time of Bidding may be unblocked.

#### **4.2.4 SIGNATURES AND ACKNOWLEDGEMENTS**

Bidders may refer to instructions contained at paragraphs 4.1.8 and 4.1.9 for this purpose.

#### **4.3. SUBMISSION OF REVISION FORM/ BID CUM APPLICATION FORM /APPLICATION FORM**

**4.3.1.** Bidders may submit completed Bid cum Application form / Revision Form in the following manner:-

<b>Mode of Bid</b>	<b>Submission of Bid cum Application</b>
All investor Bids	To the Bid cum Application Collecting Intermediaries as mentioned in the Prospectus/ Bid cum Application Form.

Bidders should submit the Revision Form to the same Designated Intermediary through which such Bidders had placed the original Bid.

**SECTION 5: INSTRUCTIONS FOR FILING APPLICATION FORM IN ISSUES MADE  
OTHER THAN THROUGH THE BOOK BUILDING PROCESS (FIXED PRICE ISSUE)**

This being book built issue procedure for fixed price issue is not applicable.

## **SECTION 6- ISSUE PROCEDURE IN BOOK BUILT ISSUE**

Book Building, in the context of the Issue, refers to the process of collection of Bids within the Price Band or above the Floor Price and determining the Issue Price based on the Bids received as detailed in Schedule XI of SEBI ICDR Regulations, 2009. The Issue Price is finalised after the Bid/Issue Closing Date. Valid Bids received at or above the Issue Price are considered for allocation in the Issue, subject to applicable regulations and other terms and conditions.

### **6.1 SUBMISSION OF BIDS**

- (a) During the Bid/Issue Period, Bidders may approach any of the Designated Intermediaries to register their Bids. Anchor Investors who are interested in subscribing for the Equity Shares should approach the Book Running Lead Manager, to register their Bid.
- (b) In case of Bidders (excluding NIIs and QIBs) Bidding at Cut-off Price, the Bidders may instruct the SCSBs to block Bid Amount based on the Cap Price less Discount (if applicable).

For Details of the timing on acceptance and upload of Bids in the Stock Exchanges Platform Bidders are requested to refer to the RHP.

### **6.2 ELECTRONIC REGISTRATION OF BIDS**

- (a) The Designated Intermediary may register the Bids using the on-line facilities of the Stock Exchanges. The Designated Intermediaries can also set up facilities for off-line electronic registration of Bids, subject to the condition that they may subsequently upload the off-line data file into the on-line facilities for Book Building on a regular basis before the closure of the issue.
- (b) On the Bid/Issue Closing Date, the Designated Intermediaries may upload the Bids till such time as may be permitted by the Stock Exchanges.
- (c) Only Bids that are uploaded on the Stock Exchanges Platform are considered for allocation/Allotment. The Designated Intermediaries are given till 1:00 pm on the day following the Bid/Issue Closing Date to modify select fields uploaded in the Stock Exchange Platform during the Bid/Issue Period after which the Stock Exchange(s) send the bid information to the Registrar to the Issue for further processing.

### **6.3 BUILD UP OF THE BOOK**

- (a) Bids received from various Bidders through the Designated Intermediaries may be electronically uploaded on the Bidding Platform of the Stock Exchanges' on a regular basis. The book gets built up at various price levels. This information may be available with the BRLM at the end of the Bid/Issue Period.
- (b) Based on the aggregate demand and price for Bids registered on the Stock Exchanges Platform, a graphical representation of consolidated demand and price as available on the websites of the Stock Exchanges may be made available at the Bidding centres during the Bid/Issue Period.

#### **6.4 WITHDRAWAL OF BIDS**

- (a) RIIs can withdraw their Bids until Bid/Issue Closing Date. In case a RII wishes to withdraw the Bid during the Bid/Issue Period, the same can be done by submitting a request for the same to the concerned Designated Intermediary who shall do the requisite, including unblocking of the funds by the SCSB in the ASBA Account.
- (b) The Registrar to the Issue shall give instruction to the SCSB for unblocking the ASBA Account on the Designated Date. QIBs and NIIs can neither withdraw nor lower the size of their Bids at any stage.

#### **6.5 REJECTION & RESPONSIBILITY FOR UPLOAD OF BIDS**

- (a) The Designated Intermediaries are individually responsible for the acts, mistakes or errors or omission in relation to:
  - (i) the Bids accepted by the Designated Intermediaries,
  - (ii) the Bids uploaded by the Designated Intermediaries, and
  - (iii) the Bid cum Application Forms accepted but not uploaded by the Designated Intermediaries.
- (b) the BRLM and their affiliate Syndicate Members, as the case may be, may reject Bids if all the information required is not provided and the Bid cum Application Form is incomplete in any respect.
- (c) The SCSBs shall have no right to reject Bids, except in case of unavailability of adequate funds in the ASBA account or on technical grounds.
- (d) In case of QIB Bidders, only the (i) SCSBs (for Bids other than the Bids by Anchor Investors); and (ii) BRLM and their affiliate Syndicate Members (only in the Specified Locations) have the right to reject bids. However, such rejection shall be made at the time of receiving the Bid and only after assigning a reason for such rejection in writing.
- (e) All bids by QIBs, NIIs & RIIs Bids can be rejected on technical grounds listed herein.

#### **GROUNDS OF REJECTIONS**

Bidders are advised to note that Bids are liable to be rejected inter alia on the following technical grounds:

- Amount blocked does not tally with the amount payable for the Equity Shares applied for;
- In case of partnership firms, Equity Shares may be registered in the names of the individual partners and no firm as such shall be entitled to apply;
- Bid by persons not competent to contract under the Indian Contract Act, 1872 including minors, insane persons;
- PAN not mentioned in the Bid cum Application Form;

- Bids at a price less than the Floor Price and Bids at a price more than the Cap Price;
- GIR number furnished instead of PAN;
- Bid for lower number of Equity Shares than specified for that category of investors;
- Bids at Cut-off Price by NIIs and QIBs;
- Submission of more than five Bid cum Application Forms/Application Form as through a single ASBA Account;
- Bids for number of Equity Shares which are not in multiples Equity Shares which are not in multiples as specified in the DRHP;
- The amounts mentioned in the Bid cum Application Form/Application Form does not tally with the amount payable for the value of the Equity Shares Bid/Applied for;
- Bids for lower number of Equity Shares than the minimum specified for that category of investors;
- Category not ticked;
- Multiple Bids as defined in the DRHP;
- In case of Bids under power of attorney or by limited companies, corporate, trust etc., where relevant documents are not submitted;
- Bid accompanied by Stock invest/ money order/ postal order/ cash/ cheque/ demand draft/ pay order;
- Signature of sole Bidder is missing;
- Bid cum Application Forms not delivered by the Bidder within the time prescribed as per the Bid cum Application Forms, Bid/Issue Opening Date advertisement, as per the instructions in the RHP and the Bid cum Application Forms;
- In case no corresponding record is available with the Depositories that matches three parameters namely, names of the Bidders (including the order of names of joint holders), the Depository Participant's identity (DP ID) and the beneficiary's account number;
- Bids for amounts greater than the maximum permissible amounts prescribed by the regulations;
- Bid by OCBs;
- Bids by US persons other than in reliance on Regulation S or —qualified institutional buyers as defined in Rule 144A under the Securities Act;
- Inadequate funds in the bank account to block the Bid Amount specified in the Bid cum Application Form/Application Form at the time of blocking such Bid Amount in the bank account;

- Bids not uploaded on the terminals of the Stock Exchanges;
- Where no confirmation is received from SCSB for blocking of funds;
- Bids by SCSBs wherein a separate account in its own name held with any other SCSB is not mentioned as the ASBA Account in the Bid cum Application Form/Application Form. Bids not duly signed by the sole/First Bidder;
- Bids by any persons outside India if not in compliance with applicable foreign and Indian laws;
- Bids that do not comply with the securities laws of their respective jurisdictions are liable to be rejected;
- Bids by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority;
- Bids by persons who are not eligible to acquire Equity Shares of the Company in terms of all applicable laws, rules, regulations, guidelines, and approvals; and
- Details of ASBA Account not provided in the Bid cum Application Form.

For details of instructions in relation to the Bid cum Application Form, Bidders may refer to the relevant section the GID.

**BIDDERS SHOULD NOTE THAT IN CASE THE PAN, THE DP ID AND CLIENT ID MENTIONED IN THE BID CUM APPLICATION FORM AND ENTERED INTO THE ELECTRONIC APPLICATION SYSTEM OF THE STOCK EXCHANGES BY THE BIDS COLLECTING INTERMEDIARIES DO NOT MATCH WITH PAN, THE DP ID AND CLIENT ID AVAILABLE IN THE DEPOSITORY DATABASE, THE BID CUM APPLICATION FORM IS LIABLE TO BE REJECTED.**

#### **BASIS OF ALLOCATION**

- (a) The SEBI ICDR Regulations, 2009 specify the allocation or Allotment that may be made to various categories of Bidders in an Issue depending on compliance with the eligibility conditions. Certain details pertaining to the percentage of Issue size available for allocation to each category is disclosed overleaf of the Bid cum Application Form and in the RHP. For details in relation to allocation, the Bidder may refer to the RHP.
- (b) Under-subscription in any category (except QIB Category) is allowed to be met with spill over from any other category or combination of categories at the discretion of the Issuer and in consultation with the BRLM and the Designated Stock Exchange and in accordance with the SEBI ICDR Regulations, 2009.
- (c) In case of under subscription in the Issue, spill-over to the extent of such under- subscription may be permitted from the Reserved Portion to the Issue. For allocation in the event of an under-subscription applicable to the Issuer, Bidders may refer to the RHP.

Illustration of the Book Building and Price Discovery Process

Bidders should note that this example is solely for illustrative purposes and is not specific to the Issue; it also excludes Bidding by Anchor Investors.

Bidders can bid at any price within the Price Band. For instance, assume a Price Band of Rs.20 to Rs 24 per share, Issue size of 3,000 Equity Shares and receipt of five Bids from Bidders, details of which are shown in the table below. The illustrative book given below shows the demand for the Equity Shares of the Issuer at various prices and is collated from Bids received from various investors.

<b>Bid Quantity</b>	<b>Bid Amount</b>	<b>Cumulative Quantity</b>	<b>Subscription</b>
500	24	500	16.67%
1,000	23	1,500	50.00%
1,500	22	3,000	100.00%
2,000	21	5,000	166.67%
2,500	20	7,500	250.00%

The price discovery is a function of demand at various prices. The highest price at which the Issuer is able to Offer the desired number of Equity Shares is the price at which the book cuts off, i.e., Rs. 22.00 in the above example. The Issuer, in consultation with the BRLM, may finalise the Issue Price at or below such Cut-Off Price, i.e., at or below Rs. 22.00. All Bids at or above this Issue Price and cut-off Bids are valid Bids and are considered for allocation in the respective categories.



## **SECTION 6: ISSUE PROCEDURE IN FIXED PRICE ISSUE**

This being Book Built Issue, this section is not applicable for this Issue.

## **SECTION 7: ALLOTMENT PROCEDURE AND BASIS OF ALLOTMENT**

The Allotment of Equity Shares to Bidders other than Retail Individual Investors and Anchor Investors may be on proportionate basis. For Basis of Allotment to Anchor Investors, Bidders may refer to DRHP. No Retail Individual Investor will be allotted less than the minimum Bid Lot subject to availability of shares in Retail Individual Investor Category and the remaining available shares, if any will be allotted on a proportionate basis. The Issuer is required to receive a minimum subscription of 90% of the Offer (excluding any Offer for Sale of specified securities). However, in case the Offer is in the nature of Offer for Sale only, then minimum subscription may not be applicable.

### **7.1 BASIS OF ALLOTMENT**

Allotment will be made in consultation with the SME Platform of BSE Limited (The Designated Stock Exchange). In the event of oversubscription, the allotment will be made on a proportionate basis in marketable lots as set forth hereunder:

- (a) The total number of Shares to be allocated to each category as a whole shall be arrived at on a proportionate basis i.e. the total number of Shares applied for in that category multiplied by the inverse of the oversubscription ratio (number of Bidders in the category x number of Shares applied for).
- (b) The number of Shares to be allocated to the successful Bidders will be arrived at on a proportionate basis in marketable lots (i.e. Total number of Shares applied for into the inverse of the over subscription ratio).
- (c) For Bids where the proportionate allotment works out to less than 2,000 equity shares the allotment will be made as follows:
  - Each successful Bidder shall be allotted 2,000 equity shares; and
  - The successful Bidder out of the total bidders 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 (b) above.
- (d) If the proportionate allotment to a Bidder works out to a number that is not a multiple of 2,000 equity shares, the Bidder would be allotted Shares by rounding off to the nearest multiple of 2,000 equity shares subject to a minimum allotment of 2,000 equity shares.
- (e) If the Shares allotted on a proportionate basis to any category is more than the Shares allotted to the Bidders in that category, the balance available Shares or allocation shall be first adjusted against any category, where the allotted Shares are not sufficient for proportionate allotment to the successful Bidder in that category, the balance Shares, if any, remaining after such adjustment will be added to the category comprising Bidder applying for the minimum number of Shares. If as a result of the process of rounding off to the nearest multiple of 2,000 Equity Shares, results in the actual allotment being higher than the shares offered, the final allotment may be higher at the sole discretion of the Board of Directors, up to 110% of the size of the offer specified under the Capital Structure mentioned in this DRHP.
- (f) The above proportionate allotment of Shares in an Issue that is oversubscribed shall be subject to the reservation for Retail individual Bidders as described below:

- (i) As the retail individual investor category is entitled to more than fifty per cent on proportionate basis, the retail individual investors shall be allocated that higher percentage.
- (ii) The balance net offer of shares to the public shall be made available for allotment to
  - individual bidders other than retails individual investors; and
  - other investors, including corporate bodies/ institutions irrespective of number of shares applied for.
- (iii) The unsubscribed portion of the net offer to any one of the categories specified in a) or b) shall/may be made available for allocation to bidders in the other category, if so required.

Retail Individual Investor' means an investor who applies for shares of value of not more than Rs. 2,00,000. Investors may note that in case of over subscription allotment shall be on proportionate basis and will be finalized in consultation with BSE Limited.

The Executive Director / Managing Director of the Designated Stock Exchange in addition to Book Running 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.

#### **7.2.1 DESIGNATED DATE AND ALLOTMENT OF EQUITY SHARES**

- a. **Designated Date:** On the Designated Date, the SCSBs shall transfer the funds represented by allocation of Equity Shares into the Public Issue Account with the Bankers to the Issue.
- b. **Issuance of Allotment Advice:** Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar shall upload the same on its website. On the basis of the approved Basis of Allotment, the Issuer shall pass necessary corporate action to facilitate the Allotment and credit of Equity Shares. Bidders are advised to instruct their Depository Participant to accept the Equity Shares that may be allotted to them pursuant to the Issue.

Pursuant to confirmation of such corporate actions, the Registrar will dispatch Allotment Advice to the Bidders who have been Allotted Equity Shares in the Issue.

- c. The dispatch of Allotment Advice shall be deemed a valid, binding and irrevocable contract.
- d. Issuer will ensure that: (i) the Allotment of Equity Shares; and (ii) initiate corporate action for credit of shares to the successful Bidders Depository Account will be completed within 4 Working Days of the Issue Closing Date. The Issuer also ensures the credit of shares to the successful Bidder depository account is completed within one Working Day from the date of Allotment, after the funds are transferred from the Public Issue Account on the Designated Date.

## **SECTION 8: INTEREST AND REFUNDS**

### **8.1 COMPLETION OF FORMALITIES FOR LISTING & COMMENCEMENT OF TRADING**

The Issuer may ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges are taken within 6 Working Days of the Bid/Issue Closing Date. The Registrar to the Issue may give instructions for credit to Equity Shares the beneficiary account with DPs, and dispatch the Allotment Advice within 6 Working Days of the Bid/Issue Closing Date.

### **8.2 GROUNDS FOR REFUND**

#### **8.2.1 NON RECEIPT OF LISTING PERMISSION**

An Issuer makes an application to the Stock Exchange(s) for permission to deal in/list and for an official quotation of the Equity Shares. All the Stock Exchanges from where such permission is sought are disclosed in Prospectus/ Prospectus. The Designated Stock Exchange may be as disclosed in the Prospectus/ Prospectus with which the Basis of Allotment may be finalised.

If the permissions to deal in and for an official quotation of the Equity Shares are not granted by any of the Stock Exchange(s), the Issuer may forthwith repay, without interest, all moneys received from the Bidders in pursuance of the RHP/Prospectus.

If such money is not repaid within eight days after the Issuer becomes liable to repay it, then the Issuer and every director of the Issuer who is an officer in default may, on and from such expiry of eight days, be liable to repay the money, with interest at such rate, as prescribed under Section 73 of the Companies Act, 2013 and as disclosed in the DRHP.

#### **8.2.2 NON RECEIPT OF MINIMUM SUBSCRIPTION**

This Issue is not restricted to any minimum subscription level. This Issue is 100% underwritten. As per Section 39 of the Companies Act, 2013, if the "stated minimum amount" has not been subscribed and the sum payable on application is not received within a period of 30 days from the date of the Prospectus, the application money has to be returned within such period as may be prescribed. If the Issuer does not receive the subscription of 100% of the Issue through this offer document including devolvement of Underwriters within sixty days from the date of closure of the Issue, the Issuer shall forthwith refund the entire subscription amount received. If there is a delay beyond eight days after the Issuer becomes liable to pay the amount, the Issuer shall pay interest prescribed under section 73 of the Companies Act, 1956 (or the Company shall follow any other substitution or additional provisions as has been or may be notified under the Companies Act, 2013).

#### **8.2.3 MINIMUM NUMBER OF ALLOTTEES**

The Issuer may ensure that the number of prospective Allottees to whom Equity Shares may be allotted may not be less than 50 failing which the entire application monies may be refunded forthwith.

### **8.3 MODE OF REFUND**

Within 6 Working Days of the Bid/Issue Closing Date, the Registrar to the Issue may give instructions to SCSBs for unblocking the amount in ASBA Account on unsuccessful Bids and also for any excess amount blocked on Bids.

#### **8.3.1 Mode of making refunds**

The Registrar to the Issue may instruct the controlling branch of the SCSB to unblock the funds in the relevant ASBA Account for any withdrawn, rejected or unsuccessful ASBA Bids or in the event of withdrawal or failure of the Issue.

#### **8.4 INTEREST IN CASE OF DELAY IN ALLOTMENT OR REFUND**

The Issuer may pay interest at the rate of 15% per annum /or demat credits are not made to Bidders or instructions for unblocking of funds in the ASBA Account are not dispatched within the 4 Working days of the Bid/Issue Closing Date.

The Issuer may pay interest at 15% per annum for any delay beyond 6 days from the Bid/Issue Closing Date, if Allotment is not made.

## SECTION 9: GLOSSARY AND ABBREVIATIONS

Unless the context otherwise indicates or implies, certain definitions and abbreviations used in this document may have the meaning as provided below. References to any legislation, act or regulation may be to such legislation, act or regulation as amended from time to time.

Term	Description
Acknowledgement Slip	The slip or document issued by the Designated Intermediary to a Bidder as proof of registration of the Bid.
Allotment Advice	Note or advice or intimation of Allotment sent to the successful Bidders who have been or are to be Allotted the Equity Shares after the Basis of Allotment has been approved by the Designated Stock Exchange.
Allotment/ Allot/ Allotted	Unless the context otherwise requires, issue / allotment of Equity Shares pursuant to the Issue to successful Applicants
Allottee(s)	Successful Bidders(s) to whom Equity Shares have been allotted/transferred.
Application Supported by Blocked Amount Form/ASBA Form	An application from, whether physical or electronic, used by ASBA Bidders/Applicants, which will be considered as the application for Allotment in terms of the Prospectus.
ASBA / Application Supported by Blocked Amount	An application, whether physical or electronic, used by Bidders, to make a Bid authorising an SCSB to block the Bid Amount in the ASBA Account
ASBA Account	An account maintained with an SCSB and specified in the Bid cum Application Form submitted by Bidders for blocking the Bid Amount mentioned in the Bid cum Application Form
ASBA Application Location(s) / Specified Cities	Locations at which ASBA Applications can be uploaded by the SCSBs, namely Mumbai, New Delhi, Chennai, Kolkata and Ahmedabad
ASBA form	An application form, whether physical or electronic, used by Bidders which will be considered as the application for Allotment in terms of the Prospectus
Banker(s) to the Issue	The banks which are clearing members and registered with SEBI as Banker to an Issue with whom the Public offer Account will be opened and in this case being ICICI Bank Limited.
Basis of Allotment.	The basis on which Equity Shares will be Allotted to the successful Bidders under the Offer and which is described under chapter titled <i>Issue Procedure</i> beginning on page 367 of this Prospectus
Bid	An indication to make an offer during the Bid/Offer Period by a Bidder pursuant to submission of the Bid cum Application Form, to subscribe to or purchase the Equity Shares at a price within the Price Band, including all revisions and modifications thereto as permitted under the SEBI ICDR Regulations in accordance with the Prospectus and Bid cum Application Form
Bid Amount	The highest value of optional Bids indicated in the Bid cum Application Form and in the case of Retail Individual Bidders Bidding at Cut Off Price, the Cap Price multiplied by the number of Equity Shares Bid for by such Retail Individual Bidder and mentioned in the Bid cum Application Form and payable by the Retail Individual Bidder or blocked in the ASBA Account upon submission of the Bid in the Issue
Bid cum Application Form	An application form, whether physical or electronic, used by Bidders, other than Anchor Investors, to make a Bid and which will be

<b>Term</b>	<b>Description</b>
	considered as the application for Allotment in terms of the Red Herring Prospectus and the Prospectus
Bid/ Issue Opening Date	The date on which the Syndicate, the Designated Branches and the Registered Brokers shall start accepting Bids, which shall be notified in all editions of English Newspaper Business Standard, all editions of Hindi Newspaper Business Standard and widely circulated Swarajya Times Hindi Newspaper, as Hindi being the regional language of Agra, where our registered office is situated, each with wide circulation, and in case of any revision, the extended Bid/Offer Opening Date also to be notified on the website and terminals of the Syndicate and SCSBs, as required under the SEBI ICDR Regulations
Bid/ Issue Period	The period between the Bid/Issue Opening Date and the Bid/Issue Closing Date, inclusive of both days, during which Bidders can submit their Bids, including any revisions thereof.
Bidder	Any prospective investor who makes a Bid/Application pursuant to the terms of the DRHP/RHP/Prospectus and the Bid cum Application Form. In case of issues undertaken through the fixed price process, all references to a Bidder/Applicants should be construed to mean an Applicant
Book Building Process	Book building process, as provided in Schedule XI of the SEBI ICDR Regulations, in terms of which the Offer is being made
Book Running Lead Managers or BRLM	The Book Running Lead Manager to the Issue namely Pantomath capital Advisors Private Limited
Broker Centres.	Broker centres notified by the Stock Exchanges, where the Bidders can submit the Bid cum application forms to a Registered Broker. The details of such broker centres, along with the names and contact details of the Registered Brokers, are available on the website of BSE Limited
Business Day	Monday to Friday (except public holiday)
CAN or Confirmation of Allocation Note	The note or advice or intimation sent to each successful Bidder indicating the Equity Shares which will be Allotted/ transferred, after approval of Basis of Allotment by the Designated Stock Exchange
Cap Price	The higher end of the Price Band, above which the Offer Price will not be finalised and above which no Bids will be accepted
Client ID	Client Identification Number maintained with one of the Depositories in relation to demat account
Collecting Depository Participant or CDPs	A depository participant as defined under the Depositories Act, 1996, registered with SEBI and who is eligible to procure Bids at the Designated CDP Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI
Controlling Branch/Designated Branch	Such branch of the SCSBs which coordinate Bid cum Applications under this Offer by the ASBA Applicants with the Registrar to the Offer and the Stock Exchanges and a list of which is available at <a href="http://www.sebi.gov.in">http://www.sebi.gov.in</a> or at such other website as may be prescribed by SEBI from time to time
Cut-off Price	Offer Price, which shall be any price within the Price Band finalised by our Company and the Selling Shareholders in consultation with the BRLM. Only Retail Individual Bidders are entitled to Bid at the Cut-off Price. QIBs and Non Institutional Bidders are not entitled to Bid at the Cut-off Price.
Demographic Details	The demographic details of the Bidders such as their address, PAN,

Term		Description
		occupation and bank account details
Depositories		Depositories registered with SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996, as amended from time to time, being NSDL and CDSL
Designated Branches		Such branches of the SCSBs which may collect the Bid cum Application Forms used by Bidders/Applicants (exc Anchor Investor) and a list of which is available on <a href="http://www.sebi.gov.in/cms/sebi_data/attachdocs/1316087201341.html">http://www.sebi.gov.in/cms/sebi_data/attachdocs/1316087201341.html</a>
Designated Locations	CDP	Such centres of the CDPs where Bidders can submit the Bid Cum Application Forms. The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept Bid cum Application Forms are available on the website of the Stock Exchange (www.bseindia.com) and updated from time to time
Designated Date		The date on which the Collection Banks transfer funds from the public issue Accounts, and the SCSBs issue instructions for transfer of funds from the ASBA Accounts, to the Public Issue Account or the Refund Account, as appropriate, in terms of the Prospectus following which the Board of Directors may Allot Equity Shares to successful Bidders in the Issue.
Designated Intermediary(ies)		Syndicate, Sub-Syndicate Members/agents, SCSBs, Registered Brokers, CDPs and RTAs, who are authorized to collect ASBA Forms from the Bidders, in relation to the Offer
Designated Locations	RTA	Such centres of the RTAs where Bidder can submit the Bud cum Application Forms. The details of such Designated RTA Locations, along with the names and contact details of the RTAs are available on the respective websites of the Stock Exchange ( <a href="http://www.bseindia.com">www.bseindia.com</a> & <a href="http://www.nseindia.com">www.nseindia.com</a> ) and updated from time to time
Designated Exchange	Stock	The designated stock exchange as disclosed in the Draft Red herring Prospectus/ Red herring Prospectus/ Prospectus of the issuer
Discount		Discount to the Offer Price that may be provided to Bidders/Applicants in accordance with the SEBI ICDR Regulations, 2009.
DP		Depository Participant
DP ID		Depository Participant's Identification Number
Draft Red Herring Prospectus or DRHP		This Draft Red Herring Prospectus dated February 2, 2018 issued in accordance with the SEBI ICDR Regulations, which does not contain complete particulars of the price at which the Equity Shares will be Allotted and the size of the Offer
Employees		Employees of an Issuer as defined under SEBI ICDR Regulations, 2009 and including, in case of a new company, persons in the permanent and full time employment of the promoting companies excluding the promoters and immediate relatives of the promoters. For further details, Bidder/Applicant may refer to the DRHP
Equity Shares		Equity Shares of the Issuer
FCNR		Account Foreign Currency Non-Resident Account
FII(s)		Foreign Institutional Investors as defined under the SEBI (Foreign Institutional Investors) Regulations, 1995 and registered with SEBI under applicable laws in India
First/sole Bidder		Bidder whose name shall be mentioned in the Bid cum Application Form or the Revision Form and in case of joint Bids, whose name shall also appear as the first holder of the beneficiary account held in joint



Term	Description
	names
Floor Price	The lower end of the Price Band, subject to any revision thereto, at or above which the Offer Price will be finalised and below which no Bids will be accepted
Foreign Venture Capital Investors or FVCIs	Foreign Venture Capital Investors as defined and registered with SEBI under the SEBI (Foreign Venture Capital Investors) Regulations, 2000
FPIs	Foreign Portfolio Investors as defined under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014
FPO	Further public offering
Issue	The Initial Public Issue of 53,16,000 Equity Shares of face value of Rs.10 each for cash at a price of Rs. 63/- each, aggregating Rs. 3349.08 Lakhs
Issuer/Company	The Issuer proposing the initial public offering/further public offering as applicable
Maximum RII Allottees	The maximum number of RIIs who can be Allotted the minimum Bid Lot. This is computed by dividing the total number of Equity Shares available for Allotment to RIIs by the minimum Bid Lot
MICR	Magnetic Ink Character Recognition - nine-digit code as appearing on a cheque leaf
Mutual Fund(s)	A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996, as amended from time to time
NEFT	National Electronic Fund Transfer
Net Issue	Issue less Market maker reservation portion
Non-Institutional Category	The portion of the Offer being such number of Equity Shares available for allocation to NIIs on a proportionate basis and as disclosed in the DRHP/RHP/Prospectus and the Bid cum Application Form
Non-Institutional Investors or NIIs	All Bidders/Applicants, including sub accounts of FIIs registered with SEBI which are foreign corporates or foreign individuals and FPIs which are Category III foreign portfolio investors, that are not QIBs or RIBs and who have Bid for Equity Shares for an amount of more than ₹ 200,000 (but not including NRIs other than Eligible NRIs) Non-Institutional Investors or NIIs All Bidders/Applicants, including sub accounts of FIIs registered with SEBI which are foreign corporates or foreign individuals and FPIs which are Category III foreign portfolio investors, that are not QIBs or RIBs and who have Bid for Equity Shares for an amount of more than Rs. 2,00,000 (but not including NRIs other than Eligible NRIs)
Non-Resident	A person resident outside India, as defined under FEMA and includes FIIs and FPIs
NRE Account	Non-Resident External Account
NRI	NRIs from such jurisdictions outside India where it is not unlawful to make an offer or invitation under the Offer and in relation to whom the DRHP/RHP/Prospectus constitutes an invitation to subscribe to or purchase the Equity Shares
NRO Account	Non-Resident Ordinary Account
OCB/Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date had taken benefits

<b>Term</b>	<b>Description</b>
	under the general permission granted to OCBs under FEMA
Issue Price	The final price at which Equity Shares will be Allotted in terms of the Prospectus. The Issue Price will be decided by our Company in consultation with the BRLM on the Pricing Date in accordance with the Book-Building Process and the Prospectus.
Other Investors	Investors other than Retail Individual Investors in a Fixed Price Issue. These include individual applicants other than retail individual investors and other investors including corporate bodies or institutions irrespective of the number of specified securities applied for.
PAN	Permanent Account Number allotted under the Income Tax Act, 1961
Price Band	Price band of a minimum price of Rs. 60 per Equity Share (Floor Price) and the maximum price of Rs. 63 per Equity Share (Cap Price) including revisions thereof. The Price Band and the minimum Bid Lot size for the Offer will be decided by our Company in consultation with the BRLM and will be advertised at least five Working Days prior to the Bid/ Issue Opening Date, in all editions of English Newspaper Business Standard, all editions of Hindi Newspaper Business Standard and widely circulated Swarajya Times Hindi Newspaper, as Hindi being the regional language of Agra, where our registered office is situated, each with wide circulation.
Pricing date	The date on which our Company in consultation with the BRLM, will finalise the Issue Price.
Prospectus	The Prospectus to be filed with the RoC on or after the Pricing Date in accordance with Section 32 of the Companies Act, 2013, and the SEBI ICDR Regulations containing, inter alia, the Issue Price, the size of the Issue and certain other information.
Public Issue Account	Account opened with the Banker to the Issue i.e. ICICI Bank Limited under Section 40 of the Companies Act, 2013 to receive monies from the SCSBs from the bank accounts of the bidders on the Designated Date.
Qualified Institutional Buyers or QIBs	Qualified Institutional Buyers as defined under Regulation 2(1)(zd) of the SEBI (ICDR) Regulations, 2009.
Red Herring Prospectus or RHP	The Red Herring Prospectus to be issued in accordance with Section 32 of the Companies Act, 2013, and the provisions of the SEBI ICDR Regulations, which will not have complete particulars of the price at which the Equity Shares will be offered and the size of the Offer, including any addenda or corrigenda thereto. The Red Herring Prospectus will be registered with the RoC at least three days before the Bid/Issue Opening Date and will become the Prospectus upon filing with the RoC on or after the Pricing Date.
Refund Account(s)	The account opened with the Refund Bank(s), from which refunds, if any, of the whole or part of the Bid Amount (excluding refund to Bidders) shall be made.
Refund Bank(s) / Refund Banker(s)	Bank which is / are clearing member(s) and registered with the SEBI as Bankers to the Issue at which the Refund Account will be opened, in this case being ICICI Bank Limited.
Refund through electronic transfer of funds	Refunds through NECS, direct credit, RTGS or NEFT, as applicable.
Registered Broker	Individuals or companies registered with SEBI as "Trading Members" (except Syndicate/Sub-Syndicate Members) who hold valid membership of BSE Limited and National Stock Exchange of India Limited having

Term	Description
	right to trade in stocks listed on Stock Exchanges, through which investors can buy or sell securities listed on stock exchanges, a list of which is available on <a href="http://www.bseindia.com/members/MembershipDirectory.aspx">http://www.bseindia.com/members/MembershipDirectory.aspx</a> & <a href="http://www.nseindia.com/membership/dynaContent/find_a_broker.htm">http://www.nseindia.com/membership/dynaContent/find_a_broker.htm</a>
Registrar /Registrar to the Issue	Registrar to the Offer, in this case being Bigshare Services Private Limited having registered office at Bharat Tin Works Building, 1 <sup>st</sup> Floor Opp. Vasant Oasis, Makwana Road, Marol, Andheri (East), Mumbai – 400 059 Maharashtra, India
Registrar and Share Transfer Agents or RTAs	Registrar and share transfer agents registered with SEBI and eligible to procure Bid cum Applications at the Designated RTA Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI
Reservation Portion	The portion of the offer reserved for category of eligible Bidders as provided under the SEBI (ICDR) Regulations, 2009
Reserved Category / Categories.	Categories of persons eligible for making Bids under reservation portion
Revision Form	Form used by the Bidders, to modify the quantity of the Equity Shares or the Bid Amount in any of their Bid cum Application Forms or any previous Revision Form(s)
RoC	The Registrar of Companies
RTGS	Real Time Gross Settlement
SCSB/ Self Certified Syndicate Banker	Shall mean a Banker to an Issue registered under SEBI (Bankers to an Issue) Regulations, 1994, as amended from time to time, and which offer the service of making Bids/Application/s Supported by Blocked Amount including blocking of bank account and a list of which is available on <a href="http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised">http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised</a> Intermediaries or at such other website as may be prescribed by SEBI from time to time
SEBI	The Securities and Exchange Board of India constituted under the Securities and Exchange Board of India Act, 1992
SEBI ICDR Regulations, 2009	The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009
Specified Locations	Bidding centres where the Syndicate shall accept Bid cum Application Forms from Bidders, a list of which is available on the website of SEBI ( <a href="http://www.sebi.gov.in">www.sebi.gov.in</a> ) and updated from time to time
Stock Exchanges / SE	The stock exchanges as disclosed in the DRHP/RHP/Prospectus of the Issuer where the Equity Shares Allotted pursuant to the Offer are proposed to be listed
Syndicate Agreement	Agreement dated February 7, 2018 entered into amongst the BRLM, the Syndicate Members, our Company in relation to the procurement of Bid cum Application Forms by Syndicate
Syndicate Members	Intermediaries registered with SEBI who are permitted to carry out activities as an underwriter, namely, Pantomath Stock Brokers Private Limited
Syndicate or Members of the Syndicate	The BRLM and the Syndicate Members
Underwriter	Pantomath Capital Advisors Private Limited
Underwriting Agreement	The agreement dated February 7, 2018 entered into between the Underwriter and our Company

Term	Description
Working Day	1. Till Application / Issue closing date: All days other than a Saturday Sunday or a public holiday 2. Post Application / Issue closing date and till the Listing of Equity Shares: All trading days, of stock exchanges excluding Sundays and public holidays, in accordance with the SEBI circular no. SEBI/HO/CFD/DIL/CIR/P/2016/26 dated January 21, 2016 India

## RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the Government of India and 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.

Under the current FDI Policy of 2017, foreign direct investment in micro and small enterprises is subject to sectoral caps, entry routes and other sectoral regulations. At present 100% foreign direct investment through automatic route is permitted in the sector in which our Company operates. Therefore, applicable foreign investment up to 100% is permitted in our Company under automatic route.

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 fulfilment of certain conditions as specified by DIPP/RBI, from time to time. Such conditions include:

- (i) 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.;
- (ii) 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;

- (iii) 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
- (iv) 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 i.e.:

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 Book Running 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 VIII – MAIN PROVISIONS OF ARTICLES OF ASSOCIATION

### THE COMPANIES ACT, 2013 (COMPANY LIMITED BY SHARES) ARTICLES OF ASSOCIATION OF

#### BENARA BEARINGS AND PISTONS LIMITED

Sr. No	Particulars	
1.	No regulation contained in Table “F” in the First Schedule to Companies Act, 2013 shall apply to this Company but the regulations for the Management of the Company and for the observance of the Members thereof and their representatives shall be as set out in the relevant provisions of the Companies Act, 2013 and subject to any exercise of the statutory powers of the Company with reference to the repeal or alteration of or addition to its regulations by Special Resolution as prescribed by the said Companies Act, 2013 be such as are contained in these Articles unless the same are repugnant or contrary to the provisions of the Companies Act, 2013 or any amendment thereto.	<b>Table F Applicable.</b>
	<b>Interpretation Clause</b>	
2.	In the interpretation of these Articles the following expressions shall have the following meanings unless repugnant to the subject or context:	
	(a) "The Act" means the Companies Act, 2013 and includes any statutory modification or re-enactment thereof for the time being in force.	<b>Act</b>
	(b) “These Articles” means Articles of Association for the time being in force or as may be altered from time to time vide Special Resolution.	<b>Articles</b>
	(c) “Auditors” means and includes those persons appointed as such for the time being of the Company.	<b>Auditors</b>
	(d) "Capital" means the share capital for the time being raised or authorized to be raised for the purpose of the Company.	<b>Capital</b>
	(e) *“The Company” shall mean BENARA BEARINGS AND PISTONS LIMITED	
	(f) “Executor” or “Administrator” means a person who has obtained a probate or letter of administration, as the case may be from a Court of competent jurisdiction and shall include a holder of a Succession Certificate authorizing the holder thereof to negotiate or transfer the Share or Shares of the deceased Member and shall also include the holder of a Certificate granted by the Administrator General under section 31 of the Administrator General Act, 1963.	<b>Executor or Administrator</b>
	(g) "Legal Representative" means a person who in law	<b>Legal Representative</b>

<b>Sr. No</b>	<b>Particulars</b>	
	represents the estate of a deceased Member.	
(h)	Words importing the masculine gender also include the feminine gender.	<b>Gender</b>
(i)	"In Writing" and "Written" includes printing lithography and other modes of representing or reproducing words in a visible form.	<b>In Writing and Written</b>
(j)	The marginal notes hereto shall not affect the construction thereof.	<b>Marginal notes</b>
(k)	"Meeting" or "General Meeting" means a meeting of members.	<b>Meeting or General Meeting</b>
(l)	"Month" means a calendar month.	<b>Month</b>
(m)	"Annual General Meeting" means a General Meeting of the Members held in accordance with the provision of section 96 of the Act.	<b>Annual General Meeting</b>
(n)	"Extra-Ordinary General Meeting" means an Extraordinary General Meeting of the Members duly called and constituted and any adjourned holding thereof.	<b>Extra-Ordinary General Meeting</b>
(o)	"National Holiday" means and includes a day declared as National Holiday by the Central Government.	<b>National Holiday</b>
(p)	"Non-retiring Directors" means a director not subject to retirement by rotation.	<b>Non-retiring Directors</b>
(q)	"Office" means the registered Office for the time being of the Company.	<b>Office</b>
(r)	"Ordinary Resolution" and "Special Resolution" shall have the meanings assigned thereto by Section 114 of the Act.	<b>Ordinary and Special Resolution</b>
(s)	"Person" shall be deemed to include corporations and firms as well as individuals.	<b>Person</b>
(t)	"Proxy" means an instrument whereby any person is authorized to vote for a member at General Meeting or Poll and includes attorney duly constituted under the power of attorney.	<b>Proxy</b>
(u)	"The Register of Members" means the Register of Members to be kept pursuant to Section 88(1) (a) of the Act.	<b>Register of Members</b>
(v)	"Seal" means the common seal for the time being of the Company.	<b>Seal</b>
(w)	Words importing the Singular number include where the context admits or requires the plural number and vice versa.	<b>Singular number</b>
(x)	"The Statutes" means the Companies Act, 2013 and every other Act for the time being in force affecting the Company.	<b>Statutes</b>
(y)	"These presents" means the Memorandum of Association and the Articles of Association as originally framed or as altered from time to time.	<b>These presents</b>
(z)	"Variation" shall include abrogation; and "vary" shall include abrogate.	<b>Variation</b>

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	(aa) “Year” means the calendar year and “Financial Year” shall have the meaning assigned thereto by Section 2(41) of the Act.	<b>Year and Financial Year</b>
	Save as aforesaid any words and expressions contained in these Articles shall bear the same meanings as in the Act or any statutory modifications thereof for the time being in force.	<b>Expressions in the Act to bear the same meaning in Articles</b>
	<b>CAPITAL</b>	
3.	The Authorized Share Capital of the Company shall be such amount as may be mentioned in Clause V of Memorandum of Association of the Company from time to time.	<b>Authorized Capital.</b>
4.	The Company may in General Meeting from time to time by Ordinary Resolution increase its capital by creation of new Shares which may be unclassified and may be classified at the time of issue in one or more classes and of such amount or amounts as may be deemed expedient. The new Shares shall be issued upon such terms and conditions and with such rights and privileges annexed thereto as the resolution shall prescribe and in particular, such Shares may be issued with a preferential or qualified right to dividends and in the distribution of assets of the Company and with a right of voting at General Meeting of the Company in conformity with Section 47 of the Act. Whenever the capital of the Company has been increased under the provisions of this Article the Directors shall comply with the provisions of Section 64 of the Act.	<b>Increase of capital by the Company how carried into effect</b>
5.	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 herein contained, with reference to the payment of calls and installments, forfeiture, lien, surrender, transfer and transmission, voting and otherwise.	<b>New Capital same as existing capital</b>
6.	The Board shall have the power to issue a part of authorized capital by way of non-voting Shares at price(s) premia, dividends, eligibility, volume, quantum, proportion and other terms and conditions as they deem fit, subject however to provisions of law, rules, regulations, notifications and enforceable guidelines for the time being in force.	<b>Non Voting Shares</b>
7.	Subject to the provisions of the Act and these Articles, the Board of Directors may issue redeemable preference shares to such persons, on such terms and conditions and at such times as Directors think fit either at premium or at par, and with full power to give any person the option to call for or be allotted shares of the company either at premium or at par, such option being exercisable at such times and for such consideration as the Board thinks fit.	<b>Redeemable Preference Shares</b>
8.	The holder of Preference Shares shall have a right to vote only on Resolutions, which directly affect the rights	<b>Voting rights of preference shares</b>

Sr. No	Particulars	
	attached to his Preference Shares.	
9.	<p>On the issue of redeemable preference shares under the provisions of Article 7 hereof , the following provisions- shall take effect:</p> <p>(a) No such Shares shall be redeemed except out of profits of which would otherwise be available for dividend or out of proceeds of a fresh issue of shares made for the purpose of the redemption;</p> <p>(b) No such Shares shall be redeemed unless they are fully paid;</p> <p>(c) Subject to section 55(2)(d)(i) the premium, if any payable on redemption shall have been provided for out of the profits of the Company or out of the Company's security premium account, before the Shares are redeemed;</p> <p>(d) Where any such Shares are redeemed otherwise then 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 "the 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 55 of the Act apply as if the Capital Redemption Reserve Account were paid-up share capital of the Company; and</p> <p>(e) Subject to the provisions of Section 55 of the Act, the redemption of preference shares hereunder may be effected in accordance with the terms and conditions of their issue and in the absence of any specific terms and conditions in that behalf, in such manner as the Directors may think fit. The reduction of Preference Shares under the provisions by the Company shall not be taken as reducing the amount of its Authorized Share Capital</p>	<p><b>Provisions to apply on issue of Redeemable Preference Shares</b></p>
10.	<p>The Company may (subject to the provisions of sections 52, 55, 66, both inclusive, and other applicable provisions, if any, of the Act) from time to time by Special Resolution reduce</p> <p>(a) the share capital;</p> <p>(b) any capital redemption reserve account; or</p> <p>(c) any security premium account</p> <p>In any manner for the time being, authorized by law and in particular capital may be paid off on the footing that it may be called up again or otherwise. This Article is not to derogate from any power the Company would have, if it were omitted.</p>	<p><b>Reduction of capital</b></p>
11.	<p>Any debentures, debenture-stock or other securities may be issued at a discount, premium or otherwise and may be issued on condition that they shall be convertible into</p>	<p><b>Debentures</b></p>

Sr. No	Particulars	
	shares of any denomination and with any privileges and conditions as to redemption, surrender, drawing, allotment of shares, attending (but not voting) at the General Meeting, appointment of Directors and otherwise. Debentures with the right to conversion into or allotment of shares shall be issued only with the consent of the Company in the General Meeting by a Special Resolution.	
12.	The Company may exercise the powers of issuing sweat equity shares conferred by Section 54 of the Act of a class of shares already issued subject to such conditions as may be specified in that sections and rules framed thereunder.	<b>Issue of Sweat Equity Shares</b>
13.	The Company may issue shares to Employees including its Directors other than independent directors and such other persons as the rules may allow, under Employee Stock Option Scheme (ESOP) or any other scheme, if authorized by a Special Resolution of the Company in general meeting subject to the provisions of the Act, the Rules and applicable guidelines made there under, by whatever name called.	<b>ESOP</b>
14.	Notwithstanding anything contained in these articles but subject to the provisions of sections 68 to 70 and any other applicable provision of the Act or any other law for the time being in force, the company may purchase its own shares or other specified securities.	<b>Buy Back of shares</b>
15.	Subject to the provisions of Section 61 of the Act, the Company in general meeting may, from time to time, sub-divide or consolidate all or any of the share capital into shares of larger amount than its existing share or sub-divide its shares, or any of them into shares of smaller amount than is fixed by the Memorandum; subject nevertheless, to the provisions of clause (d) of sub-section (1) of Section 61; 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.	<b>Consolidation, Sub-Division And Cancellation</b>
16.	Subject to compliance with applicable provision of the Act and rules framed thereunder the company shall have power to issue depository receipts in any foreign country.	<b>Issue of Depository Receipts</b>
17.	Subject to compliance with applicable provision of the Act and rules framed thereunder the company shall have power to issue any kind of securities as permitted to be issued under the Act and rules framed thereunder.	<b>Issue of Securities</b>
	<b>MODIFICATION OF CLASS RIGHTS</b>	
18.	(a) If at any time the share capital, by reason of the issue of Preference Shares or otherwise is divided into different classes of shares, all or any of the rights privileges attached to any class (unless otherwise provided by the terms of issue of the shares of the class) may, subject to the provisions of Section 48 of the Act and whether or not	<b>Modification of rights</b>

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	<p>the Company is being wound-up, be varied, modified or dealt, with the consent in writing of the holders of not less than three-fourths of the issued shares of that class or with the sanction of a Special Resolution passed at a separate general meeting of the holders of the shares of that class. The provisions of these Articles relating to general meetings shall mutatis mutandis apply to every such separate class of meeting.</p> <p>Provided that if variation by one class of shareholders affects the rights of any other class of shareholders, the consent of three-fourths of such other class of shareholders shall also be obtained and the provisions of this section shall apply to such variation.</p>	
	<p>(b) The rights conferred upon the holders of the Shares including Preference Share, if any) of any class issued with preferred or other rights or privileges shall, unless otherwise expressly provided by the terms of the issue of shares of that class, be deemed not to be modified, commuted, affected, abrogated, dealt with or varied by the creation or issue of further shares ranking pari passu therewith.</p>	<p><b>New Issue of Shares not to affect rights attached to existing shares of that class.</b></p>
19.	<p>Subject to the provisions of Section 62 of the Act and these Articles, the shares in the capital of the company for the time being shall be under the control of the Directors who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par and at such time as they may from time to time think fit and with the sanction of the company in the General Meeting to give to any person or persons the option or right to call for any shares either at par or premium during such time and for such consideration as the Directors think fit, and may issue and allot shares in the capital of the company on payment in full or part of any property sold and transferred or for any services rendered to the company in the conduct of its business and any shares which may so be allotted may be issued as fully paid up shares and if so issued, shall be deemed to be fully paid shares.</p>	<p><b>Shares at the disposal of the Directors.</b></p>
20.	<p>The Company may issue shares or other securities in any manner whatsoever including by way of a preferential offer, to any persons whether or not those persons include the persons referred to in clause (a) or clause (b) of sub-section (1) of section 62 subject to compliance with section 42 and 62 of the Act and rules framed thereunder.</p>	<p><b>Power to issue shares on preferential basis.</b></p>
21.	<p>The shares in the capital shall be numbered progressively according to their several denominations, and except in the manner hereinbefore mentioned no share shall be subdivided. Every forfeited or surrendered share shall continue to bear the number by which the same was originally distinguished.</p>	<p><b>Shares should be Numbered progressively and no share to be subdivided.</b></p>

<b>Sr. No</b>	<b>Particulars</b>	
<b>22.</b>	An application signed by or on behalf of an applicant for shares in the Company, followed by an allotment of any shares therein, shall be an acceptance of shares within the meaning of these Articles, and every person who thus or otherwise accepts any shares and whose name is on the Register shall for the purposes of these Articles, be a Member.	<b>Acceptance of Shares.</b>
<b>23.</b>	Subject to the provisions of the Act and these Articles, the Directors may allot and issue shares in the Capital of the Company as payment or part payment for any property (including goodwill of any business) sold or transferred, goods or machinery supplied or for services rendered to the Company either in or about the formation or promotion of the Company or the conduct of its business and any shares which may be so allotted may be issued as fully paid-up or partly paid-up otherwise than in cash, and if so issued, shall be deemed to be fully paid-up or partly paid-up shares as aforesaid.	<b>Directors may allot shares as full paid-up</b>
<b>24.</b>	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 become a debt due to and recoverable by the Company from the allottee thereof, and shall be paid by him, accordingly.	<b>Deposit and call etc. to be a debt payable immediately.</b>
<b>25.</b>	Every Member, or his heirs, executors, administrators, or legal representatives, 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 Company's regulations, require on date fixed for the payment thereof.	<b>Liability of Members.</b>
<b>26.</b>	Shares may be registered in the name of any limited company or other corporate body but not in the name of a firm, an insolvent person or a person of unsound mind.	<b>Registration of Shares.</b>
<b>RETURN ON ALLOTMENTS TO BE MADE OR RESTRICTIONS ON ALLOTMENT</b>		
<b>27.</b>	The Board shall observe the restrictions as regards allotment of shares to the public, and as regards return on allotments contained in Sections 39 of the Act	
<b>CERTIFICATES</b>		
<b>28.</b>	(a) 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 provided in the relevant laws) 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 months from the date of allotment, unless the conditions of issue thereof otherwise provide, or	<b>Share Certificates.</b>



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	<p>within one month of the receipt of application for 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 such holder. Such certificate shall be issued only in pursuance of a resolution passed by the Board and on surrender to the Company of its letter of allotment or its fractional coupons of requisite value, save in cases of issues against letter of acceptance or of renunciation or in cases of issue of bonus shares. 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 duly registered power of attorney and the Secretary or some other person appointed by the Board for the purpose and two Directors or their attorneys and the Secretary or other person shall sign the share certificate, provided that if the composition of the Board permits of it, at least one of the aforesaid two Directors shall be a person other than a Managing or whole-time Director. Particulars of every share certificate 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>(b) Any two or more joint allottees of shares shall, for the purpose of this Article, be treated as a single member, and the certificate of any shares which may be the subject of joint ownership, may be delivered to anyone 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 Rupees Fifty. The Company shall comply with the provisions of Section 39 of the Act.</p> <p>(c) 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 lithography, but not by means of a rubber stamp provided that the Director shall be responsible for the safe custody of such machine, equipment or other material used for the purpose.</p>



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29.	<p>If any certificate be worn out, defaced, mutilated or torn or if there be no further space on the back thereof for endorsement of transfer, then upon production and surrender thereof to the Company, a new Certificate may be issued in lieu thereof, and if any certificate lost or destroyed then upon proof thereof to the satisfaction of the company and on execution of such indemnity as the company deem adequate, being given, a new Certificate in lieu thereof shall be given to the party entitled to such lost or destroyed Certificate. Every Certificate 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/- 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. Provided that notwithstanding what is stated above the Directors shall comply with such Rules or Regulation or requirements of any Stock Exchange or the Rules made under the Act or the rules made under Securities Contracts (Regulation) Act, 1956, or any other Act, or rules applicable in this behalf.</p> <p>The provisions of this Article shall mutatis mutandis apply to debentures of the Company.</p>	<p><b>Issue of new certificates in place of those defaced, lost or destroyed.</b></p>
30.	<p>(a) If any share stands in the names of two or more persons, the person first named in the Register shall as regard receipts of dividends or bonus or service of notices and all or any other matter connected with the Company except voting at meetings, and the transfer of the shares, be deemed sole holder thereof but the joint-holders of a share shall be severally as well as jointly liable for the payment of all calls and other payments due in respect of such share and for all incidentals thereof according to the Company's regulations.</p>	<p><b>The first named joint holder deemed Sole holder.</b></p>
	<p>(b) The Company shall not be bound to register more than three persons as the joint holders of any share.</p>	<p><b>Maximum number of joint holders.</b></p>
31.	<p>Except as ordered by a Court of competent jurisdiction or as by law required, the Company shall not be bound to recognise any equitable, contingent, future or partial interest in any share, or (except only as is by these Articles otherwise expressly provided) any right in respect of a share other than an absolute right thereto, in accordance with these Articles, in the person from time to time registered as the holder thereof but the Board shall be at liberty at its sole discretion to register any share in the joint names of any two or more persons or the survivor or survivors of them.</p>	<p><b>Company not bound to recognise any interest in share other than that of registered holders.</b></p>
32.	<p>If by the conditions of allotment of any share the whole or part of the amount or issue price thereof shall be payable by installment, every such installment shall when</p>	<p><b>Installment on shares to be duly paid.</b></p>

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	due be paid to the Company by the person who for the time being and from time to time shall be the registered holder of the share or his legal representative.	
	<b>UNDERWRITING AND BROKERAGE</b>	
33.	Subject to the provisions of Section 40 (6) of the Act, 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 or debentures in the Company, or procuring, or agreeing to procure subscriptions (whether absolutely or conditionally) for any shares or debentures in the Company but so that the commission shall not exceed the maximum rates laid down by the Act and the rules made in that regard. Such commission may be satisfied by payment of cash or by allotment of fully or partly paid shares or partly in one way and partly in the other.	<b>Commission</b>
34.	The Company may pay on any issue of shares and debentures such brokerage as may be reasonable and lawful.	<b>Brokerage</b>
	<b>CALLS</b>	
35.	(1) 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 at a meeting of the Board and not by a circular resolution, make such calls as it thinks fit, upon the Members in respect of all the 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 persons and at the time and places appointed by the Board. (2) A call may be revoked or postponed at the discretion of the Board. (3) A call may be made payable by installments.	<b>Directors may make calls</b>
36.	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 shall be paid.	<b>Notice of Calls</b>
37.	A call shall be deemed to have been made at the time when the resolution of the Board of Directors authorising such call was passed and may be made payable by the members whose names appear on the Register of Members on such date or at the discretion of the Directors on such subsequent date as may be fixed by Directors.	<b>Calls to date from resolution.</b>
38.	Whenever any calls for further share capital are made on shares, such calls shall be made on uniform basis on all shares falling under the same class. For the purposes of this Article shares of the same nominal value of which different amounts have been paid up shall not be deemed to fall under the same class.	<b>Calls on uniform basis.</b>
39.	The Board may, from time to time, at its discretion, extend the time fixed for the payment of any call and may	<b>Directors may extend time.</b>

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	extend such time as to all or any of the members who on account of the residence at a distance or other cause, which 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 favour.	
40.	If any Member 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 not exceeding 21% per annum but nothing in this Article shall render it obligatory for the Board to demand or recover any interest from any such member.	<b>Calls to carry interest.</b>
41.	If by the terms of issue of any share or otherwise any amount is made payable at any fixed time or by installments at fixed time (whether on account of the amount of the share or by way of premium) every such amount or installment shall be payable as if it were a call duly made by the Directors and of which due notice has been given and all the provisions herein contained in respect of calls shall apply to such amount or installment accordingly.	<b>Sums deemed to be calls.</b>
42.	On the trial or hearing of any action or suit brought by the Company against any Member or his representatives for the recovery of any money claimed to be due to the Company in respect of his shares, if shall be sufficient to prove that the name of the Member in respect of whose shares the money is sought to be recovered, appears entered on the Register of Members as the holder, at or subsequent to the date at which the money is sought to be recovered is alleged to have become due on the share in respect of which such money is sought to be recovered in the Minute Books: and that notice of such call was duly given to the Member or his representatives used in pursuance of these Articles: and that it shall not be necessary to prove the appointment of the Directors who made such call, nor that a quorum of Directors was present at the Board at which any call was made was duly convened or constituted nor any other matters whatsoever, but the proof of the matters aforesaid shall be conclusive evidence of the debt.	<b>Proof on trial of suit for money due on shares.</b>
43.	Neither a judgment nor a decree in favour of the Company for calls or other moneys due in respect of any shares nor any part payment or satisfaction thereunder nor the receipt by the Company of a portion of any money which shall from time to time be due from any Member of 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	<b>Judgment, decree, partial payment motto proceed for forfeiture.</b>

Sr. No	Particulars	
	enforce forfeiture of such shares as hereinafter provided.	
44.	<p>(a) The Board may, if it thinks fit, 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 agree upon. 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 three months' notice in writing: provided that moneys paid in advance of calls on shares may carry interest but shall not confer a right to dividend or to participate in profits.</p> <p>(b) 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. The provisions of this Article shall mutatis mutandis apply to calls on debentures issued by the Company.</p>	<b>Payments in Anticipation of calls may carry interest</b>
	<b>LIEN</b>	
45.	<p>The Company shall have a first and paramount lien upon all the shares/debentures (other than fully paid-up shares/debentures) registered in the name of each member (whether solely or jointly with others) and upon the proceeds of sale thereof for all moneys (whether presently payable or not) called or payable at a fixed time in respect of such shares/debentures and no equitable interest in any share shall be created except upon the footing and condition that this Article will have full effect. And such lien shall extend to all dividends and bonuses from time to time declared in respect of such shares/debentures. 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>	<b>Company to have Lien on shares.</b>
46.	<p>For the purpose of enforcing such lien the Directors may sell the shares subject thereto in such manner as they shall think fit, but 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 the person (if any) entitled by transmission to the shares and default shall have been made by him in payment, fulfillment of discharge of such debts, liabilities or engagements for seven days after such notice. To give</p>	<b>As to enforcing lien by sale.</b>

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	effect to any such sale the Board may authorise some person to transfer the shares sold to the purchaser thereof and purchaser shall be registered as the holder of the shares comprised in any such transfer. Upon any such sale as the Certificates in respect of the shares sold shall stand cancelled and become null and void and of no effect, and the Directors shall be entitled to issue a new Certificate or Certificates in lieu thereof to the purchaser or purchasers concerned.	
47.	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 lien for sums not presently payable as existed upon the shares before the sale) be paid to the person entitled to the shares at the date of the sale.	<b>Application of proceeds of sale.</b>
<b>FORFEITURE AND SURRENDER OF SHARES</b>		
48.	If any Member fails to pay the whole or any part of any call or installment or any moneys due in respect of any shares either by way of principal or interest on or before the day appointed for the payment of the same, the Directors may, at any time thereafter, during such time as the call or installment or any part thereof or other moneys as aforesaid remains unpaid or a judgment or decree in respect thereof remains unsatisfied in whole or in part, serve a notice on such Member or on the person (if any) entitled to the shares by transmission, requiring him to pay such call or installment of such part thereof or other moneys as remain unpaid together with any interest that may have accrued and all reasonable expenses (legal or otherwise) that may have been accrued by the Company by reason of such non-payment. Provided that no such shares shall be forfeited if any moneys shall remain unpaid in respect of any call or installment or any part thereof as aforesaid by reason of the delay occasioned in payment due to the necessity of complying with the provisions contained in the relevant exchange control laws or other applicable laws of India, for the time being in force.	<b>If call or installment not paid, notice maybe given.</b>
49.	The notice shall name a day (not being less than fourteen days from the date of notice) and a place or places on and at which such call or installment and such interest thereon as the Directors shall determine from the day on which such call or installment ought to have been paid 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 or places appointed, the shares in respect of which the call was made or installment is payable will be liable to be forfeited.	<b>Terms of notice.</b>

Sr. No	Particulars	
50.	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 but before payment of all calls or installments, interest and expenses, due in respect thereof, be forfeited by resolution of the Board to that effect. Such forfeiture shall include all dividends declared or any other moneys payable in respect of the forfeited share and not actually paid before the forfeiture.	<b>On default of payment, shares to be forfeited.</b>
51.	When any shares have been 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.	<b>Notice of forfeiture to a Member</b>
52.	Any shares so forfeited, shall be deemed to be the property of the Company and may be sold, re-allotted, or otherwise disposed of, either to the original holder thereof or to any other person, upon such terms and in such manner as the Board in their absolute discretion shall think fit.	<b>Forfeited shares to be property of the Company and maybe sold etc.</b>
53.	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 thereon from the time of the forfeiture until payment, at such rate as the Board may determine and the Board may enforce the payment of the whole or a portion thereof as if it were a new call made at the date of the forfeiture, but shall not be under any obligation to do so.	<b>Members still liable to pay money owing at time of forfeiture and interest.</b>
54.	The forfeiture shares shall involve extinction at the time of the forfeiture, of all interest in all claims and demand against the Company, in respect of the share and all other rights incidental to the share, except only such of those rights as by these Articles are expressly saved.	<b>Effect of forfeiture.</b>
55.	A declaration in writing that the declarant is a Director or Secretary of the Company and that shares in the Company have been duly forfeited in accordance with these articles on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the shares.	<b>Evidence of Forfeiture.</b>
56.	The Company may receive the consideration, if any, given for the share on any sale, re-allotment or other disposition thereof and the person to whom such share is sold, re-allotted or disposed of may be registered as the holder of the share and he shall not be bound to see to the application of the consideration: if any, nor shall his title to the share be affected by any irregularly or invalidity in the proceedings in reference to the forfeiture, sale, re-allotment or other disposal of the shares.	<b>Title of purchaser and allottee of Forfeited shares.</b>



Sr. No	Particulars	
57.	Upon any sale, re-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.	<b>Cancellation of share certificate in respect of forfeited shares.</b>
58.	In the meantime and until any share so forfeited shall be sold, re-allotted, or otherwise dealt with as aforesaid, the forfeiture thereof may, at the discretion and by a resolution of the Directors, be remitted as a matter of grace and favour, and not as was owing thereon to the Company at the time of forfeiture being declared with interest for the same unto the time of the actual payment thereof if the Directors shall think fit to receive the same, or on any other terms which the Director may deem reasonable.	<b>Forfeiture may be remitted.</b>
59.	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 of Members in respect of the Shares sold, and the purchasers 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 of Members in respect of such Shares, the validity of the sale shall not be impeached by any person and the remedy of any person aggrieved by the sale shall be in damages only and against the Company exclusively.	<b>Validity of sale</b>
60.	The Directors may, subject to the provisions of the Act, accept a surrender of any share from or by any Member desirous of surrendering on such terms the Directors may think fit.	<b>Surrender of shares.</b>
<b>TRANSFER AND TRANSMISSION OF SHARES</b>		
61.	(a) The instrument of transfer of any share in or debenture of the Company shall be executed by or on behalf of both the transferor and transferee. (b) The transferor shall be deemed to remain a holder of the share or debenture until the name of the transferee is entered in the Register of Members or Register of Debenture holders in respect thereof.	<b>Execution of the instrument of shares.</b>
62.	The instrument of transfer of any share or debenture shall be in writing and all the provisions of Section 56 and statutory modification thereof including other applicable provisions of the Act shall be duly complied with in respect of all transfers of shares or debenture and registration thereof. The instrument of transfer shall be in a common form	<b>Transfer Form.</b>

Sr. No	Particulars	
	approved by the Exchange;	
63.	The Company shall not register a transfer in the Company other than the transfer between persons both of whose names are entered as holders of beneficial interest in the records of a depository, unless a proper instrument of transfer duly stamped and executed by or on behalf of the transferor and by or on behalf of the transferee and specifying the name, address and occupation if any, of the transferee, has been delivered to the Company along with the certificate relating to the shares or if no such share certificate is in existence along with the letter of allotment of the shares: Provided that where, on an application in writing made to the Company by the transferee and bearing the stamp, required for an instrument of transfer, it is proved to the satisfaction of the Board of Directors that the instrument of transfer signed by or on behalf of the transferor and by or on behalf of the transferee has been lost, the Company may register the transfer on such terms as to indemnity as the Board may think fit, provided further that nothing in this Article shall prejudice any power of the Company to register as shareholder any person to whom the right to any shares in the Company has been transmitted by operation of law.	<b>Transfer not to be registered except on production of instrument of transfer.</b>
64.	Subject to the provisions of Section 58 of the Act and Section 22A of the Securities Contracts (Regulation) Act, 1956, the Directors may, decline to register— (a) any transfer of shares on which the company has a lien. That registration of transfer shall however 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;	<b>Directors may refuse to register transfer.</b>
65.	If the Company refuses to register the transfer of any share or transmission of any right therein, the Company shall within one month from the date on which the instrument of transfer or intimation of transmission was lodged with the Company, send notice of refusal to the transferee and transferor or to the person giving intimation of the transmission, as the case may be, and there upon the provisions of Section 56 of the Act or any statutory modification thereof for the time being in force shall apply.	<b>Notice of refusal to be given to transferor and transferee.</b>
66.	No fee shall be charged for registration of transfer, transmission, Probate, Succession Certificate and letter of administration, Certificate of Death or Marriage, Power of Attorney or similar other document with the Company.	<b>No fee on transfer.</b>
67.	The Board of Directors shall have power on giving not less than seven days previous notice in accordance with section 91 and rules made thereunder close the Register of Members and/or the Register of debentures holders	<b>Closure of Register of Members or debenture holder or other security holders.</b>



Sr. No	Particulars	
	and/or other security holders at such time or times and for such period or periods, not exceeding thirty days at a time, and not exceeding in the aggregate forty five days at a time, and not exceeding in the aggregate forty five days in each year as it may seem expedient to the Board.	
68.	The instrument of transfer shall after registration be retained by the Company and shall remain in its custody. All instruments of transfer which the Directors may decline to register shall on demand be returned to the persons depositing the same. The Directors may cause to be destroyed all the transfer deeds with the Company after such period as they may determine.	<b>Custody of transfer Deeds.</b>
69.	Where an application of transfer relates to partly paid shares, the transfer shall not be registered unless the Company gives notice of the application to the transferee and the transferee makes no objection to the transfer within two weeks from the receipt of the notice.	<b>Application for transfer of partly paid shares.</b>
70.	For this purpose the notice to the transferee shall be deemed to have been duly given if it is dispatched by prepaid registered post/speed post/ courier to the transferee at the address given in the instrument of transfer and shall be deemed to have been duly delivered at the time at which it would have been delivered in the ordinary course of post.	<b>Notice to transferee.</b>
71.	<p>(a) On the death of a Member, the survivor or survivors, where the Member was a joint holder, and his nominee or nominees or legal representatives where he was a sole holder, shall be the only person recognized by the Company as having any title to his interest in the shares.</p> <p>(b) Before recognising any executor or administrator or legal representative, the Board may require him to obtain a Grant of Probate or Letters Administration or other legal representation as the case may be, from some competent court in India. Provided nevertheless that in any case where the Board in its absolute discretion thinks fit, it shall be lawful for the Board to dispense with the production of Probate or letter of Administration or such other legal representation upon such terms as to indemnity or otherwise, as the Board in its absolute discretion, may consider adequate</p> <p>(c) Nothing in clause (a) above shall release the estate of the deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons.</p>	<b>Recognition of legal representative.</b>
72.	The Executors or Administrators of a deceased Member or holders of a Succession Certificate or the Legal Representatives in respect of the Shares of a deceased Member (not being one of two or more joint holders)	<b>Titles of Shares of deceased Member</b>

Sr. No	Particulars	
	shall be the only persons recognized by the Company as having any title to the Shares registered in the name of such Members, and the Company shall not be bound to recognize such Executors or Administrators or holders of Succession Certificate or the Legal Representative unless such Executors or Administrators or Legal Representative 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 any case where the Board of Directors in its absolute discretion thinks fit, the Board upon such terms as to indemnity or otherwise as the Directors may deem proper dispense with production of Probate or Letters of Administration or Succession Certificate and register Shares standing in the name of a deceased Member, as a Member. However, provisions of this Article are subject to Sections 72 of the Companies Act.	
73.	Where, in case of partly paid Shares, an application for registration is made by the transferor, the Company shall give notice of the application to the transferee in accordance with the provisions of Section 56 of the Act.	<b>Notice of application when to be given</b>
74.	Subject to the provisions of the Act and these Articles, any person becoming entitled to any share in consequence of the death, lunacy, bankruptcy, insolvency of any member or by any lawful means other than by a transfer in accordance with these presents, may, with the consent of the Directors (which they 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 this Article or of this title as the Director shall require either be registered as member in respect of such shares or elect to have some person nominated by him and approved by the Directors registered as Member in respect of such shares; provided nevertheless that if such person shall elect to have his nominee registered he shall testify his election by executing in favour of his nominee an instrument of transfer in accordance so he shall not be freed from any liability in respect of such shares. This clause is hereinafter referred to as the 'Transmission Clause'.	<b>Registration of persons entitled to share otherwise than by transfer (transmission clause).</b>
75.	Subject to the provisions of the Act and these Articles, the Directors shall have the same right to refuse or suspend register a person entitled by the transmission to any shares or his nominee as if he were the transferee named in an ordinary transfer presented for registration.	<b>Refusal to register nominee.</b>
76.	Every transmission of a share shall be verified in such manner as the Directors may require and the Company may refuse to register any such transmission until the same be so verified or until or unless an indemnity be given to the Company with regard to such registration which the Directors at their discretion shall consider	<b>Board may require evidence of transmission.</b>

Sr. No	Particulars	
	sufficient, provided nevertheless that there shall not be any obligation on the Company or the Directors to accept any indemnity.	
77.	The Company shall incur no liability or responsibility whatsoever 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 or Members) to the prejudice of persons having or claiming any equitable right, title or interest to or in the same shares notwithstanding that the Company may have had notice of such equitable right, title or interest or notice prohibiting registration of such transfer, and may have entered such notice or referred thereto in any book of the Company and the Company shall not be bound or require to regard or attend or give effect to any notice which may be given to them of any equitable right, title or interest, or be under any liability whatsoever for refusing or neglecting so to do though it may have been entered or referred to in some 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 Directors shall so think fit.	<b>Company not liable for disregard of a notice prohibiting registration of transfer.</b>
78.	In the case of any share registered in any register maintained outside India the instrument of transfer shall be in a form recognized by the law of the place where the register is maintained but subject thereto shall be as near to the form prescribed in Form no. SH-4 hereof as circumstances permit.	<b>Form of transfer Outside India.</b>
79.	No transfer shall be made to any minor, insolvent or person of unsound mind.	<b>No transfer to insolvent etc.</b>
	<b>NOMINATION</b>	
80.	<ul style="list-style-type: none"> <li>i) Notwithstanding anything contained in the articles, every holder of securities of the Company may, at any time, nominate a person in whom his/her securities shall vest in the event of his/her death and the provisions of Section 72 of the Companies Act, 2013 shall apply in respect of such nomination.</li> <li>ii) No person shall be recognized by the Company as a nominee unless an intimation of the appointment of the said person as nominee has been given to the Company during the lifetime of the holder(s) of the securities of the Company in the manner specified under Section 72 of the Companies Act, 2013 read with Rule 19 of the Companies (Share Capital and Debentures) Rules, 2014</li> <li>iii) The Company shall not be in any way responsible for transferring the securities consequent upon such nomination.</li> <li>iv) If the holder(s) of the securities survive(s) nominee, then the nomination made by the holder(s) shall be of no effect and shall automatically stand revoked.</li> </ul>	<b>Nomination</b>

Sr. No	Particulars	
<b>81.</b>	<p>A nominee, upon production of such evidence as may be required by the Board and subject as hereinafter provided, elect, either-</p> <ul style="list-style-type: none"> <li>(i) to be registered himself as holder of the security, as the case may be; or</li> <li>(ii) to make such transfer of the security, as the case may be, as the deceased security holder, could have made;</li> <li>(iii) if the nominee elects to be registered as holder of the security, himself, as the case may be, 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 security holder as the case may be;</li> <li>(iv) a nominee shall be entitled to the same dividends and other advantages to which he would be entitled to, if he were the registered holder of the security except that he shall not, before being registered as a member in respect of his security, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company.</li> </ul> <p>Provided further that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share or debenture, 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 or rights accruing in respect of the share or debenture, until the requirements of the notice have been complied with.</p>	<b>Transmission of Securities by nominee</b>
<b>82.</b>	<p><b>DEMATERIALIZATION OF SHARES</b></p> <p>Subject to the provisions of the Act and Rules made thereunder the Company may offer its members facility to hold securities issued by it in dematerialized form.</p>	<b>Dematerialisation of Securities</b>
<b>83.</b>	<p><b>JOINT HOLDER</b></p> <p>Where two or more persons are registered as the holders of any share they shall be deemed to hold the same as joint Shareholders with benefits of survivorship subject to the following and other provisions contained in these Articles.</p>	<b>Joint Holders</b>
<b>84.</b>	<ul style="list-style-type: none"> <li>(a) The Joint holders of any share shall be liable severally as well as jointly for and in respect of all calls and other payments which ought to be made in respect of such share.</li> <li>(b) on the death of any such joint holders the survivor or survivors shall be the only person recognized by the Company as having any title to the share but the Board may require such evidence of death as it may deem fit and nothing herein contained shall be taken to release the estate of a deceased joint holder from</li> </ul>	<p><b>Joint and several liabilities for all payments in respect of shares.</b></p> <p><b>Title of survivors.</b></p>

Sr. No	Particulars	
	any liability of shares held by them jointly with any other person;	
	(c) Any one of two or more joint holders of a share may give effectual receipts of any dividends or other moneys payable in respect of share; and	<b>Receipts of one sufficient.</b>
	(d) only the person whose name stands first in the Register of Members as one of the joint holders of any share shall be entitled to delivery of the certificate relating to such share or to receive documents from the Company and any such document served on or sent to such person shall deemed to be service on all the holders.	<b>Delivery of certificate and giving of notices to first named holders.</b>
<b>SHARE WARRANTS</b>		
<b>85.</b>	The Company may issue warrants subject to and in accordance with provisions of the Act and accordingly the Board may in its discretion with respect to any Share which is fully paid upon application in writing signed by the persons registered as holder of the Share, and authenticated by such evidence(if any) as the Board may, from time to time, require as to the identity of the persons signing the application and on receiving the certificate (if any) of the Share, and the amount of the stamp duty on the warrant and such fee as the Board may, from time to time, require, issue a share warrant.	<b>Power to issue share warrants</b>
<b>86.</b>	(a) The bearer of a share warrant may at any time deposit the warrant at the Office of the Company, and so long as the warrant remains so deposited, the depositor shall have the same right of signing a requisition for call in a meeting of the Company, and of attending and voting and exercising the other privileges of a Member at any meeting held after the expiry of two clear days from the time of deposit, as if his name were inserted in the Register of Members as the holder of the Share included in the deposit warrant. (b) Not more than one person shall be recognized as depositor of the Share warrant. (c) The Company shall, on two day's written notice, return the deposited share warrant to the depositor.	<b>Deposit of share warrants</b>
<b>87.</b>	(a) Subject as herein otherwise expressly provided, no person, being a bearer of a share warrant, shall 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. (b) The bearer of a share warrant shall be entitled in all other respects to the same privileges and advantages as if he were named in the Register of Members as the holder of the Share included in the warrant, and he shall be a Member of the Company.	<b>Privileges and disabilities of the holders of share warrant</b>
<b>88.</b>	The Board may, from time to time, make bye-laws as to	<b>Issue of new share warrant</b>

Sr. No	Particulars	
	terms on which (if it shall think fit), a new share warrant or coupon may be issued by way of renewal in case of defacement, loss or destruction.	<b>coupons</b>
<b>CONVERSION OF SHARES INTO STOCK</b>		
89.	The Company may, by ordinary resolution in General Meeting. a) convert any fully paid-up shares into stock; and b) re-convert any stock into fully paid-up shares of any denomination.	<b>Conversion of shares into stock or reconversion.</b>
90.	The holders of stock may transfer the same or any part thereof in the same manner as and subject to the same regulation under which the shares from which the stock arose might before the conversion have been transferred, or as near thereto as circumstances admit, provided that, the Board may, from time to time, fix the minimum amount of stock transferable so however that such minimum shall not exceed the nominal amount of the shares from which the stock arose.	<b>Transfer of stock.</b>
91.	The holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, participation in profits, voting at meetings of the Company, and other matters, as if they hold the shares for which the stock arose but no such privilege or advantage shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage.	<b>Rights of stockholders.</b>
92.	Such of the regulations of the Company (other than those relating to share warrants), as are applicable to paid up share shall apply to stock and the words “share” and “shareholders” in those regulations shall include “stock” and “stockholders” respectively.	<b>Regulations.</b>
<b>BORROWING POWERS</b>		
93.	Subject to the provisions of the Act and these Articles, the Board may, from time to time at its discretion, by a resolution passed at a meeting of the Board generally raise or borrow money by way of deposits, loans, overdrafts, cash credit or by issue of bonds, debentures or debenture-stock (perpetual or otherwise) or in any other manner, or from any person, firm, company, co-operative society, any body corporate, bank, institution, whether incorporated in India or abroad, Government or any authority or any other body for the purpose of the Company and may secure the payment of any sums of money so received, raised or borrowed; provided that the total amount borrowed by the Company (apart from temporary loans obtained from the Company’s Bankers in the ordinary course of business) shall not without the consent of the Company in General Meeting exceed the aggregate of the paid up capital of the Company and its free reserves that is to say reserves not set apart for any specified purpose.	<b>Power to borrow.</b>



<b>Sr. No</b>	<b>Particulars</b>	
<b>94.</b>	Subject to the provisions of the Act and these Articles, any bonds, debentures, debenture-stock or any other securities may be issued at a discount, premium or otherwise and with any special privileges and conditions as to redemption, surrender, allotment of shares, appointment of Directors or otherwise; provided that debentures with the right to allotment of or conversion into shares shall not be issued except with the sanction of the Company in General Meeting.	<b>Issue of discount etc. or with special privileges.</b>
<b>95.</b>	The payment and/or repayment of moneys borrowed or raised as aforesaid or any moneys owing otherwise or debts due from the Company may be secured in such manner and upon such terms and conditions in all respects as the Board may think fit, and in particular by mortgage, charter, lien or any other security upon all or any of the assets or property (both present and future) or the undertaking of the Company including its uncalled capital for the time being, or by a guarantee by any Director, Government or third party, and the bonds, debentures and debenture stocks and other securities may be made assignable, free from equities between the Company and the person to whom the same may be issued and also by a similar mortgage, charge or lien to secure and guarantee, the performance by the Company or any other person or company of any obligation undertaken by the Company or any person or Company as the case may be.	<b>Securing payment or repayment of Moneys borrowed.</b>
<b>96.</b>	Any bonds, debentures, debenture-stock or their securities issued or to be issued by the Company shall be under the control of the Board who may issue them upon such terms and conditions, and in such manner and for such consideration as they shall consider to be for the benefit of the Company.	<b>Bonds, Debentures etc. to be under the control of the Directors.</b>
<b>97.</b>	If any uncalled capital of the Company is included in or charged by any mortgage or other security the Directors shall subject to the provisions of the Act and these Articles make calls on the members in respect of such uncalled capital in trust for the person in whose favour such mortgage or security is executed.	<b>Mortgage of uncalled Capital.</b>
<b>98.</b>	Subject to the provisions of the Act and these Articles if the Directors or any of them or any other person shall incur or be about to incur any liability whether as principal or surety for the payment of any sum primarily due from the Company, the Directors may execute or cause to be executed any mortgage, charge or security over or affecting the whole or any part of the assets of the Company by way of indemnity to secure the Directors or person so becoming liable as aforesaid from any loss in respect of such liability.	<b>Indemnity may be given.</b>
<b>MEETINGS OF MEMBERS</b>		
<b>99.</b>	All the General Meetings of the Company other than	<b>Distinction between AGM &amp;</b>

Sr. No	Particulars	
	Annual General Meetings shall be called Extra-ordinary General Meetings.	<b>EGM.</b>
<b>100.</b>	(a) The Directors may, whenever they think fit, convene an Extra-Ordinary General Meeting and they shall on requisition of Members made in compliance with Section 100 of the Act, forthwith proceed to convene Extra-Ordinary General Meeting of the members	<b>Extra-Ordinary General Meeting by Board and by requisition</b>
	(b) If at any time there are not within India sufficient Directors capable of acting to form a quorum, or if the number of Directors be reduced in number to less than the minimum number of Directors prescribed by these Articles and the continuing Directors fail or neglect to increase the number of Directors to that number or to convene a General Meeting, any Director or any two or more Members of the Company holding not less than one-tenth of the total paid up share capital of the Company may call for an Extra-Ordinary General Meeting in the same manner as nearly as possible as that in which meeting may be called by the Directors.	<b>When a Director or any two Members may call an Extra Ordinary General Meeting</b>
<b>101.</b>	No General Meeting, Annual or Extraordinary shall be competent to enter upon, discuss or transfer any business which has not been mentioned in the notice or notices upon which it was convened.	<b>Meeting not to transact business not mentioned in notice.</b>
<b>102.</b>	The Chairman (if any) of the Board of Directors shall be entitled to take the chair at every General Meeting, whether Annual or Extraordinary. If there is no such Chairman of the Board of Directors, or if at any meeting he is not present within fifteen minutes of the time appointed for holding such meeting or if he is unable or unwilling to take the chair, then the Members present shall elect another Director as Chairman, and if no Director be present or if all the Directors present decline to take the chair then the Members present shall elect one of the members to be the Chairman of the meeting.	<b>Chairman of General Meeting</b>
<b>103.</b>	No business, except the election of a Chairman, shall be discussed at any General Meeting whilst the Chair is vacant.	<b>Business confined to election of Chairman whilst chair is vacant.</b>
<b>104.</b>	<p>a) The Chairperson may, with the consent of any meeting at which a quorum is present, and shall, if so directed by the meeting, adjourn the meeting from time to time and from place to place.</p> <p>b) No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.</p> <p>c) When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting.</p> <p>d) Save as aforesaid, and as provided in section 103 of the Act, it shall not be necessary to give any notice of</p>	<b>Chairman with consent may adjourn meeting.</b>



Sr. No	Particulars	
	an adjournment or of the business to be transacted at an adjourned meeting.	
<b>105.</b>	In the case of an equality of votes the Chairman shall both on a show of hands, on a poll (if any) and e-voting, have casting vote in addition to the vote or votes to which he may be entitled as a Member.	<b>Chairman's casting vote.</b>
<b>106.</b>	Any poll duly demanded on the election of Chairman of the meeting or any question of adjournment shall be taken at the meeting forthwith.	<b>In what case poll taken without adjournment.</b>
<b>107.</b>	The demand for a poll except on the question of the election of the Chairman and of an adjournment 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.	<b>Demand for poll not to prevent transaction of other business.</b>
<b>VOTES OF MEMBERS</b>		
<b>108.</b>	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, upon a poll or electronically, or be reckoned in a quorum 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 exercised, any right or lien.	<b>Members in arrears not to vote.</b>
<b>109.</b>	Subject to the provision of these Articles and without prejudice to any special privileges, or restrictions as 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, and to speak and to 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 is present at any meeting of the Company, save as provided in sub-section (2) of Section 47 of the Act, he shall have a right to vote only on resolution placed before the meeting which directly affect the rights attached to his preference shares.	<b>Number of votes each member entitled.</b>
<b>110.</b>	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.	<b>Casting of votes by a member entitled to more than one vote.</b>
<b>111.</b>	A member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, or a minor 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.	<b>Vote of member of unsound mind and of minor</b>

<b>Sr. No</b>	<b>Particulars</b>	
<b>112.</b>	Notwithstanding anything contained in the provisions of the Companies Act, 2013, and the Rules made there under, the Company may, and in the case of resolutions relating to such business as may be prescribed by such authorities from time to time, declare to be conducted only by postal ballot, shall, get any such business/ resolutions passed by means of postal ballot, instead of transacting the business in the General Meeting of the Company.	<b>Postal Ballot</b>
<b>113.</b>	A member may exercise his vote at a meeting by electronic means in accordance with section 108 and shall vote only once.	<b>E-Voting</b>
<b>114.</b>	<p>a) In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders. If more than one of the said persons remain present than the senior shall alone be entitled to speak and to vote in respect of such shares, but the other or others of the joint holders shall be entitled to be present at the meeting. Several executors or administrators of a deceased Member in whose name share stands shall for the purpose of these Articles be deemed joints holders thereof.</p> <p>b) For this purpose, seniority shall be determined by the order in which the names stand in the register of members.</p>	<b>Votes of joint members.</b>
<b>115.</b>	Votes may be given either personally or by attorney or by proxy or in case of a company, by a representative duly Authorised as mentioned in Articles	<b>Votes may be given by proxy or by representative</b>
<b>116.</b>	A body corporate (whether a company within the meaning of the Act or not) may, if it is member or creditor of the Company (including being a holder of debentures) authorise such person by resolution of its Board of Directors, as it thinks fit, in accordance with the provisions of Section 113 of the Act to act as its representative at any Meeting of the members or creditors of the Company or debentures holders of the Company. A person authorised by resolution as aforesaid shall be entitled to exercise the same rights and powers (including the right to vote by proxy) on behalf of the body corporate as if it were an individual member, creditor or holder of debentures of the Company.	<b>Representation of a body corporate.</b>
<b>117.</b>	<p>(a) A member paying the whole or a part of the amount remaining unpaid on any share held by him although no part of that amount has been called up, shall not be entitled to any voting rights in respect of the moneys paid until the same would, but for this payment, become presently payable.</p> <p>(b) A member is not prohibited from exercising his voting rights on the ground that he has not held his shares or interest in the Company for any specified</p>	<p><b>Members paying money in advance.</b></p> <p><b>Members not prohibited if share not held for any specified period.</b></p>

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	period preceding the date on which the vote was taken.	
<b>118.</b>	Any person entitled under Article 73 (transmission clause) 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 at least forty-eight hours 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 indemnify (if any) as the Directors may require or the directors shall have previously admitted his right to vote at such meeting in respect thereof.	<b>Votes in respect of shares of deceased or insolvent members.</b>
<b>119.</b>	No Member shall be entitled to vote on a show of hands unless such member is present personally or by attorney or is a body Corporate present by a representative duly Authorised under the provisions of the Act in which case such members, attorney or representative may vote on a show of hands as if he were a Member of the Company. In the case of a Body Corporate the production at the meeting of a copy of such resolution duly signed by a Director or Secretary of such Body Corporate and certified by him as being a true copy of the resolution shall be accepted by the Company as sufficient evidence of the authority of the appointment.	<b>No votes by proxy on show of hands.</b>
<b>120.</b>	The instrument appointing a proxy and the power-of-attorney or other authority, if any, under which it is signed or a notarised copy of that power or authority, shall be deposited at the registered office of the company not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or, in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll; and in default the instrument of proxy shall not be treated as valid.	<b>Appointment of a Proxy.</b>
<b>121.</b>	An instrument appointing a proxy shall be in the form as prescribed in the rules made under section 105.	<b>Form of proxy.</b>
<b>122.</b>	A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or insanity of the Member, or revocation of the proxy or of any power of attorney which such proxy 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 or adjourned meeting at which the proxy is used.	<b>Validity of votes given by proxy notwithstanding death of a member.</b>
<b>123.</b>	No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes.	<b>Time for objections to votes.</b>

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<b>124.</b>	Any such objection raised to the qualification of any voter in due time shall be referred to the Chairperson of the meeting, whose decision shall be final and conclusive.	<b>Chairperson of the Meeting to be the judge of validity of any vote.</b>
<b>DIRECTORS</b>		
<b>125.</b>	<p><b>A.</b> The First directors of the Company are as follows:</p> <ol style="list-style-type: none"> <li><b>1.</b> Hira Lal Jain</li> <li><b>2.</b> Bina Devi Jain</li> <li><b>3.</b> Vivek Benara</li> </ol> <p><b>B.</b> Until otherwise determined by a General Meeting of the Company and subject to the provisions of Section 149 of the Act, the number of Directors (including Debenture and Alternate Directors) shall not be less than three and not more than fifteen. Provided that a company may appoint more than fifteen directors after passing a special resolution</p>	<p><b>A. First Directors</b></p> <p><b>B. Number of Directors</b></p>
<b>126.</b>	A Director of the Company shall not be bound to hold any Qualification Shares in the Company.	<b>Qualification shares.</b>
<b>127.</b>	<p>(a) Subject to the provisions of the Companies Act, 2013 and notwithstanding anything to the contrary contained in these Articles, the Board may appoint any person as a director nominated by any institution in pursuance of the provisions of any law for the time being in force or of any agreement</p> <p>(b) The Nominee Director/s so appointed shall not be required to hold any qualification shares in the Company nor shall be liable to retire by rotation. The Board of Directors of the Company shall have no power to remove from office the Nominee Director/s so appointed. The said Nominee Director/s shall be entitled to the same rights and privileges including receiving of notices, copies of the minutes, sitting fees, etc. as any other Director of the Company is entitled.</p> <p>(c) If the Nominee Director/s is an officer of any of the financial institution the sitting fees in relation to such nominee Directors shall accrue to such financial institution and the same accordingly be paid by the Company to them. The Financial Institution shall be entitled to depute observer to attend the meetings of the Board or any other Committee constituted by the Board.</p> <p>(d) The Nominee Director/s shall, notwithstanding anything to the Contrary contained in these Articles, be at liberty to disclose any information obtained by him/them to the Financial Institution appointing him/them as such Director/s.</p>	<b>Nominee Directors.</b>
<b>128.</b>	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 three months from India. An Alternate Director appointed under this Article shall not hold office for period longer	<b>Appointment of alternate Director.</b>

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	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 India. If the term of Office of the Original Director is determined before he so returns to India, any provision in the Act or in these Articles for the automatic re-appointment of retiring Director in default of another appointment shall apply to the Original Director and not to the Alternate Director.	
129.	Subject to the provisions of the Act, the Board shall have power at any time and from time to time to appoint any other person to be an Additional Director. Any such Additional Director shall hold office only upto the date of the next Annual General Meeting.	<b>Additional Director</b>
130.	Subject to the provisions of the Act, the Board shall have power at any time and from time to time to appoint a Director, if the office of any director appointed by the company in general meeting is vacated before his term of office expires in the normal course, who 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.	<b>Directors power to fill casual vacancies.</b>
131.	Until otherwise determined by the Company in General Meeting, each Director other than the Managing/Whole-time Director (unless otherwise specifically provided for) shall be entitled to sitting fees not exceeding a sum prescribed in the Act (as may be amended from time to time) for attending meetings of the Board or Committees thereof.	<b>Sitting Fees.</b>
132.	The Board of Directors may subject to the limitations provided in the Act allow and pay to any Director who attends a meeting at a place other than his usual place of residence for the purpose of attending a meeting, such sum as the Board may consider fair, compensation for travelling, hotel and other incidental expenses properly incurred by him, in addition to his fee for attending such meeting as above specified.	<b>Travelling expenses Incurred by Director on Company's business.</b>
<b>PROCEEDING OF THE BOARD OF DIRECTORS</b>		
133.	(a) The Board of Directors may meet for the conduct of business, adjourn and otherwise regulate its meetings as it thinks fit. (b) A director may, and the manager or secretary on the requisition of a director shall, at any time, summon a meeting of the Board.	<b>Meetings of Directors.</b>
134.	a) The Directors may from time to time elect from among their members a Chairperson of the Board and determine the period for which he is to hold office. If at any meeting of the Board, the Chairman is not present within five minutes after the time appointed for holding the same, the Directors present may choose one of the Directors then present to preside at the meeting.	<b>Chairperson</b>

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	b) Subject to Section 203 of the Act and rules made there under, one person can act as the Chairman as well as the Managing Director or Chief Executive Officer at the same time.	
135.	Questions arising at any meeting of the Board of Directors shall be decided by a majority of votes and in the case of an equality of votes, the Chairman will have a second or casting vote.	<b>Questions at Board meeting how decided.</b>
136.	The continuing directors may act notwithstanding any vacancy in the Board; but, if and so long as their number is reduced below the quorum fixed by the Act for a meeting of the Board, the continuing directors or director may act for the purpose of increasing the number of directors to that fixed for the quorum, or of summoning a general meeting of the company, but for no other purpose.	<b>Continuing directors may act notwithstanding any vacancy in the Board</b>
137.	Subject to the provisions of the Act, the Board may delegate any of their powers to a Committee consisting of such member or members of its body as it thinks fit, and it may from time to time revoke and discharge any such committee either wholly or in part and either as to person, or purposes, but every Committee 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 in conformity with such regulations and in fulfillment of the purposes of their appointment but not otherwise, shall have the like force and effect as if done by the Board.	<b>Directors may appoint committee.</b>
138.	The Meetings and proceedings of any such Committee of the Board consisting of two or more members shall be governed by the provisions herein contained for regulating the meetings and proceedings 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.	<b>Committee Meeting show to be governed.</b>
139.	a) A committee may elect a Chairperson of its meetings. b) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the members present may choose one of their members to be Chairperson of the meeting.	<b>Chairperson of Committee Meetings</b>
140.	a) A committee may meet and adjourn as it thinks fit. b) Questions arising at any meeting of a committee shall be determined by a majority of votes of the members present, and in case of an equality of votes, the Chairperson shall have a second or casting vote.	<b>Meetings of the Committee</b>
141.	Subject to the provisions of the Act, 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	<b>Acts of Board or Committee shall be valid notwithstanding defect in appointment.</b>



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	<p>acting as aforesaid, or that they or any of them were 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 been duly appointed, and was qualified to be a Director.</p>	
	<b>RETIREMENT AND ROTATION OF DIRECTORS</b>	
142.	<p>Subject to the provisions of Section 161 of the Act, if the office of any Director appointed by the Company in General Meeting vacated before his term of office will expire in the normal course, the resulting casual vacancy may in default of and subject to any regulation in the Articles of the Company be filled by the Board of Directors at the meeting of the Board and the Director so appointed shall hold office only up to the date up to which the Director in whose place he is appointed would have held office if had not been vacated as aforesaid.</p>	<b>Power to fill casual vacancy</b>
	<b>POWERS OF THE BOARD</b>	
143.	<p>The business of the Company shall be managed by the Board who may exercise all such powers of the Company and do all such acts and things as may be necessary, unless otherwise restricted by the Act, or by any other law or by the Memorandum or by the Articles required to be exercised by the Company in General Meeting. However no regulation made by the Company in General Meeting shall invalidate any prior act of the Board which would have been valid if that regulation had not been made.</p>	<b>Powers of the Board</b>
144.	<p>Without prejudice to the general powers conferred by the Articles and so as not in any way to limit or restrict these powers, and without prejudice to the other powers conferred by these Articles, but subject to the restrictions contained in the Articles, it is hereby, declared that the Directors shall have the following powers, that is to say</p>	<b>Certain powers of the Board</b>
	<p>(1) Subject to the provisions of the Act, to purchase or otherwise acquire any lands, buildings, machinery, premises, property, effects, assets, rights, creditors, royalties, business and goodwill of any person firm or company carrying on the business which this Company is authorised to carry on, in any part of India.</p>	<b>To acquire any property , rights etc.</b>
	<p>(2) Subject to the provisions of the Act to purchase, take on lease for any term or terms of years, or otherwise acquire any land or lands, with or without buildings and out-houses thereon, situate in any part of India, at such conditions as the Directors may think fit, and in any such purchase, lease or acquisition to accept such title as the Directors may believe, or may be advised to be reasonably satisfy.</p>	<b>To take on Lease.</b>
	<p>(3) To erect and construct, on the said land or lands, buildings, houses, warehouses and sheds and to</p>	<b>To erect &amp; construct.</b>

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	alter, extend and improve the same, to let or lease the property of the company, in part or in whole for such rent and subject to such conditions, as may be thought advisable; to sell such portions of the land or buildings of the Company as may not be required for the company; to mortgage the whole or any portion of the property of the company for the purposes of the Company; to sell all or any portion of the machinery or stores belonging to the Company.	
(4)	At their discretion and subject to the provisions of the Act, the Directors may pay property rights or privileges acquired by, or services rendered to the Company, either wholly or partially in cash or in shares, bonds, debentures or other securities of the Company, and any such share may be issued either as fully paid up or with such amount credited as paid up thereon as may be agreed upon; and any such bonds, debentures or other securities may be either specifically charged upon all or any part of the property of the Company and its uncalled capital or not so charged.	<b>To pay for property.</b>
(5)	To insure and keep insured against loss or damage by fire or otherwise for such period and to such extent as they may think proper all or any part of the buildings, machinery, goods, stores, produce and other moveable property of the Company either separately or co-jointly; also to insure all or any portion of the goods, produce, machinery and other articles imported or exported by the Company and to sell, assign, surrender or discontinue any policies of assurance effected in pursuance of this power.	<b>To insure properties of the Company.</b>
(6)	To open accounts with any Bank or Bankers and to pay money into and draw money from any such account from time to time as the Directors may think fit.	<b>To open Bank accounts.</b>
(7)	To secure the fulfillment of any contracts or engagement entered into by the Company by mortgage or charge on all or any of the property of the Company including its whole or part of its undertaking as a going concern and its uncalled capital for the time being or in such manner as they think fit.	<b>To secure contracts by way of mortgage.</b>
(8)	To accept from any member, so far as may be permissible by law, a surrender of the shares or any part thereof, on such terms and conditions as shall be agreed upon.	<b>To accept surrender of shares.</b>
(9)	To appoint any person to accept and hold in trust, for the Company property belonging to the Company, or in which it is interested or for any other purposes and to execute and to do all such	<b>To appoint trustees for the Company.</b>



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	deeds and things as may be required in relation to any such trust, and to provide for the remuneration of such trustee or trustees.	
(10)	To institute, conduct, defend, compound or abandon any legal proceeding by or against the Company or its Officer, or otherwise concerning the affairs and also to compound and allow time for payment or satisfaction of any debts, due, and of any claims or demands by or against the Company and to refer any difference to arbitration, either according to Indian or Foreign law and either in India or abroad and observe and perform or challenge any award thereon.	<b>To conduct legal proceedings.</b>
(11)	To act on behalf of the Company in all matters relating to bankruptcy insolvency.	<b>Bankruptcy &amp; Insolvency</b>
(12)	To make and give receipts, release and give discharge for moneys payable to the Company and for the claims and demands of the Company.	<b>To issue receipts &amp; give discharge.</b>
(13)	Subject to the provisions of the Act, and these Articles to invest and deal with any moneys of the Company not immediately required for the purpose thereof, upon such authority (not being the 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 187 of the Act, all investments shall be made and held in the Company's own name.	<b>To invest and deal with money of the Company.</b>
(14)	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 as surety, for the benefit of the Company, such mortgage of the Company's property (present or future) as they think fit, and any such mortgage may contain a power of sale and other powers, provisions, covenants and agreements as shall be agreed upon;	<b>To give Security by way of indemnity.</b>
(15)	To determine from time to time persons who shall be entitled to sign on Company's behalf, bills, notes, receipts, acceptances, endorsements, cheques, dividend warrants, releases, contracts and documents and to give the necessary authority for such purpose, whether by way of a resolution of the Board or by way of a power of attorney or otherwise.	<b>To determine signing powers.</b>
(16)	To give to any Director, Officer, or other persons employed by the Company, a commission on the profits of any particular business or transaction, or a share in the general profits of the company; and such commission or share of profits shall be treated as part of the working expenses of the Company.	<b>Commission or share in profits.</b>

Sr. No	Particulars	
(17)	To give, award or allow any bonus, pension, gratuity or compensation to any employee of the Company, or his widow, children, dependents, that may appear just or proper, whether such employee, his widow, children or dependents have or have not a legal claim on the Company.	<b>Bonus etc. to employees.</b>
(18)	To set aside out of the profits of the Company such sums as they may think proper for depreciation or the depreciation funds or to insurance fund or to an export fund, or to a Reserve Fund, or Sinking Fund or any special fund to meet contingencies or repay debentures or debenture-stock or for equalizing dividends or for repairing, improving, extending and maintaining any of the properties of the Company and for such other purposes (including the purpose referred to in the preceding clause) as the Board may, in the absolute discretion think conducive to the interests of the Company, and subject to Section 179 of the Act, to invest the several sums so set aside or so much thereof as may be required to be invested, upon such investments (other than shares of this Company) as they may think fit and from time to time deal with and vary such investments and dispose of and apply and extend all or any part thereof for the benefit of the Company notwithstanding the matters to which the Board apply or upon which the capital moneys of the Company might rightly be applied or expended and divide the reserve fund into such special funds as the Board may think fit; with full powers to transfer the whole or any portion of a reserve fund or division of a reserve fund to another fund and with the full power to employ the assets constituting all or any of the above funds, including the depredation fund, in the business of the company or in the purchase or repayment of debentures or debenture-stocks and without being bound to keep the same separate from the other assets and without being bound to pay interest on the same with the power 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.	<b>Transfer to Reserve Funds.</b>
(19)	To appoint, and at their discretion remove or suspend such general manager, managers, secretaries, assistants, supervisors, scientists, technicians, engineers, consultants, legal, medical or economic advisers, research workers, labourers, clerks, agents and servants, 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 or emoluments or	<b>To appoint and remove officers and other employees.</b>

Sr. No	Particulars	
	remuneration and to require security in such instances and for such amounts they may think fit and also from time to time to provide for the management and transaction of the affairs of the Company in any specified locality in India or elsewhere in such manner as they think fit and the provisions contained in the next following clauses shall be without prejudice to the general powers conferred by this clause.	
(20)	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 power 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 such appointments may (if the Board think fit) be made in favour of the members or any of the members of any local Board established as aforesaid or in favour of any Company, or the shareholders, directors, nominees or manager 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 powers of attorney may contain such powers for the protection or convenience for dealing with such Attorneys as the Board may think fit, and may contain powers enabling any such delegated Attorneys as aforesaid to sub-delegate all or any of the powers, authorities and discretion for the time being vested in them.	<b>To appoint Attorneys.</b>
(21)	Subject to Sections 188 of the Act, for or in relation to any of the matters aforesaid or otherwise for the purpose of the Company to enter into all such negotiations and contracts and rescind and vary all such contracts, and execute and do all such acts, deeds and things in the name and on behalf of the Company as they may consider expedient.	<b>To enter into contracts.</b>
(22)	From time to time to make, vary and repeal rules for the regulations of the business of the Company its Officers and employees.	<b>To make rules.</b>
(23)	To effect, make and enter into on behalf of the Company all transactions, agreements and other contracts within the scope of the business of the Company.	<b>To effect contracts etc.</b>
(24)	To apply for, promote and obtain any act, charter, privilege, concession, license, authorization, if any,	<b>To apply &amp; obtain concessions licenses etc.</b>

Sr. No	Particulars	
	Government, State or municipality, provisional order or license of any authority for enabling the Company to carry any of this objects into effect, or for extending and any of the powers of the Company or for effecting any modification of the Company's constitution, or for any other purpose, which may seem expedient and to oppose any proceedings or applications which may seem calculated, directly or indirectly to prejudice the Company's interests.	
(25)	To pay and charge to the capital account of the Company any commission or interest lawfully payable there out under the provisions of Sections 40 of the Act and of the provisions contained in these presents.	<b>To pay commissions or interest.</b>
(26)	To redeem preference shares.	<b>To redeem preference shares.</b>
(27)	To subscribe, incur expenditure or otherwise to assist or to guarantee money to charitable, benevolent, religious, scientific, national or any other institutions or subjects which shall have any moral or other claim to support or aid by the Company, either by reason of locality or operation or of public and general utility or otherwise.	<b>To assist charitable or benevolent institutions.</b>
(28)	To pay the cost, charges and expenses preliminary and incidental to the promotion, formation, establishment and registration of the Company.	
(29)	To pay and charge to the capital account of the Company any commission or interest lawfully payable thereon under the provisions of Sections 40 of the Act.	
(30)	To provide for the welfare of Directors or ex-Directors 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, dwelling or chawls, or by grants of moneys, pension, gratuities, allowances, bonus or other payments, or by creating and from time to time subscribing or contributing, to provide other associations, institutions, funds or trusts and by providing or subscribing or contributing towards place of instruction and recreation, hospitals and dispensaries, medical and other attendance and other assistance as the Board shall think fit and subject to the provision of Section 181 of the Act, to subscribe or contribute or otherwise to assist or to guarantee money to charitable, benevolent, religious, scientific, national or other institutions or object which shall have any moral or other claim to support or aid by the Company, either by reason of	

Sr. No	Particulars
	locality of operation, or of the public and general utility or otherwise.
(31)	To purchase or otherwise acquire or obtain license for the use of and to sell, exchange or grant license for the use of any trade mark, patent, invention or technical know-how.
(32)	To sell from time to time any Articles, materials, machinery, plants, stores and other Articles and thing belonging to the Company as the Board may think proper and to manufacture, prepare and sell waste and by-products.
(33)	From time to time to extend the business and undertaking of the Company by adding, altering or enlarging all or any of the buildings, factories, workshops, premises, plant and machinery, for the time being the property of or in the possession of the Company, or by erecting new or additional buildings, and to expend such sum of money for the purpose aforesaid or any of them as they be thought necessary or expedient.
(34)	To undertake on behalf of the Company any payment of rents and the performance of the covenants, conditions and agreements contained in or reserved by any lease that may be granted or assigned to or otherwise acquired by the Company and to purchase the reversion or reversions, and otherwise to acquire on free hold sample of all or any of the lands of the Company for the time being held under lease or for an estate less than freehold estate.
(35)	To improve, manage, develop, exchange, lease, sell, resell and re-purchase, dispose off, deal or otherwise turn to account, any property (movable or immovable) or any rights or privileges belonging to or at the disposal of the Company or in which the Company is interested.
(36)	To let, sell or otherwise dispose of subject to the provisions of Section 180 of the Act and of the other Articles any property of the Company, either absolutely or conditionally and in such manner and upon such terms and conditions in all respects as it thinks fit and to accept payment in satisfaction for the same in cash or otherwise as it thinks fit.
(37)	Generally subject to the provisions of the Act and these Articles, to delegate the powers/authorities and discretions vested in the Directors to any person(s), firm, company or fluctuating body of persons as aforesaid.
(38)	To comply with the requirements of any local law which in their opinion it shall in the interest of the Company be necessary or expedient to comply with.

Sr. No	Particulars	
	<b>MANAGING AND WHOLE-TIME DIRECTORS</b>	
<b>145.</b>	<p>a) Subject to the provisions of the Act and of these Articles, the Directors may from time to time in Board Meetings appoint one or more of their body to be a Managing Director or Managing Directors or whole-time Director or whole-time Directors of the Company for such term not exceeding five years at a time as they may think fit to manage the affairs and business of the Company, and may from time to time (subject to the provisions of any contract between him or them and the Company) remove or dismiss him or them from office and appoint another or others in his or their place or places.</p> <p>b) The Managing Director or Managing Directors or whole-time Director or whole-time Directors so appointed shall be liable to retire by rotation. A Managing Director or Whole-time Director who is appointed as Director immediately on the retirement by rotation shall continue to hold his office as Managing Director or Whole-time Director and such re-appointment as such Director shall not be deemed to constitute a break in his appointment as Managing Director or Whole-time Director.</p>	<b>Powers to appoint Managing/Wholetime Directors.</b>
<b>146.</b>	The remuneration of a Managing Director or a Whole-time Director (subject to the provisions of the Act and of these Articles and of any contract between him and the Company) shall from time to time be fixed by the Directors, and may be, by way of fixed salary, or commission on profits of the Company, or by participation in any such profits, or by any, or all of these modes.	<b>Remuneration of Managing or Wholetime Director.</b>
<b>147.</b>	<p>(1) Subject to control, direction and supervision of the Board of Directors, the day-to-day management of the company will be in the hands of the Managing Director or Whole-time Director appointed in accordance with regulations of these Articles of Association with powers to the Directors to distribute such day-to-day management functions among such Directors and in any manner as may be directed by the Board.</p> <p>(2) The Directors may from time to time entrust to and confer upon the Managing Director or Whole-time Director for the time being save as prohibited in the Act, such of the powers exercisable under these presents by the Directors as they may think fit, and may confer such objects and purposes, and upon such terms and conditions, and with such restrictions as they think expedient; and they may subject to the provisions of the Act and these Articles confer such powers, either collaterally with or to the exclusion of, and in substitution for, all or</p>	<b>Powers and duties of Managing Director or Whole-time Director.</b>

Sr. No	Particulars	
	any of the powers of the Directors in that behalf, and may from time to time revoke, withdraw, alter or vary all or any such powers.	
	(3) The Company's General Meeting may also from time to time appoint any Managing Director or Managing Directors or Wholetime Director or Wholetime Directors of the Company and may exercise all the powers referred to in these Articles.	
	(4) The Managing Director shall be entitled to sub-delegate (with the sanction of the Directors where necessary) all or any of the powers, authorities and discretions for the time being vested in him in particular from time to time by the appointment of any attorney or attorneys for the management and transaction of the affairs of the Company in any specified locality in such manner as they may think fit.	
	(5) Notwithstanding anything contained in these Articles, the Managing Director is expressly allowed generally to work for and contract with the Company and especially to do the work of Managing Director and also to do any work for the Company upon such terms and conditions and for such remuneration (subject to the provisions of the Act) as may from time to time be agreed between him and the Directors of the Company.	
	<b>Chief Executive Officer, Manager, Company Secretary or Chief Financial Officer</b>	
<b>148.</b>	<p>a) Subject to the provisions of the Act,—</p> <p>i. A chief executive officer, manager, company secretary or chief financial officer may be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit; and any chief executive officer, manager, company secretary or chief financial officer so appointed may be removed by means of a resolution of the Board;</p> <p>ii. A director may be appointed as chief executive officer, manager, company secretary or chief financial officer.</p> <p>b) A provision of the Act or these regulations requiring or authorising a thing to be done by or to a director and chief executive officer, manager, company secretary or chief financial officer shall not be satisfied by its being done by or to the same person acting both as director and as, or in place of, chief executive officer, manager, company secretary or chief financial officer.</p>	<b>Board to appoint Chief Executive Officer/ Manager/ Company Secretary/ Chief Financial Officer</b>
	<b>THE SEAL</b>	
<b>149.</b>	(a) The Board shall provide a Common Seal for the purposes of the Company, and shall have power	<b>The seal, its custody and use.</b>



Sr. No	Particulars	
	<p>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 the Seal shall never be used except by the authority of the Board or a Committee of the Board previously given.</p> <p>(b) The Company shall also be at liberty to have an Official Seal in accordance with of the Act, for use in any territory, district or place outside India.</p>	
<b>150.</b>	<p>The seal of the company shall not be affixed to any instrument except by the authority of a resolution of the Board or of a committee of the Board authorized by it in that behalf, and except in the presence of at least two directors and of the secretary or such other person as the Board may appoint for the purpose; and those two directors and the secretary or other person aforesaid shall sign every instrument to which the seal of the company is so affixed in their presence.</p>	<b>Deeds how executed.</b>
<b>Dividend and Reserves</b>		
<b>151.</b>	<p>(1) Subject to the rights of persons, if any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid, but if and so long as nothing is paid upon any of the shares in the Company, dividends may be declared and paid according to the amounts of the shares.</p> <p>(2) No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this regulation as paid on the share.</p> <p>(3) All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly.</p>	<b>Division of profits.</b>
<b>152.</b>	<p>The Company in General Meeting may declare dividends, to be paid to members according to their respective rights and interests in the profits and may fix the time for payment and the Company shall comply with the provisions of Section 127 of the Act, but no dividends shall exceed the amount recommended by the Board of Directors, but the Company may declare a smaller dividend in general meeting.</p>	<b>The company in General Meeting may declare Dividends.</b>
<b>153.</b>	<p>a) The Board may, before recommending any dividend, set aside out of the profits of the company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the company may be properly applied, including provision for meeting</p>	<b>Transfer to reserves</b>



Sr. No	Particulars	
	contingencies or for equalizing dividends; and pending such application, may, at the like discretion, either be employed in the business of the company or be invested in such investments (other than shares of the company) as the Board may, from time to time, thinks fit.	
	b) The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.	
154.	Subject to the provisions of section 123, the Board may from time to time pay to the members such interim dividends as appear to it to be justified by the profits of the company.	<b>Interim Dividend.</b>
155.	The Directors may retain any dividends on which the Company has a lien and may apply the same in or towards the satisfaction of the debts, liabilities or engagements in respect of which the lien exists.	<b>Debts may be deducted.</b>
156.	No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this articles as paid on the share.	<b>Capital paid up in advance not to earn dividend.</b>
157.	All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid but if any share is issued on terms providing that it shall rank for dividends as from a particular date such share shall rank for dividend accordingly.	<b>Dividends in proportion to amount paid-up.</b>
158.	The Board of Directors may retain the dividend payable upon shares in respect of which any person under Articles has become entitled to be a member, or any person under that Article is entitled to transfer, until such person becomes a member, in respect of such shares or shall duly transfer the same.	<b>Retention of dividends until completion of transfer under Articles .</b>
159.	No member shall be entitled to receive payment of any interest or dividend or bonus 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 however, either alone or jointly with any other person or persons) and the Board of Directors may deduct from the interest or dividend payable to any member all such sums of money so due from him to the Company.	<b>No Member to receive dividend whilst indebted to the company and the Company's right of reimbursement thereof.</b>
160.	A transfer of shares does not pass the right to any dividend declared thereon before the registration of the transfer.	<b>Effect of transfer of shares.</b>
161.	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 in respect of such share.	<b>Dividend to joint holders.</b>
162.	a) Any dividend, interest or other monies payable in cash in respect of shares may be paid by cheque or warrant sent through the post directed to the	<b>Dividends how remitted.</b>

Sr. No	Particulars	
	<p>registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who is first named on the register of members, or to such person and to such address as the holder or joint holders may in writing direct.</p> <p>b) Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.</p>	
163.	Notice of any dividend that may have been declared shall be given to the persons entitled to share therein in the manner mentioned in the Act.	<b>Notice of dividend.</b>
164.	No unclaimed dividend shall be forfeited before the claim becomes barred by law and no unpaid dividend shall bear interest as against the Company.	<b>No interest on Dividends.</b>
<b>CAPITALIZATION</b>		
165.	<p>(1) The Company in General Meeting may, upon the recommendation of the Board, resolve:</p> <p>(a) that it is desirable to capitalize any part of the amount for the time being standing to the credit of any of the Company's reserve accounts, or to the credit of the Profit and Loss account, or otherwise available for distribution; and</p> <p>(b) that such sum be accordingly set free for distribution in the manner specified in clause (2) amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.</p> <p>(2) The sums aforesaid shall not be paid in cash but shall be applied subject to the provisions contained in clause (3) either in or towards:</p> <p>(i) paying up any amounts for the time being unpaid on any shares held by such members respectively;</p> <p>(ii) paying up in full, unissued shares of the Company to be allotted and distributed, credited as fully paid up, to and amongst such members in the proportions aforesaid; or</p> <p>(iii) partly in the way specified in sub-clause (i) and partly in that specified in sub-clause (ii).</p> <p>(3) A Securities Premium Account and Capital Redemption Reserve Account may, for the purposes of this regulation, only be applied in the paying up of unissued shares to be issued to members of the Company and fully paid bonus shares.</p> <p>(4) The Board shall give effect to the resolution passed by the Company in pursuance of this regulation.</p>	<b>Capitalization.</b>
166.	<p>(1) Whenever such a resolution as aforesaid shall have been passed, the Board shall —</p> <p>(a) make all appropriations and applications of the undivided profits resolved to be capitalized thereby and all allotments and issues of fully paid shares, if any, and</p>	<b>Fractional Certificates.</b>

Sr. No	Particulars	
	<p>(b) generally to do all acts and things required to give effect thereto.</p> <p>(2) The Board shall have full power -</p> <p>(a) to make such provision, by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit, in case of shares becoming distributable in fractions; and also</p> <p>(b) to authorise any person to enter, on behalf of all the members entitled thereto, into an agreement with the Company providing for the allotment to them respectively, credited as fully paid up, of any further shares to which they may be entitled upon such capitalization, or (as the case may require) for the payment by the Company on their behalf, by the application thereto of their respective proportions, of the profits resolved to be capitalized, of the amounts or any part of the amounts remaining unpaid on their existing shares.</p> <p>(3) Any agreement made under such authority shall be effective and binding on all such members.</p> <p>(4) That for the purpose of giving effect to any resolution, under the preceding paragraph of this Article, the Directors may give such directions as may be necessary and settle any questions or difficulties that may arise in regard to any issue including distribution of new equity shares and fractional certificates as they think fit.</p>	
167.	<p>(1) The books containing the minutes of the proceedings of any General Meetings of the Company shall be open to inspection of members without charge on such days and during such business hours as may consistently with the provisions of Section 119 of the Act be determined by the Company in General Meeting and the members will also be entitled to be furnished with copies thereof on payment of regulated charges.</p> <p>(2) Any member of the Company shall be entitled to be furnished within seven days after he has made a request in that behalf to the Company with a copy of any minutes referred to in sub-clause (1) hereof on payment of Rs. 10 per page or any part thereof.</p>	<b>Inspection of Minutes Books of General Meetings.</b>
168.	<p>a) The Board shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations, the accounts and books of the company, or any of them, shall be open to the inspection of members not being directors.</p> <p>b) No member (not being a director) shall have any right of inspecting any account or book or document of the company except as conferred by law or authorised by the Board or by the company in general meeting.</p>	<b>Inspection of Accounts</b>

Sr. No	Particulars	
	<b>FOREIGN REGISTER</b>	
169.	The Company may exercise the powers conferred on it by the provisions of the Act with regard to the keeping of Foreign Register of its Members or Debenture holders, and the Board may, subject to the provisions of the Act, make and vary such regulations as it may think fit in regard to the keeping of any such Registers.	<b>Foreign Register.</b>
	<b>DOCUMENTS AND SERVICE OF NOTICES</b>	
170.	Any document or notice to be served or given by the Company be signed by a Director or such person duly authorised by the Board for such purpose and the signature may be written or printed or lithographed.	<b>Signing of documents &amp; notices to be served or given.</b>
171.	Save as otherwise expressly provided in the Act, a document or proceeding requiring authentication by the company may be signed by a Director, the Manager, or Secretary or other Authorised Officer of the Company and need not be under the Common Seal of the Company.	<b>Authentication of documents and proceedings.</b>
	<b>WINDING UP</b>	
172.	<p>Subject to the provisions of Chapter XX of the Act and rules made thereunder—</p> <p>(i) If the company shall be wound up, the liquidator may, with the sanction of a special resolution of the company and any other sanction required by the Act, divide amongst the members, in specie or kind, the whole or any part of the assets of the company, whether they shall consist of property of the same kind or not.</p> <p>(ii) For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members.</p> <p>(iii) The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.</p>	
	<b>INDEMNITY</b>	
173.	Subject to provisions of the Act, every Director, or Officer or Servant of the Company or any person (whether an Officer of the Company or not) employed by the Company as Auditor, shall be indemnified by the Company against and it shall be the duty of the Directors to pay, out of the funds of the Company, all costs, charges, losses and damages which any such person may incur or become liable to, by reason of any contract entered into or act or thing done, concurred in or omitted to be done by him in any way in or about the execution or discharge of his duties or supposed duties (except such if any as he shall incur or sustain through or by his own wrongful act neglect or default) including expenses, and	<b>Directors' and others right to indemnity.</b>

Sr. No	Particulars	
	in particular and so as not to limit the generality of the foregoing provisions, against all liabilities incurred by him as such Director, Officer or Auditor or other officer of the Company in defending any proceedings whether civil or criminal in which judgment is given in his favor, or in which he is acquitted or in connection with any application under Section 463 of the Act on which relief is granted to him by the Court.	
174.	Subject to the provisions of the Act, no Director, Managing Director or other officer of the Company shall be liable for the acts, receipts, neglects or defaults of any other Directors or Officer, or for joining in any receipt or other act for conformity, or for any loss or expense happening to the Company through insufficiency or deficiency of title to any property acquired by order of the Directors for or on behalf of the Company or for the insufficiency or deficiency of any security in or upon which any of the moneys of the Company shall be invested, or for any loss or damage arising from the bankruptcy, insolvency or tortuous act of any person, company or corporation, with whom any moneys, securities or effects shall be entrusted or deposited, or for any loss occasioned by any error of judgment or oversight on his part, or for any other loss or damage or misfortune whatever which shall happen in the execution of the duties of his office or in relation thereto, unless the same happens through his own dishonesty.	<b>Not responsible for acts of others</b>
	<b>SECRECY</b>	
175.	(a) 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 pleading himself to observe strict secrecy respecting all transactions and affairs of the Company with the customers and the state of the accounts with individuals and in matters relating thereto, and shall by such declaration pledge himself not to reveal any of the matter which may come to his knowledge in the discharge of his duties except when required so to do by the Directors or by any meeting or by a Court of Law and except so far as may be necessary in order to comply with any of the provisions in these presents contained.	<b>Secrecy</b>
176.	(b) No member or other person (other than a Director) shall be entitled to enter the property of the Company or to inspect or examine the Company's premises or properties or the books of accounts of the Company without the permission of the Board of Directors of the Company for the time being or to require discovery of or any information in respect of	<b>Access to property information etc.</b>

Sr. No	Particulars
	any detail of the Company's trading or any matter which is or may be in the nature of trade secret, mystery of trade or secret process or of any matter whatsoever which may relate to the conduct of the business of the Company and which in the opinion of the Board it will be inexpedient in the interest of the Company to disclose or to communicate.

## **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 our Company or contracts entered into more than two (2) years before the date of filing of this Prospectus which are or may be deemed material have been entered or are to be entered into by our Company. These contracts, copies of which will be attached to the copy of the Prospectus will be delivered to the RoC for registration and also the documents for inspection referred to hereunder, may be inspected at the Registered Office of our Company located at A-3 & 4, Site B, Industrial Area Sikandra Agra Uttar Pradesh UP 285007 from date of filing this Prospectus with RoC to Bid Closing Date on working days from 10.00 a.m. to 5.00 p.m.

#### **Material Contracts**

1. Issue Agreement dated December 27, 2017 between our Company and the BRLM.
2. Registrar to the Issue Agreement dated December 27, 2017 between our Company and Bigshare Services Private Limited, Registrar to the Issue.
3. Underwriting Agreement dated February 7, 2018 between our Company and Underwriter viz. BRLM
4. Market Making Agreement dated February 7, 2018 between our Company, Market Maker and the BRLM.
5. Bankers to the Issue Agreement dated February 7, 2018 amongst our Company, the BRLM, Banker(s) to the Issue and the Registrar to the Issue.
6. Tripartite agreement among the NSDL, our Company and Registrar to the Issue dated February 20, 2018
7. Tripartite agreement among the CDSL, our Company and Registrar to the Issue dated February 15, 2018
8. Syndicate Agreement dated February 7, 2018 between our Company, the BRLMs and Syndicate Member viz. Pantomath Capital Advisors Private Limited and Pantomath Stock Brokers Private Limited.

#### **Material Documents**

1. Certified copies of the updated Memorandum and Articles of Association of our Company along with certificates of incorporation as amended from time to time.
2. Resolutions of the Board of Directors dated December 23, 2017 in relation to the Issue and other related matters.
3. Special resolution of the Shareholders' passed at the Extra – Ordinary General meeting dated January 15, 2018 authorizing the Issue.
4. Statement of Tax Benefits dated November 25, 2017 issued by our Peer Reviewed Auditor, Agrawal Jain & Gupta, Chartered Accountants.
5. Report of the Peer Reviewed Auditor, Agrawal Jain & Gupta, Chartered Accountants, dated November 25, 2017 on the Restated Financial Statements for the Financial Year ended as on March 31, 2017, 2016, 2015, 2014 & 2013 of our Company.
6. Search Report dated November 28, 2017 issued by Anju Jain FCS, Practicing Company Secretaries on the ROC Documents filed by the Company in physical form.
7. Consents of Promoters, Directors, Company Secretary and Compliance Officer, Statutory Auditors, Peer Reviewed Auditors, Banker to the Company, Legal Advisor to the Issue, the Book Running Lead Manager, Registrar to the Issue, Underwriter, Lenders to the Company, Market Maker, Bankers to the Issue, Refund Banker to the Offer and Syndicate Member to the Issue to act in their respective capacities.
8. Copy of approval from SME Platform of BSE Limited *vide* letter dated

February 22, 2018, to use the name of BSE Limited in this Issue document for listing of Equity Shares on SME Platform of BSE Limited.

None of the contracts or documents mentioned in this Prospectus may be amended or modified at any time without reference to the shareholders, subject to compliance of the provisions contained in the Companies Act and other relevant statutes.



## DECLARATION BY THE COMPANY

We, the under signed, hereby certify and declare that, all relevant provisions of the Companies Act and the rules, regulations and guidelines issued by the Government of India or the regulations / guidelines issued by SEBI, as the case may be, have been complied with and no statement made in the Prospectus is contrary to the provisions of the Companies Act, the Securities and Exchange Board of India Act, 1992 or rules made there under or regulations / guidelines issued, as the case may be. We further certify that all the disclosures and statements made in the Prospectus are true and correct.

### Signed by all the Directors of our Company

Name and Designation	Signature
<b>Panna Lal Jain</b> <i>Chairman</i> DIN: : 00204869	Sd/-
<b>Vivek Benara</b> <i>Managing Director</i> DIN: 00204647	Sd/-
<b>Sarla Jain</b> <i>Non-Executive Director</i> DIN: 00204813	Sd/-
<b>Ketaki Benara</b> <i>Executive Director</i> DIN: 00204749	Sd/-
<b>Avinash Kashyap</b> <i>Independent Director</i> DIN: 00666821	Sd/-
<b>Nitesh Kumar Kumawat</b> <i>Independent Director</i> DIN: 07994614	Sd/-

Signed by Chief Financial Officer and Company Secretary and Compliance officer of the Company.

Sd/-  
**Vipin Jain**  
Chief Financial Officer

Sd/-  
**Artee Sahu**  
Company Secretary and  
Compliance Officer

**Place: Agra**  
**Date: March 24, 2018**

**Annexure A**

**DISCLOSURE OF PRICE INFORMATION OF PAST ISSUES HANDLED BY PANTOMATH CAPITAL ADVISORS PRIVATE LIMITED**

Sr. No	Issue Name	Issue Size (Cr)	Issue Price (Rs.)	Listing date	Opening price on listing date	+/- % change in closing price, [+/- % change in closing benchmark]- 30th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180th calendar days from listing
1.	One Point One Solutions Limited	44.38	67.00	December 26, 2017	80.40	25.37% (5.27%)	Not Applicable	Not Applicable
2.	Astron Paper & Board Mill Limited	69.83	50.00	December 29, 2017	115.00	180.90% (6.54%)	Not Applicable	Not Applicable
3.	Shree Ram Proteins Limited	19.90	31.00	February 05, 2018	28.95	-0.32% (-3.91%)	Not Applicable	Not Applicable
4.	Gujarat Hy – Spin Limited	4.45	10.00	February 08, 2018	10.35	-1.90% (-3.21%)	Not Applicable	Not Applicable
5.	Focus Suites Solutions & Services Limited	6.50	18.00	February 09, 2018	21.60	77.78% (-0.26%)	Not Applicable	Not Applicable
6.	A and M Jumbo Bags Limited	4.00	65.00	February 12, 2018	70.50	0.85% (-1.07%)	Not Applicable	Not Applicable
7.	Sintercom India Limited	42.55	65.00	February 15, 2018	78.00	15.00% (-3.32%)	Not Applicable	Not Applicable
8.	Mohini Health & Hygiene Limited	20.71	42.00	February 16, 2018	50.40	61.90% (-3.43%)	Not Applicable	Not Applicable
9.	South West Pinnacle Exploration Limited	35.85	78.00	February 19, 2018	93.60	3.72% (-2.45%)	Not Applicable	Not Applicable

10.	Macpower CNC Machines Limited	36.61	140.00	March 22, 2018	149.00	Not Applicable	Not Applicable	Not Applicable
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*Note: Benara Bearings and Pistons Limited, Deccan Health Care Limited, S.S. Infrastructure Development Consultants Limited, Vera Synthetic Limited and Soni Soya Products Limited have registered their Red Herring Prospectus with the Registrar of Companies for Initial Public Offer.*

Sources: All share price data is from [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com)

Note:-

1. The BSE Sensex and CNX Nifty are considered as the Benchmark Index
2. Prices on BSE/NSE are considered for all of the above calculations
3. 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
4. In case 30<sup>th</sup>/90<sup>th</sup>/180<sup>th</sup> days, scrips are not traded then last trading price has been considered.

As per SEBI Circular No. CIR/CFD/DIL/7/2015 dated October 30, 2015, the above table should reflect maximum 10 issues (Initial Public Offers) managed by the lead manager. Hence, disclosures pertaining to recent 10 issues handled by the lead manager are provided.

### SUMMARY STATEMENT OF DISCLOSURE

Financial year	Total no. of IPOs	Total funds raised (Rs. Cr)	Nos of IPOs trading at discount on 30 <sup>th</sup> Calendar day from listing date			Nos of IPOs trading at premium on 30 <sup>th</sup> Calendar day from listing date			Nos of IPOs trading at discount on 180 <sup>th</sup> Calendar day from listing date			Nos of IPOs trading at premium on 180 <sup>th</sup> Calendar day from listing date		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
15-16	***9	54.01	-	-	1	3	2	3	-	1	1	4	3	-
16-17	****23\$	195.13	-	-	5	5	3	8	-	1	5	10	1	6
17-18	*****30\$\$	610.90	-	-	4	9	7	9	-	1	-	6	-	2

\*\*\*The scripts of Filtra Consultants and Engineers Limited, Ambition Mica Limited, Jiya Eco Products Limited, M.D. Inducto Cast Limited, Majestic Research Services and Solutions Limited, Mangalam Seeds Limited, Sri Krishna Constructions (India) Limited, Patdiam Jewellery Limited and Vidli Restaurants Limited were listed on April 15, 2015, July 14, 2015, July 16, 2015, July 16, 2015, July 16, 2015, August 12, 2015, October 01, 2015, October 16, 2015 and February 15, 2016 respectively.

\*\*\*\*The scripts Ruby Cables Limited, Sysco Industries Limited, Lancer Containers Lines Limited, Yash Chemex Limited, Titaanium Ten Enterprise Limited, Commercial Syn Bags Limited, Shiva Granito Export Limited, Sprayking Agro Equipment Limited, Narayani Steels Limited, Nandani Creation Limited, DRA Consultant Limited, Gretex Industries Limited, Sakar Health Care Limited, Bindal Exports Limited, Mewar Hi-Tech Engineering Limited, Shashijit Infraprojects Limited, Agro Phos (India) Limited, Maheshwari Logistics Limited, Madhav Copper Limited, Chemcrux Enterprises Limited, Manomay Tex India Limited, Oceanic Foods Limited and Euro India Fresh Foods Limited were listed on April 13, 2016, April 13, 2016, April 13, 2016, June 20, 2016, July 14, 2016, July 14, 2016, September 06, 2016, September 14, 2016, September 14, 2016, October 10, 2016, October 13, 2016, October 14, 2016, October 14, 2016, October 17, 2016, October 17, 2016, October 17, 2016, November 16, 2016, January 16, 2017, February 06, 2017, March 28, 2017, March 28, 2017, March 31, 2017 and March 31, 2017 respectively.

\*\*\*\*\*The scripts Bohra Industries Limited, Creative Peripherals and Distribution Limited, Panache Digilife Limited, Zota Health Care Limited, Gautam Exim Limited, Bansal Multiflex Limited, Shrenik Limited, Jigar Cables Limited, Vaishali Pharma Limited, Lexus Granito (India)

Limited, Worth Peripherals Limited, R M Drip and Sprinklers Systems Limited, Shree Tirupati Balajee FIBC Limited, Innovative Tyres and Tubes Limited, Poojawestern Metaliks Limited, Airo Lam Limited, Goldstar Power Limited, IRIS Business Services Limited, Tirupati Forge Limited, Beta Drugs Limited, One Point One Solutions Limited, Astron Paper & Board Mill Limited, Shree Ram Proteins Limited and Gujarat Hy – Spin Limited, Focus Suites Solutions & Services Limited, A and M Jumbo Bags Limited, Sintercom India Limited, Mohini Health & Hygiene Limited and South West Pinnacle Exploration Limited were listed on April 05, 2017, April 12, 2017, April 25, 2017, May 10, 2017 July 11, 2017, July 12, 2017, July 18, 2017, July 28, 2017, August 22, 2017, August 23, 2017, September 27, 2017, October 04, 2017, October 05, 2017, October 05, 2017, October 05, 2017, October 06, 2017, October 10, 2017, October 11, 2017, October 12, 2017, October 12, 2017, December 26, 2017, December 29, 2017, February 05, 2018, February 08, 2018, February 09, 2018, February 12, 2018, February 15, 2018, February 16, 2018 and February 19, 2018 respectively.

\$. As on 30<sup>th</sup> trading day the closing price of the scripts Ruby Cables Limited and Shashijit Infraprojects Limited were at par with the issue price. Hence, they are not considered for counting the number of IPOs trading at discount and premium.

[illegible]

**Note:** *Majestic Research Services and Solutions Limited and Ambition Mica Limited are Further Public Offerings lead managed by Pantomath Capital Advisors Private Limited in the Financial Years 2016-17 and 2017-18 respectively and the same have not been included in the above mentioned Summary Statement of Disclosure as the disclosure is limited to IPOs only.*