



## VISHAL BEARINGS LIMITED

Corporate Identity Number: -U29130GJ1991PLC016005

Our Company was incorporated as “*Vishal Bearings Private Limited*” on 24<sup>th</sup> July, 1991 under the Companies Act, 1956, with the Registrar of Companies, Gujarat, Dadra and Nagar Haveli, bearing Registration Number 016005. Subsequently, our Company was converted into a public limited company and the name of our Company was changed from “*Vishal Bearings Private Limited*” to “*Vishal Bearings Limited*” by a special resolution passed on 11<sup>th</sup> May, 2015. A fresh Certificate of Incorporation consequent upon conversion into public limited company was granted to our Company on 5<sup>th</sup> June, 2015, by the Registrar of Companies, Ahmedabad. For further details, please refer to the section titled “*History and Certain Corporate Matters*” on page no. 99 of this Prospectus.

**Registered Office:** Survey No 22/1, Plot No 1, Shapar Main Road, Shapar (Veraval), Rajkot-360 002, Gujarat;

**Tel No:** 02827 – 252273, 252414; **Fax No:** 02827- 253087

**Contact Person:** Ms. Dimpi Sampat, Company Secretary and Compliance Officer

**Email:** [compliance@vishalbearings.com](mailto:compliance@vishalbearings.com); **Website:** [www.vishalbearings.com](http://www.vishalbearings.com)

**PROMOTERS:** MR. DILIPKUMAR CHANGELA, MR. HIRALAL CHANGELA AND MR. VRAJLAL CHANGELA

### THE ISSUE

PUBLIC ISSUE OF 12,96,000 EQUITY SHARES OF FACE VALUE OF RS.10/- EACH OF VISHAL BEARINGS LIMITED (“OUR COMPANY” OR “THE ISSUER”) FOR CASH AT A PRICE OF RS. 25/- PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF RS. 15/- PER EQUITY SHARE) (“ISSUE PRICE”) AGGREGATING TO RS. 324.00 LACS (HEREINAFTER REFERRED TO AS “THE ISSUE”), OF WHICH 72,000 EQUITY SHARES OF FACE VALUE RS.10/- EACH AT A PRICE OF RS. 25/- PER EQUITY SHARE AGGREGATING TO RS. 18.00 LACS SHALL BE RESERVED FOR SUBSCRIPTION BY MARKET MAKER TO THE ISSUE (“THE MARKET MAKERS RESERVATION PORTION”). THE ISSUE LESS THE MARKET MAKER RESERVATION PORTION i.e. ISSUE OF 12,24,000 EQUITY SHARES OF FACE VALUE OF RS. 10/- EACH AT AN ISSUE PRICE OF RS. 25/- PER EQUITY SHARE AGGREGATING TO RS. 306.00 LACS (“HEREINAFTER REFERRED TO AS THE “NET ISSUE”). THE ISSUE AND THE NET ISSUE WILL CONSTITUTE 27.02% AND 25.52% RESPECTIVELY OF THE POST-ISSUE PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY. FOR FURTHER DETAILS, PLEASE REFER TO THE SECTION TITLED “TERMS OF THE ISSUE” BEGINNING ON PAGE NO. 205 OF THIS PROSPECTUS.

THE FACE VALUE OF THE EQUITY SHARES IS RS.10/- PER EQUITY SHARE AND THE ISSUE PRICE IS RS. 25/-. THE ISSUE PRICE IS 2.5 TIMES OF THE FACE VALUE. THIS ISSUE IS BEING MADE IN TERMS OF CHAPTER XB OF THE SEBI (ICDR) REGULATIONS, 2009, AS AMENDED. THIS ISSUE IS A FIXED PRICE ISSUE AND ALLOCATION IN THE NET ISSUE TO THE PUBLIC WILL BE MADE IN TERMS OF REGULATION 43(4) OF THE SEBI (ICDR) REGULATION 2009, AS AMENDED. FOR FURTHER DETAILS, SEE SECTION TITLED “ISSUE PROCEDURE” BEGINNING ON PAGE NO. 212 OF THIS PROSPECTUS.

Retail Individual Investors may participate in the Issue 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”). However, investors other than Retail Individual Investors shall compulsorily participate through the ASBA process only providing details about the bank account which will be blocked by the SCSBs. In case of delay, in refund if any, our Company shall pay interest on the application money at the rate of 15% per annum for the period of delay. For further details, please refer to section titled “*Issue Procedure*” beginning on page no.212 of this Prospectus.

### ELIGIBLE INVESTORS

For details in relation to Eligible Investors, please refer to section titled “*Issue Procedure*” beginning on page no.212 of this Prospectus.

### RISK IN RELATION TO THE FIRST ISSUE

This being the first public issue of Equity Shares of our Company, there has been no formal market for the Equity Shares of our Company. The face value of the Equity Shares is Rs.10/- per Equity Share and the Issue Price is 2.5 times the face value. The Issue Price (as determined and justified by the Company, in consultation with the Lead Manager, as stated under the paragraph on “*Basis for Issue Price*” on page no.61 of this Prospectus) should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active and/ or sustained trading in the Equity Shares of the Company or regarding the price at which the Equity Shares will be traded after listing.

### GENERAL RISKS

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the “*Risk Factors*” carefully before taking an investment decision in this Issue. For taking an investment decision, investors must rely on their own examination of the Issuer and the Issue including the risks involved. The Equity Shares offered in the Issue have not been recommended or approved by the Securities and Exchange Board of India (“SEBI”), nor does SEBI guarantee the accuracy or adequacy of this Prospectus. **Specific attention of the investors is invited to the section titled “*Risk Factors*” beginning on page no.11 of this Prospectus.**

### ISSUER'S ABSOLUTE RESPONSIBILITY

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

### LISTING

The Equity Shares offered through this Prospectus are proposed to be listed on the SME Platform of BSE. In terms of Chapter XB of SEBI (ICDR) Regulations, 2009 as amended from time to time, we are not required to obtain any in-principle listing approval for our Equity Shares being offered in this Issue. However, our Company has received an in-principle approval letter dated 14<sup>th</sup> July, 2015 from BSE for using its name in the Offer Document for listing our shares on the SME Platform of BSE. For purposes of this Issue, the Designated Stock Exchange will be the BSE Limited (“BSE”).

### LEAD MANAGER



#### HEM SECURITIES LIMITED

14/15, Khatau Bldg., 1<sup>st</sup> Floor, 40, Bank Street,  
Fort, Mumbai – 400 001

**Tel:** +91 (22) 2267 1543/44, 2267 1000

**Fax:** +91 (22) 2262 5991

**Email:** [ib@hemonline.com](mailto:ib@hemonline.com)

**Investor Grievance Email:** [redressal@hemonline.com](mailto:redressal@hemonline.com)

**Website:** [www.hemonline.com](http://www.hemonline.com)

**Contact Person:** Ms. Menka Jha / Ms. Payal Mundra

**SEBI Reg. No:** INM000010981

### REGISTRAR TO THE ISSUE



#### KARVY COMPUTERSHARE PRIVATE LIMITED

Karvy Selenium Tower B, Plot 31-32, Gachibowli,  
Financial District, Nanakramguda, Hyderabad-500 032

**Tel:** +91 (40) 6716 2222

**Fax:** +91 (40) 2343 1551

**Email:** [vishalbearings.ipo@karvy.com](mailto:vishalbearings.ipo@karvy.com)

**Investor Grievance Email:** [vishalbearings.ipo@karvy.com](mailto:vishalbearings.ipo@karvy.com)

**Website:** [www.karishma.karvy.com](http://www.karishma.karvy.com)

**Contact Person:** Mr. M Murali Krishna

**SEBI Reg. No:** INR000000221

### ISSUE PROGRAMME

ISSUE OPENS ON : SEPTEMBER 28, 2015

ISSUE CLOSES ON : SEPTEMBER 30, 2015

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## SECTION I: GENERAL

### DEFINITIONS AND ABBREVIATIONS

Unless the context otherwise indicates/implies, the terms and abbreviations stated hereunder shall have the meanings as assigned therewith. References to statutes, rules, regulations, guidelines and policies will be deemed to include all amendments and modifications notified thereto.

Term	Description
“Vishal Bearings Limited”, “Vishal”, “VBL”, “We” or “us” or “our Company” or “the Issuer” or “the Company”	Unless the context otherwise indicates or implies, refers to Vishal Bearings Limited, a public limited company incorporated under the Companies Act, 1956 and whose registered office is located at Survey No 22/1, Plot No 1, Shapar Main Road, Shapar (Veraval), Rajkot - 360 002
“you”, “your” or “yours”	Prospective Investors in this Issue
AOA/Articles/Articles of Association	Articles of Association of our Company, as amended from time to time
Auditors/Statutory Auditors	The statutory auditors of our Company, M/s P. Ghanshyam & Co.
Audit Committee	The committee of the Board of Directors constituted as the Company’s Audit Committee in accordance with Section 177 of the Companies Act, 2013 and Clause 52 of the SME Listing Agreement to be entered into with the BSE
Board/ Board of Directors/the Board/our Board	Board of Directors of our Company
CFO	Chief Financial Officer of our Company, unless otherwise specified
COO	Chief Operating Officer of our Company, unless otherwise specified
Director(s) / our Directors	Directors of our Company, unless otherwise specified
Executive Directors	Executive Directors are the Whole time Directors of our Company
General Information Document(GID)	The General Information Document for investing in Public Issues prepared and issued in accordance with SEBI circular CIR/CFD/DIL/12/2013 dated October 23, 2013
Group Companies	The word “group Companies”, wherever they occur, shall include such companies as covered under the applicable accounting standards and also other companies as considered material by the board of the issuer. As disclosed in “ <b><i>Our Promoter Group and Group Companies / Entities</i></b> ” promoted by the Promoters. on page 115 of this Prospectus,
HUF	Hindu Undivided Family
ISIN	International Securities Identification Number. In this case being INE060T01016
IT Act	The Income Tax Act, 1961 as amended till date
Indian GAAP	Generally Accepted Accounting Principles in India
Our Promoters	1. Mr. Dilipkumar Changela 2. Mr. Hiralal Changela 3. Mr. Vrajlal Changela
MOA/Memorandum/Memorandum of Association	Memorandum of Association of our Company
Non Residents	A person resident outside India, as defined under FEMA Regulations, 2000
NRIs / Non-Resident Indians	A person resident outside India, as defined under FEMA Regulations and who is a citizen of India or a Person of Indian Origin under Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000
Peer Review Auditor	Independent Auditor having a valid Peer Review certificate in our case being M/s SVK & Associates, Chartered Accountants
Person or Persons	Any Individual, Sole Proprietorship, Unincorporated Association, Unincorporated Organization, Body Corporate, Corporation, Company, Partnership Firm, Limited Liability Partnership Firm., Joint Venture, Or Trust Or Any Other Entity Or Organization validly constituted and/or incorporated in the jurisdiction in which it exists and operates, as the context requires
Promoter Group	The persons and entities constituting the Promoter Group pursuant to regulation 2(1)(zb) of the SEBI (ICDR) Regulations and disclosed in section titled “ <b><i>Our Promoter Group and Group Companies / Entities</i></b> ” on page 115 of this Prospectus.
Registered Office of our Company	Survey No 22/1, Plot No 1, Shapar Main Road, Shapar (Veraval), Rajkot - 360002.
Reserve Bank of India / RBI	Reserve Bank of India constituted under the RBI Act.

Term	Description
RBI Act	The Reserve Bank of India Act, 1934 as amended from time to time.
RoC / Registrar of Companies	Registrar of Companies, Ahmedabad, Gujarat.
SEBI	Securities and Exchange Board of India constituted under the SEBI Act, 1992
SEBI Act	Securities and Exchange Board of India Act, 1992, as amended from time to time
SEBI (ICDR) Regulations	SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 issued by SEBI on August 26, 2009, as amended, including instructions and clarifications issued by SEBI from time to time
SEBI Takeover Regulations or SEBI (SAST) Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011, as amended from time to time
SEBI Insider Trading Regulations	The SEBI (Prohibition of Insider Trading) Regulations, 1992, as amended, including instructions and clarifications issued by SEBI from time to time.
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.
SEBI (Venture Capital) Regulations	Securities Exchange Board of India (Venture Capital) Regulations, 1996 as amended from time to time
SICA	Sick Industrial Companies (Special Provisions) Act, 1985
Stock Exchange	BSE Limited (SME Platform)

### ISSUE RELATED TERMS

Term	Description
Allotment/ Allotment of Equity Shares	Unless the context otherwise requires, the issue and allotment of Equity Shares, pursuant to the Issue
Allocation/ Allocation of Equity Shares	Unless the context otherwise requires, the issue and allocation of Equity Shares, pursuant to the Issue
Allottee	The successful applicant to whom the Equity Shares are/ have been issued
Applicant	Any prospective investor who makes an application for Equity Shares in terms of this Prospectus
Application Form	The form in terms of which the Applicant shall apply for the Equity Shares of the Company.
Application Supported by Blocked Amount/ASBA	An application, whether physical or electronic, used by all applicants to make an application authorizing a SCSB to block the application amount in the ASBA Account maintained with the SCSB. ASBA is mandatory for QIBs and Non-Institutional Applicants participating in the Issue.
ASBA Account	Account maintained by an ASBA Applicant with a SCSB which will be blocked by such SCSB to the extent of the application amount of the ASBA Applicant.
ASBA Application Form	The form, whether physical or electronic, used by an ASBA Applicant to make an application, which will be considered as the application for Allotment for purposes of this Prospectus.
ASBA Investors/ Applicants	Prospective investors in this Issue who apply through the ASBA process. Pursuant to SEBI circular no. CIR/CFD/DIL/1/2011 dated April 29, 2011, Non-Retail Investors i.e. QIBs and Non-Institutional Investors participating in this Issue are required to mandatorily use the ASBA facility to submit their applications.
Banker to the Company	Kotak Mahindra Bank Limited
Bankers to the Issue / Escrow Collection Bank(s)	HDFC Bank Limited
Basis of Allotment	The basis on which the Equity Shares will be allotted to successful Applicants under the Issue and which is described in the chapter titled <b>“Issue Procedure”</b> beginning on page 212 of this Prospectus
BSE	BSE Limited
CAN/ Confirmation of Allocation Note	The note or advice or intimation sent to each successful Applicant indicating the Equity Shares which will be allotted, after approval of Basis of Allotment by the Designated Stock Exchange.
Controlling Branches	Such branches of the SCSBs which co-ordinate Applications under this Issue made by the ASBA Applicants with the Merchant Bankers, the Registrar to the Issue and the Stock Exchanges, a list of which is provided on <a href="http://www.sebi.gov.in">http://www.sebi.gov.in</a>

Term	Description
Companies Act	Companies Act, 1956/ Companies Act, 2013, as applicable
Depository	A depository registered with SEBI under the SEBI (Depositories and Participant) Regulations, 1996
Depository Participant	A Depository Participant as defined under the Depositories Act, 1996
Designated Branches	Such branches of the SCSBs which shall collect the ASBA Form from the ASBA Applicants and a list of which is available on <a href="http://www.sebi.gov.in">http://www.sebi.gov.in</a>
Demographic Details	The demographic details of the Applicants such as their address, PAN, occupation and bank account details.
Designated Date	The date on which the Escrow Collection Banks and the SCSBs transfer the funds from the Escrow Accounts and the ASBA Accounts, respectively, to the Public Issue Account, or the Refund Account, as appropriate, after the Prospectus is filed with the RoC, following which the Board of Directors shall allot Equity Shares to successful Applicants in the Issue.
Designated Stock Exchange	SME Platform of BSE Limited
DP ID	Depository Participant's Identity.
Draft Prospectus	The Draft Prospectus dated June 29, 2015 issued in accordance with section 32 of the Companies Act, 2013 and filed with the BSE under SEBI (ICDR) Regulations
Eligible NRI	NRIs from such jurisdictions outside India where it is not unlawful to make an offer or invitation under the Issue and in relation to whom the Prospectus constitutes an invitation to subscribe for or purchase the Equity Shares offered thereby.
Equity Share(s)	Equity shares of our Company having face value of Rs.10/- each unless otherwise specified in the context thereof
Escrow Account	Account opened with the Escrow Collection Bank(s) for the Issue and in whose favour the Applicant (excluding the ASBA Applicants) will issue cheques or drafts in respect of the Application Amount when submitting an Application
Escrow Agreement	Agreement to be entered into by our Company, the Registrar, Lead Manager and the Escrow Collection Bank(s) for collection of the Application Amounts and dispatch of refunds (excluding the ASBA Applicants) of the amounts collected to the Applicants on terms and conditions thereof.
Escrow Collection Bank(s)/Banker(s) to the Issue	The banks which are clearing members and registered with SEBI as Banker to the Issue with whom the Escrow Account for the Issue will be opened and in this case being HDFC Bank Limited
Electronic Transfer of Funds	Refunds through ECS, NEFT, Direct Credit or RTGS as applicable.
First Applicant	The Applicant whose name appears first in the Application Form or Revision Form.
HSL	Hem Securities Limited
Issue/Public Issue/Issue Size	The issue of 12,96,000 Equity Shares of Rs. 10/- each at a price of Rs. 25/- each for cash aggregating to Rs. 324.00 Lacs.
Issue Closing date	September 30, 2015
Issue Opening date	September 28, 2015
Issue Price	The price at which the Equity Shares are being issued by our Company under this Prospectus being Rs. 25/- per share.
Issue Proceeds	Proceeds from the fresh Issue that will be available to our Company, being Rs. 324.00 Lakhs.
LM/Lead Manager	Lead Manager to the Issue, in this case being Hem Securities Limited
Listing Agreement/ SME Listing Agreement	Unless the context specifies otherwise, this means the Equity Listing Agreement to be signed between our Company and the SME Platform of BSE.
Market Maker	Hem Securities Limited (Registration No. SMEMM0024801022013) is the sole Market Maker, 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 Making Agreement	Market Making Agreement dated 22 <sup>nd</sup> June, 2015 between our Company, LM and Market Maker.
Market Making Reservation Portion	The Reserved Portion of 72,000 Equity Shares of face value of Rs.10/- each fully paid for cash at a price of Rs.25/- per Equity Share aggregating to Rs. 18.00 Lacs for the Market Maker in this Issue.
MOU/ Issue Agreement	The Memorandum of Understanding dated 22 <sup>nd</sup> June, 2015 between our Company and Lead Manager.
Mutual Funds	A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996,



Term	Description
	as amended from time to time
Net Issue	The Issue (excluding the Market Maker Reservation Portion) of 12,24,000 Equity Shares of Rs.10/- each at Rs.25/- per Equity Share aggregating to Rs. 306.00 Lacs by our Company.
Net Proceeds	The Issue Proceeds received from the fresh Issue excluding Issue related expenses. For further information on the use of Issue Proceeds and Issue expenses, please refer to the section titled " <i>Objects of the Issue</i> " beginning on page 56 of this Prospectus.
Non Institutional Applicants/Applicants	All Applicants that are not QIBs or Retail Individual Applicants and who have applied for Equity Shares for an amount more than Rs.2 Lacs
Non-Resident	A person resident outside India, who is a citizen of India or a person of Indian origin, as defined under FEMA
Other Investor	Investor other than Retail Individual Investors.
Overseas Corporate Body/OCB	A Company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs, including overseas trust in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly as defined under Foreign Exchange Management (Deposit) Regulations, 2000. OCBs are not allowed to invest in this Issue
Peer Review Auditor	M/s. SVK & Associates, Chartered Accountants
Prospectus	This Prospectus dated September 16, 2015 to be filed with the RoC containing, inter alia, the Issue opening and closing dates and other information
Public Issue Account	The Bank Account opened with the Banker(s) to this Issue by our Company to receive monies from the Escrow Account for this Issue on the Designated Date and where the funds shall be transferred by SCSBs from the ASBA Accounts.
Qualified Institutional buyers or QIBs, as defined under regulation 2 (1) (zd) of the SEBI ICDR Regulations.	A Mutual Fund, Venture Capital Fund and Foreign Venture Capital investor registered with the Board, a foreign institutional investor and sub-account (other than a sub-account which is a foreign corporate or foreign individual), registered with the SEBI, FPI other than Category III FPI registered with SEBI; a Public Financial Institution as defined in Section 2(72) of the Companies Act, 2013; a Scheduled Commercial Bank; a Multilateral and Bilateral Development Financial Institution; a State Industrial Development Corporation; an Insurance Company registered with the Insurance Regulatory and Development Authority; a Provident Fund with Minimum Corpus of Rs. 25.00 Crore; a Pension Fund with minimum corpus of Rs. 25.00 Crore rupees; National Investment Fund set up by resolution No. F. No. 2/3/2005 – DDII dated November 23, 2005 of the Government of India published in the Gazette of India, insurance funds set up and managed by army, navy or air force of the Union of India and insurance funds set up and managed by the Department of Posts, India.
Refund Account	Account to which subscription monies to be refunded to the Applicants (excluding ASBA Applicants) shall be transferred from the Public Issue Account
Refund Banker (s)	The bank(s) which is/ are clearing member(s) and registered with the SEBI as Bankers to the Issue, at which the Refund Accounts will be opened, in this case being HDFC Bank Limited.
Refunds through electronic transfer of funds	Refunds through electronic transfer of funds means refunds through ECS, Direct Credit or RTGS or NEFT or the ASBA process, as applicable
Registrar/Registrar to the Issue	Registrar to the Issue, in this case being Karvy Computershare Private Limited having its registered office at Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad-500 032
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>
Regulations	SEBI (Issue of Capital and Disclosure Requirement) Regulations, 2009 as amended
Retail Individual Investor(s)	Individual Investors (including HUFs and Eligible NRIs) who have made an Application for Equity Shares for an amount less than or equal to Rs.2 Lacs.
Revision Form	The form used by the Applicants to modify the quantity of Equity Shares in any of their Application Forms or any previous Revision Form(s)
Self-Certified Syndicate Bank	A Bank which is registered with SEBI under SEBI (Bankers to an Issue) Regulations,

Term	Description
or SCSBs	1994 and offers services of ASBA and a list of which is available on <a href="http://www.sebi.gov.in/pmd/scsb.pdf">http://www.sebi.gov.in/pmd/scsb.pdf</a>
SME Exchange	The SME Platform of BSE Limited approved by SEBI as an SME exchange for listing of equity shares offered under Chapter X-B of the SEBI (ICDR) Regulations
Stock Exchange	Unless the context otherwise requires, BSE Limited
Transaction Registration Slip/ TRS	The slip or document issued by the member(s) of the Syndicate to the Applicant as proof of registration of the Application
Underwriter	Hem Securities Limited.
Underwriting Agreement	The Agreement dated 22 <sup>nd</sup> June 2015 entered between the Underwriter and our Company.
Working Days	Any day, other than Saturdays and Sundays, on which commercial banks in Mumbai are open for business, provided however, for the purpose of the time period between the Issue Opening and Issue Closing Date and listing of the Equity Shares on the Stock Exchanges, "Working Days" shall mean all days excluding Sundays and bank holidays in Mumbai in accordance with the SEBI circular no. CIR/CFD/DIL/3/2010 dated April 22, 2010.

### CONVENTIONAL AND GENERAL TERMS/ ABBREVIATIONS

Term	Description
A/c	Account
AGM	Annual General Meeting
AS	Accounting Standards issued by the Institute of Chartered Accountants of India
AY	Assessment Year
BSE	Bombay Stock Exchange Limited
CAGR	Compounded Annual Growth Rate
CDSL	Central Depository Services (India) Limited
CLB	Company law Board
CIN	Corporate Identification Number
CIT	Commissioner of Income Tax
Depositories	NSDL and CDSL
Depositories Act	Depositories Act, 1996 as amended from time to time
DP/ Depository Participant	A depository participant as defined under the Depositories Act, 1996
DIN	Director's Identification Number
ECS	Electronic Clearing System
EBITDA	Earnings Before Interest, Tax, Depreciation and Amortisation
EGM	Extraordinary General Meeting
EPS	Earnings Per Share i.e., profit after tax for a fiscal year divided by the weighted average outstanding number of equity shares at the end of that fiscal year
FCNR Account	Foreign Currency Non Resident Account
FIs	Foreign Institutions
FDI	Foreign Direct Investment
FEMA	Foreign Exchange Management Act, 1999 read with rules and regulations there under and amendments thereto
FII(s)	Foreign Institutional Investors (as defined under SEBI (Foreign Institutional Investor) Regulations, 1995 registered with SEBI under applicable laws in India
Financial Year/ Fiscal/ FY	Period of twelve months ended March 31 of that particular year
FIPB	Foreign Investment Promotion Board
GDP	Gross Domestic Product
GoI/Government	Government of India
HNI	High Net worth Individual
ICAI	Institute of Chartered Accountant of India
IT	Information Technology
I.T. Act	The Income Tax Act, 1961, as amended from time to time
Indian GAAP	Generally Accepted Accounting Principles in India
IPO	Initial Public Offering
MOU	Memorandum of Understanding

Term	Description
NA or N/a	Not Applicable
NAV	Net Asset Value being paid up equity share capital plus free reserves (excluding reserves created out of revaluation) less deferred expenditure not written off (including miscellaneous expenses not written off) and debit balance of Profit and Loss account, divided by number of issued equity shares
NBFCs	Non-Banking Financial Corporations
NEFT	National Electronic Funds Transfer
NTA	Net Tangible Assets
NOC	No Objection Certificate
NR	Non-resident
NRE Account	Non Resident External Account
NRI	Non Resident Indian, is a person resident outside India, as defined under FEMA and the FEMA (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000
NRO Account	Non Resident Ordinary Account
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
OCB	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly as defined under Foreign Exchange Management (Transfer or Issue of Foreign Security by a Person resident outside India) Regulations, 2000
P/E Ratio	Price/Earnings Ratio
PAN	Permanent Account Number allotted under the Income Tax Act, 1961,
p.a	Per Annum
PAT	Profit after Tax
PBT	Profit Before Tax
PIO	Persons of Indian Origin
PLR	Prime Lending Rate
RBI	The Reserve Bank of India
RBI Act	The Reserve Bank of India Act, 1934 as amended from time to time
Registration Act	Registration Act, 1908
RoC/ Registrar of Companies	Registrar of Companies Gujarat, Dadra and Nagar Haveli, Roc Bhavan, Opposite Rupal Park Society, Behind Ankur Bus Stop, Naranpura, Ahmedabad – 380013, India.
RONW	Return on Net Worth
RTGS	Real Time Gross Settlement
Rs./INR/Rupees/ ₹	Indian Rupees
SCRA	Securities Contracts (Regulation) Act, 1956, as amended from time to time
SCRR	Securities Contracts (Regulation) Rules, 1957, as amended from time to time
SEBI	The Securities and Exchange Board of India constituted under the SEBI Act, 1992
SEBI Act	Securities and Exchange Board of India Act 1992, as amended from time to time
SEBI (ICDR) Regulations	SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended.
SEBI Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 1997, as amended.
SEBI Insider Trading Regulations	The SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended, including instructions and clarifications issued by SEBI from time to time.

## INDUSTRY RELATED TERMS

Term	Description
ABC	ABC Bearings Limited
CII	Confederation of Indian Industry
CIS	Commonwealth of Independent States
CRR	Cash Reserve Ratio
DIPP	Department of Industrial Policy and Promotion
FDI	Foreign Direct Investment
GDP	Gross Development Product



Term	Description
GVA	Gross Value Added
GEDA	Gujarat Energy Development Agency
IMF	International Monetary Fund
ISO	International Organisation for Standardization
KWH	Kilo Watt Hours
NDTL	Net Demand And Time Liabilities
NEI	National Engineering Industries Limited
NRB	NRB Bearings Limited
OECD	Organization for Economic Cooperation and Development
OEM	Original Equipment Manufacturer
RBI	Reserve Bank of India
RA	Roughness Average
Min	Minutes
MW	Mega watt
Mm	Milimeter
Sq. mt	Square Meter
Sq. ft.	Square Feet
NDTL	Net Demand And Time Liabilities
NEI	National Engineering Industries Limited
Unit-I	Area admeasuring 3076.44 Sq. mts. In Shapar Village used for factory purpose
Unit-II	Area admeasuring 2547.84 Sq. mts. In Shapar Village used for industrial use
URS	United Registrar of Stystem
OECD	Organization for Economic Cooperation and Development
RBI	Reserve Bank of India

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

### **Certain Conventions**

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

In this Prospectus, the terms “we”, “us”, “our”, the “Company”, “our Company”, “Vishal Bearings Limited”, “Vishal”, “VBL”, unless the context otherwise indicates or implies, refers to Vishal Bearings Limited. In this Prospectus, unless the context otherwise requires and the word “Lac / Lakh” means “one hundred thousand”, the word “million (mn)” means “Ten Lac / Lakh”, the word “Crore” means “ten million” and the word “billion (bn)” means “one hundred crore”. In this Prospectus, any discrepancies in any table between total and the sum of the amounts listed are due to rounding-off.

### **Use of Financial Data**

Unless stated otherwise, the financial data in this Prospectus is derived from our financial statements prepared and restated for the financial year ended 2011, 2012 2013, 2014 and 2015 in accordance with Indian GAAP, Accounting Standards, the Companies Act, as stated in the reports of our Peer Auditors and SEBI (ICDR) Regulations, 2009 included under Section titled “*Financial Information of the Company*” beginning on page 125 of this Prospectus. Our Company has no subsidiaries. Accordingly, financial information relating to us is presented on a Standalone basis. Our fiscal year commences on April 1 of every year and ends on March 31st of every next year.

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

For additional definitions used in this Prospectus, see the section “*Definitions and Abbreviations*” on page 1 of this Prospectus. In the section titled “*Main Provisions of Articles of Association*” on page no. 280 of this Prospectus, defined terms have the meaning given to such terms in the Articles of Association of our Company.

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

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

Although, we believe industry and market data used in this Prospectus is reliable, it has not been independently verified by us or the LM or any of their affiliates or advisors. Similarly, internal Company reports and data, while believed by us to be reliable, have not been verified by any independent source. There are no standard data gathering methodologies in the industry in which we conduct our business and methodologies and assumptions may vary widely among different market and industry sources.

In accordance with the SEBI (ICDR) Regulations, the section titled “*Basis for Issue Price*” on page 61 of this Prospectus includes information relating to our peer group companies. Such information has been derived from publicly available sources, and neither we, nor the LM, have independently verified such information.

**Currency of Financial Presentation and Exchange Rates**

All references to "Rupees" or "INR" or "Rs." are to Indian Rupees, the official currency of the Republic of India. Except where specified, including in the section titled "***Industry Overview***" throughout this Prospectus all figures have been expressed in Lakhs/Lacs, Million and Crores.

Any percentage amounts, as set forth in "***Risk Factors***", "***Our Business***", "***Management's Discussion and Analysis of Financial Conditions and Results of Operation***" on page 11, 83 & 173 in this Prospectus, unless otherwise indicated, have been calculated based on our restated respectively financial statement prepared in accordance with Indian GAAP.

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

### **FORWARD LOOKING STATEMENTS**

This Prospectus contains certain “forward-looking statements”. These forward looking statements can generally be identified by words or phrases such as “will”, “aim”, “will likely result”, “believe”, “expect”, “will continue”, “anticipate”, “estimate”, “intend”, “potential”, “plan”, “contemplate”, “seek to”, “future”, “objective”, “goal”, “may”, “project”, “should”, “will pursue” and similar expressions or variations of such expressions. 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 to differ materially from those contemplated by the relevant statement. Forward-looking statements reflect our current views with respect to future events and are not a guarantee of future performance. These statements are based on our management’s beliefs and assumptions, which in turn are based on currently available information. Although we believe the assumptions upon which these forward-looking statements are based are reasonable, any of these assumptions could prove to be inaccurate, and the forward-looking statements based on these assumptions could be incorrect.

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

1. General economic and business conditions in India and in the markets in which we operate and in the local, regional and national economies;
2. Changes in laws and regulations relating to the Sectors in which we operate;
3. Exchange rate fluctuations;
4. loss of one or more significant customers
5. Our ability to successfully implement our growth strategy and expansion plans and to successfully launch and implement various projects and business plans for which funds are being raised through this Issue;
6. Increased cost of raw materials for inventory and, in particular, of steel;
7. Loss of key employees;
8. Significant developments in India’s economic liberalization and deregulation policies, and the fiscal regime.
9. Occurrence of natural disasters or calamities affecting the areas in which we have operations; and
10. Volatility in the Indian and global securities markets.

For further discussion of factors that could cause our actual results to differ, see the section titled “**Risk Factors**”, “**Our Business**” and “**Management’s Discussion of Financial Condition and Results of Operations**” on pages 11, 83 and 173 of this Prospectus respectively. Neither our Company nor the Underwriter nor any of their respective affiliates has any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with SEBI requirements, our Company and the LM will ensure that investors in India are informed of material developments until the time of 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 financial risk. You should carefully consider all information in this Prospectus, including the risks described below, before making an investment in our Equity Shares. The risk factors set forth below do not purport to be complete or comprehensive in terms of all the risk factors that may arise in connection with our business or any decision to purchase, own or dispose of the Equity Shares. This section addresses general risks associated with the industry in which we operate and specific risks associated with our Company. Any of the following risks, as well as the other risks and uncertainties discussed in this Prospectus, could have a material adverse effect on our business and could cause the trading price of our Equity Shares to decline and you may lose all or part of your investment. In addition, the risks set out in this Prospectus are not exhaustive. Additional risks and uncertainties, whether known or unknown, may in the future have material adverse effect on our business, financial condition and results of operations, or which we currently deem immaterial, may arise or become material in the future. Unless otherwise stated in the relevant risk factors set forth below, we are not in a position to specify or quantify the financial or other risks mentioned herein.*

*This Prospectus also contains forward-looking statements that involve risks and uncertainties. Our results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including events described below and elsewhere in this Prospectus. Unless otherwise stated, the financial information used in this section is derived from and should be read in conjunction with restated financial statements of our Company as of and for the Fiscals 2011, 2012, 2013, 2014 and 2015 in each case prepared in accordance with Indian GAAP, including the schedules, annexure and notes thereto.*

### **Materiality**

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

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

### **INTERNAL RISKS**

#### **1. Two of our Promoters are involved in criminal proceedings**

A First Information Report ('FIR') has been lodged by one P. M. Labdda, Sub Inspector, Kotda Sangani Police Station on 19<sup>th</sup> January, 2010 against *inter-alia* Dilipkumar Changela in relation to, *inter-alia*, unlawful assembly and criminal conspiracy and a Charge Sheet bearing No. 80/2010 for the same was filed in Kotda Sangani, Taluka Court *inter-alia*, accusing several persons being members of the Shapar Veraval Industrial Association for *inter alia* unlawful assembly, rioting being armed with deadly weapon, assaulting or obstructing a public servant when suppressing a riot, wrongful restraint and obstructing a public servant in discharge of public functions under Section 120B, 143, 145, 147, 148, 149, 151, 152, 153, 332, 336, 337, 341, 353, 186, 188 of the Indian Penal Code, 1860. No further action has been taken in the matter against Mr. Dilipkumar Changela and the said matter is currently pending before the said Taluka Court.

Another FIR has been lodged by one Harshukhbhai Akhbari before the Dhoraji City Police Station on 26<sup>th</sup> February, 2005 against Hiralal Changela and others in relation to, *inter-alia*, criminal misappropriation of property, cheating and abatement of the crime and Charge Sheet bearing 29/2005 has been filed before the Dhoraji Court *inter-alia*, accusing Mr. Hiralal Changela and others under Section 114, 420 and 406 of the Indian Penal Code, 1860. No further action has been taken in the matter against Hiralal Changela and the said matter is currently pending before the said Dhoraji Court.

For further details in relation to the aforesaid litigations, please refer to the section titled ***"Outstanding Litigation and Material Developments"*** on page 184 of this Prospectus.



**2. Our Company has received few show cause notices, which may have financial implication on the business of our Company**

Our Company is involved in a number of legal proceedings, which are classified under various legal heads, as under:

Sr. No.	Nature of Cases		No. of outstanding cases	Amount involved (in Lacs)
(I) Proceedings against the Company				
1.	(Show-cause notices)	Customs Act, 1962	1	Not quantifiable
2.		Employee Provident Fund Act, 1952	1	Not quantifiable
(II) Proceedings involving Promoters/Directors				
3.	Criminal	FIR and Charge sheet filed against our Promoter	2	-

For further details, please see the section titled **“Outstanding Litigation and Material Developments”** on page 184 of this Prospectus.

**3. We are dependent upon few customers for our business. Any reduction or interruption in the business of a key customer or a substantial decrease in orders placed by a key customer may have an adverse impact on the revenues and operations of our Company**

We are dependent on a few customers for our business. Our five largest customers accounted for about 92% of our total revenue for the period ended March 31, 2015. Our major customers include NRB Bearings Limited, SKF India Limited, Turbo Bearings Private Limited, Texspin Bearings Limited, NRB Industrial Bearings Limited, TIMKEN, National Engineering Industries Limited, Turbo Industries, INAPEX Pvt. Ltd., etc. We do not have long term arrangements with all our customers to purchase our products in the future, at the current prices or at all. The loss of a major customer and/or reduction in any of our key customers' sales, resulting in lower demand for our products and any material delay, cancellation or reduction of orders from any of our key customers would materially affect our business and financial condition. There is no assurance that we will be able to maintain historic levels of business from all the existing customers or to retain all the existing customers, or that we will be able to replace our customer base in a timely manner or at all. In the event our existing customers do not continue to purchase our products, it may affect our revenues and the financial condition of our Company.

**4. Our Company does not have any formal long-term arrangements with the suppliers and customers. Any significant variation in the supply & demand may adversely affect the operations and profitability of our Company**

We do not have any formal long-term arrangements with our suppliers and customers which obliges them to maintain their business with us. Our ability to maintain close and satisfactory relationships with our suppliers & customers and to consistently provide processing services that meets customer's requirements is important to our business. There is no assurance that these suppliers will continue to supply raw materials to us and these customers will continue to purchase products from us. This could impact the financial performance of our Company and affect our financial condition.

**5. We have installed a windmill with capacity of 0.250MW at KotdaPitha in Amreli, Gujarat where turbine generators are used for generating wind energy for our captive use, however, these activities prior to May 11, 2015 were not covered under the object clause of our Memorandum of Association**

In order to meet our power requirements, we installed a windmill with of capacity 0.250MW at KotdaPitha in Amreli, Gujarat. But inadvertently we did not amend our object clause suitably for insertion of the said business activities in Memorandum of Association. However in our Extra Ordinary General Meeting held on May 11, 2015 with the consent of members, we have suitably altered the furtherance of the Main Object clause to cover power generation activity and made requisite filings with ROC. We cannot assure you that no penal action will be taken against us by any statutory authority

**6. Our Company imports majority of its basic raw materials viz alloy steel bars and wire rods from few suppliers and will continue to rely in the near future**

Our Company import more than 50% of our basic raw material viz. alloy steel bars and wire rods from its suppliers i.e. ASCOINDUSTRIES SAS France and Dongbu Special Steel Co. Limited etc. Currently, we do not have any agreement with our raw material suppliers. While we believe that we can find additional vendors to supply raw materials, any failure of our existing supplier to deliver these raw materials in the desired quantities or to adhere to delivery schedules or specified quality standards and technical specifications would adversely affect our production schedule and our ability to

deliver orders on time and at the desired level of quality. This may have negative impact on our reputation, profitability and results of operations.

**7. *Exchange rate fluctuations may adversely affect the Company's financial performance***

Since, we import more than 50% of our raw materials from our suppliers located in international markets, our Company is exposed to foreign exchange rate risks primarily in relation to the import of products. Accordingly, adverse movements in foreign exchange rates may increase procurement costs and adversely affect the Company's results of operations. While our Company has been hedging itself against the currency fluctuations in order to appropriately mitigate risks, which we believe is adequate to protect the Company from such fluctuations, there can be no assurance that the risks arising out of the same can be fully mitigated.

**8. *Our operations will have significant raw material requirements, and we may not be able to ensure the availability of the raw materials at competitive prices, which may adversely affect results of our operations***

The success of our operations will depend on, inter-alia, our ability to source raw materials at competitive prices. Currently, we have not entered into any firm arrangement for purchase of our raw material. Historically, we have not encountered any problems in sourcing our raw materials. However, we cannot assure you about the same in future and that we may be unable to procure raw material in time or in the required quantities or may have to procure it at a higher price, which may adversely affect our results of operations and financial performance.

**9. *Increased cost of raw materials for inventory and, in particular, of steel may affect our business and results of operations***

The principal raw materials used by us to manufacture taper, cylindrical and spherical rollers are wire rods and alloy steel bars. For further details, please refer "**Our Business** on page 83 of this Prospectus." The prices and supply of raw materials may depend on factors beyond our control, including economic conditions, exchange rates, competition, consumer demand, production levels, transportation costs and import duties. In the event that any of our suppliers of raw materials curtail, discontinue or delay their delivery of raw materials to us, we will be required to replace such suppliers. There can be no assurance that we will be able to replace such suppliers on commercially acceptable terms, or at all, which could adversely affect our production schedule, volumes and results of our operations. Further, if we are unable to pass such increased costs to our customers, this could have a material adverse effect on our financials, business and results of operations.

**10. *Our products are being manufactured from our sole manufacturing facility in Rajkot, Gujarat***

We manufacture our products from our sole manufacturing facility in Rajkot, Gujarat, which substantially caters to our domestic demand and export commitments. Any disruption in the operations due to supply of power, fire outages or industrial accidents at this unit could hamper or delay our ability to continue production. While in the past we have not encountered any stoppages at this facility, any disruption or suspension in the production process in this facility can significantly impact our ability to service customer needs and relation with our customers and have a material adverse effect on our business, revenues, reputation, results of operation and financial condition.

**11. *Any shortage or non-availability of electricity may adversely affect our manufacturing processes and have an adverse impact on our results of operations and financial condition***

Our manufacturing process requires a substantial amount of electricity and we depend mainly on state electricity supply for our power. Further, our Company also utilises electricity generated through its wind mill situate at Amreli, Gujarat for running its factory. While we have not in the past been affected by any major power interruptions, in the event the Company fails to produce the requisite power from its wind mill or there is disruption in the generation of electricity from our wind mill on account of any factor or there is disruption of power supply from the state electricity department, the same could result in an increase in the cost of power and disruption of our manufacturing process which may adversely affect our results of operations. Further, we are sub-lessees of the land from which our windmill is operating. In the event we are in breach of the terms of the sub lease or if the sub lessor is in breach of the head lease or if the lease/sub-lease does not get renewed then there may be disruption in the supply of electricity and the same could result in an increase in the cost of power and disruption of our manufacturing process which may adversely affect our results of operations.

**12. Our revenues are significantly dependent upon sales of cylindrical and taper roller**

Our core business is the manufacture of various types of finished cylindrical and taper roller and certain components of taper roller in India. Consequently, our income is significantly dependent on sales of taper roller manufactured by us and over the years, such sales have emerged the largest single contributor to our revenue and business. Our continued reliance on sales of taper roller for a significant portion of our revenue exposes us to risks, including the potential reduction in the demand for such bearings in the future; increased competition from domestic and international manufacturers; the invention of superior and cost-effective friction management technology; fluctuations in the price and availability of the raw materials; changes in regulations and import duties; and the cyclical nature of our customers' businesses. One or more such reasons may affect our revenues and income from sales of taper roller bearings and thereby adversely affect our business, profitability, cash flows and results of operations.

**13. We may have certain Contingent Liabilities not provided for crystallization of any of these liabilities could affect our financials.**

Our contingent liabilities as of 31<sup>st</sup> March 2015, not provided for (as disclosed in our financial statements) are detailed in the following table.

Particulars	Amount in Lacs
Letters of Credit Issued by Bank	488.39



**14. There have been some instances of delayed filing of records required to be filed by the Company with regulatory authorities**

There have been some instances of delayed filing by the Company in respect of the filings required to be made with regulatory authorities, including filings under Companies Act. Till date, the Company has not received any notices from any authorities, however, there can be no assurance that the regulator may not initiate proceedings against us or that we will be able to sufficiently defend against any action initiated by regulators in relation to regulatory compliances for all instances and periods. Any adverse order passed or penalty imposed by regulators on us may adversely affect our business and results of operations.

**15. We derive majority of our income from our customers within India. Therefore, factors that adversely affect the demand for our products in India may adversely affect our business**

We have in the past derived and believe that we will continue to derive, a significant portion of our income from our customers within India. In addition, all of our employees are based in India. Consequently, factors that adversely affect the Indian economy or the demand for our products within India, may adversely affect our business and profitability.

**16. Trademark of our logo is not registered and we are in the process of seeking registration of trademark of our logo. There is no assurance that this application shall result in us being granted registration in a timely manner. Failure to protect our intellectual property may adversely affect our reputation, goodwill and business operations**

Our corporate name and logo  has not been registered as a result of the same the use of the words "Vishal Bearings Limited" in the corporate and trading names by any third parties may lead consumers to confuse them with our Company and if they experience any negative publicity, it could have an adverse effect on our business, results of operations and financial condition. This confusion might also lead to our Company losing business to such competitors and might adversely affect our goodwill. However, we have applied for the registration of the trademark of our logo  vide an application no. 2995940 dated 29<sup>th</sup> June, 2015 under class 12 of the Trade Marks Act, 1999. Further, since it is not registered we do not enjoy the statutory protections accorded to a registered trademark and are subject to the various risks arising out of the same, including but not limited to infringement or passing off our name and logo by a third party. Maintaining the reputation of our brands, corporate name, logo and the goodwill associated with these trademarks is critical to our success. Substantial erosion in the value of our brand names could have a material adverse effect on our business, financial condition, results of operations and prospects. For further details please refer to section titled "Government and Other Approvals" on page no. 187 of this Prospectus.

**17. Our success depends upon our Directors and the Key Managerial Personnel. Disassociation of our Directors or any failure to retain such key managerial personnel could have an adverse impact on our business, financial conditions and results of operations.**

We depend heavily on our Directors and the Key Managerial Personnel to implement our business strategy and carry out our operations. If our Directors disassociate or any of our key managerial personnel resign or discontinue their services and are not adequately replaced, our business operations and the implementation of our business strategy could be materially and adversely affected.

**18. Our revenues and profits are dependent on several factors. Any adverse change in these factors or in combination of these factors may affect our business operations and the financial condition and consequently, our ability to pay dividends.**

Our revenues and profits are dependent on several factors such as retaining our key managerial personnel, our complying with laws, managing costs and expenses, maintaining adequate inventory levels and general market conditions. Any adverse change in these factors or a combination of these factors may adversely affect our business operations and the financial condition. Further, our ability to pay dividends will depend upon our future earnings, financial condition, cash flows, working capital requirements, capital expenditures, lender's approvals and other factors. Therefore, although, we have consistently maintained the profit levels and reserves, there can be no assurance that we shall have distributable funds or that we will declare dividends.

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

We require certain statutory and regulatory registrations and approvals to operate our business. While, save and except as stated below, we believe we have procured all the necessary licenses/registrations/approvals, there cannot be any assurance that the same are adequate for legal compliance or that we have complied with all the applicable laws. In the future, we will be required to renew such registrations and approvals and obtain new registrations and approvals for any proposed operations, including any expansion of existing operations.

Our licence to run a factory under Factories Act, 1948 and Industrial Safety & Health Gujarat State has expired and we have made an application for renewal of the same. Further, our registration as a Micro Small and Medium Enterprise has expired and we are in the process of making an application for renewal of the same.

While we believe that we will be able to renew or obtain such registrations and approvals as and when required, there can be no assurance that the relevant authorities will renew or issue any such registrations or approvals in the time-frame anticipated by us or at all. If we are unable to renew, maintain or obtain the required registrations or approvals, it may result in the interruption of our operations and may have a material adverse effect on our revenues and operations.

**20. Our loan agreements with lenders have several restrictive covenants and certain unconditional rights in favour of the lender, which could influence our ability to expand, in turn affecting our business and results of operations.**

As on 31<sup>st</sup> March, 2015, we have availed of Rs. 995.00 lacs as cash credit and term loan facilities from Kotak Mahindra Bank Limited. The said loan has been secured by way of mortgage of immovable property owned by our Company, our Promoter, corporate guarantee of our Promoter and personal guarantee of our Directors. In case we are not able to pay our dues in time, the same could adversely impact our operations. Further, in event of default on the debt obligations, the security or personal guarantees may be invoked thereby adversely affecting the ability of our Promoters and Directors to manage the affairs of our Company and consequently impact our business, prospects, financial condition and results of operations. Any failure to comply with any requirement or other condition or covenant under our financing agreements, may lead to a termination of our credit facilities, acceleration of all amounts due under the said credit facility and may adversely affect our ability to conduct our business and operations or implement our business plans. Further, the said credit facilities can be renewed/enhanced/cancelled/suspended/reduced and the terms and conditions of the same can be altered by the lender, at its discretion. In the event the lender refuses to renew/enhance the credit facilities and/or cancels/suspends/reduces the said credit facilities and/or alters the terms and conditions to the derogation of our Company, our existing operations as well as proposed expansion may be severely affected. Consequently, it would have a bearing on the financial condition of the Company.

**21. Excessive dependence on the Kotak Mahindra Bank in respect of obtaining financial facilities.**

Our major fund based and non fund based financial assistance has been sanctioned by the bank, i.e. the Kotak Mahindra Bank on the security of assets. The Company is dependent on Kotak Mahindra Bank for its Working Capital requirement and any default under such arrangement with such lender may create problem for operation of the Company, which may affect the financial stability of the Company. At the same time this may result into difficulty in arranging for funds for repayment and may also adversely affect the financial position of the Company.

**22. *We have entered into and may in the future enter into related party transactions***

We have in the course of our business entered into, and will continue to enter into, transactions with related parties. Our Company has entered into several related party transactions with our related parties. For more information regarding our related party transactions, see ***“Related Party Transaction” in Annexure X*** under the Section titled ***“Financial Information of the Company”*** beginning on page 125 of this Prospectus. We cannot assure you that we will receive similar terms in our related party transactions in the future. While we believe that all of our related party transactions are in compliance with applicable law, we cannot assure you that we could not have achieved more favourable terms had such transactions been entered into with unrelated parties. Further, the Companies Act, 2013 has brought into effect significant changes to the Indian company law framework including specific compliance requirements such as obtaining prior approval from audit committee, board of directors and shareholders for certain related party transactions. We cannot assure you that such transactions, individually or in the aggregate, will not have an adverse effect on our reputation, cash flows, business, results of operations and financial condition

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

As on 31<sup>st</sup> March, 2015, our Company has availed of unsecured loans aggregating to Rs. 1,450 Lacs from our Promoter/ Promoter Group which are repayable on demand. Any demand from the lenders for repayment of such unsecured loans may adversely affect the financial condition and result of operations of our Company.

**24. *Our operations could be adversely affected by strikes, work stoppages or increased wage demands by our employees or any other kind of disputes with our employees.***

As of May 31, 2015, we employed 170 employees out of which 120 employees are semi skilled and unskilled labour/staff. While we consider our current labour relations to be good, we cannot assure you that we will not experience disruptions in work due to disputes or other problems with our work force, which may adversely affect our ability to perform our obligations for the projects. We employ a number of individuals and contract labourers at this facility. There can be no assurance that our employees at our Rajkot facility will not have demands that we may not be able to meet. Any disruption of work at this facility due to strikes, lockdowns and general labour unrest will also adversely impact our production process and materially affect our revenues and financial condition.

**25. *We face competition from large established players and niche players as well.***

Our Industry is fragmented consisting of large established players and small niche players. We compete with organized as well as unorganized sector on the basis of availability of product, product quality and product range. Further, there are no entry barriers in this industry and any expansion in capacity of existing manufacturers would further intensify competition. Our principal competitors are Indian manufacturers, including Kansara Modular Limited, Star Balls & Rollers Limited and Macwell auto engineering Limited etc.

**26. *Our Promoter and Promoter Group will continue to retain majority control over the Company after the Issue, which will allow them to influence the outcome of matters submitted to shareholders for approval.***

Upon completion of the Issue, our Promoters and Promoter Group will own 60.22 % of the post-Issue Equity Share capital of the Company. As a result, the Promoters and Promoter Group will have the ability to exercise significant influence over all matters requiring shareholders’ approval, including the election of directors and approval of significant corporate transactions. The Promoters and Promoter Group will also have an effective veto power with respect to any shareholder action or approval requiring a majority vote. Such concentration of ownership may also have the effect of delaying, preventing or deterring a change in control. For further details of Promoters’ shareholding, please see section titled ***“Capital Structure”*** on page no. 42 of this Prospectus.



**27. As indicated in the examination report of our auditors relating to our Financial Statements, the Companies (Auditors Report) Order, 2003, an annexure to the auditor reports to the audited financial statements contains qualification that the Company does not have an internal audit system from the financial years 2010 onwards.**

From the financial years 2010 onwards no internal audit of our Company was carried out and therefore, the auditors were unable to comment on the internal audit system. The absence of an internal audit system may affect procedures such as, among other things, the review of implementation of policies on timeliness and accuracy of recording, valuation and payment of taxes; verification of controls and the compliance with our contracts and laws, rules and regulations. However the Company is in compliance with the internal audit system from this FY and has already appointed M/s. Mayur Raiyani, Chartered Accountants as internal auditor of the Company.

**28. There are certain non compliances of Accounting Standards (AS) issued by Institute of Chartered Accountants of India for previous financial years / periods.**

In past, there were certain non compliances of Accounting Standards AS-11, AS-13, AS-15, AS-19 & AS -20 in our audited financial statements of various financial years. However our Company has made the suitable adjustments for the above non compliance in the restated financial statements.

**29. Our Promoter and Directors have interests in the Company which may result in a conflict of interest, which may have an adverse effect on our business.**

Our Promoters hold Equity Shares in our Company and are also directors of the Company and may be deemed to be interested to the extent of any remuneration, fees and dividend payable to them and other distributions in respect of the Equity Shares. Further, some of our Promoters have also given certain unsecured loans to the Company and is entitled to receive interest therefrom. For further details, please see the sections “**Our Management**”, on page 102 of this Prospectus.

**30. Our Promoter Group entity/Group Company being Virdeep Engineering Private Limited, Virdeep Rollers Private Limited and Virdeep Bearing Rollers LLP have objects similar to that of our Company’s business and this could lead to a potential conflict of interest.**

Some of our Promoter Group entity/Group Company being Virdeep Engineering Private Limited, Virdeep Rollers Private Limited and Virdeep Bearing Rollers LLP, have some of the objects similar to that of our Company’s business. Some of our directors are on the board of directors of the aforesaid entity and have equity interest or investments in such entities. As a result, a conflict of interest may arise in addressing business opportunities, strategies, implementing new plans and affixing priorities. As on date, our Company has not entered into any non-compete agreement with our Promoter-Directors.

**31. Our revenues and profits are difficult to predict and can vary significantly from year on year, which may impact our ability to pay dividend and which could cause the price of our Equity Shares to fluctuate.**

Our revenues are dependent on several factors such as, ability to attract fresh talent in the industry and general market conditions. For further details please see the section titled “**Management’s Discussion and Analysis of Financial Condition and Results of Operations**” on page no. 173 of this Prospectus. The combination of these factors may result in significant variations in revenues and profits and as a result of the same year on year results may not be comparable and should not be relied upon as indicative of future performance. Any significant shortfall in revenue may have an adverse effect on our business, operating results and financial condition.

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

Our cash flow from our operating activities, investing and financing activities have been negative in the past. Our cash flows from investing activities were negative in the financial year ended 2013, 2014 and 2015 and our cash flows from financing activities was negative in the financial year ended 2014.

Details of our cash flows for the last three years: (**Rs. in Lacs**)

Particulars	For the year ended March 31 <sup>st</sup>		
	2015	2014	2013
Net Cash from Operating Activities	303.47	507.60	140.95
Net Cash from Investing Activities	(595.14)	(217.10)	(217.20)
Net Cash used in Financing Activities	228.16	(178.70)	74.36

Any net negative cash flows in the future could adversely affect our results of operations and consequently our revenues, profitability and growth plans.

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

Employee misconduct or errors could expose us to business risks or losses, including regulatory sanctions and serious harm to our reputation. There can be no assurance that we will be able to detect or deter such misconduct. Moreover, the precautions we take to prevent and detect such activity may not be 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.

**34. Our Group Companies has incurred losses in one or more of the last three years. 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.**

The following Group Companies promoted by our Promoters have incurred losses in one or more of the last three years:

(Rs. In Lakhs)

Name of the Company	FY 2015	FY 2014	FY-2013
Virdeep Engineering Private Limited	(10.62)	(17.82)	5.57
Virdeep Rollers Private Limited	2.91	(0.79)	4.61

**35. Our insurance cover may be inadequate to fully protect us from all losses and may inturn adversely affect our financial condition**

We maintain such insurance coverage as we believe is adequate to cover the important assets of the Company. Our insurance policies, however, may not provide adequate coverage in certain circumstances and are subject to certain deductibles, exclusions and limits on coverage. Further, with respect to the insurances maintained by us, we cannot assure you that the terms of our insurance policies will be adequate to cover any damage or loss suffered by us or that such coverage will continue to be available on reasonable terms or will be available in sufficient amounts to cover one or more large claims, or that the insurer will not disclaim coverage as to any future claim. Further, there can be no assurance that any claim under the insurance policies maintained by us will be honoured fully, in part or on time. To the extent that we suffer loss or damage that is not covered by insurance or which exceeds our insurance coverage, our results of operations or cash flows may be affected.

**36. We might not be able to successfully implement our business strategies**

In order to achieve our goal of expanding our presence across the country and to capture additional market share, we are constantly evaluating the possibilities of expanding our presence. For further details, please see the Section titled “Our Business” on page no. 83 of this Prospectus.

**37. Delays or defaults in client payments could result in a reduction of our profits**

We regularly commit resources to projects prior to receiving advances or other payments from clients in amounts sufficient to cover expenditures on projects as they are incurred. We may be subject to working capital shortages due to delays or defaults in client payments. If clients default in their payments or any order placed by our client is delayed, cancelled or does not proceed to completion, it could have a material adverse effect on our business, financial condition and results of operations and could cause the price of our Equity Shares to decline.

**38. In the past, our Company had appointed directors that were more than the authorized limit**

At the time of incorporation of the Company, our Articles of Association provided for maximum number of directors to be 11 (eleven). However, in the initial years of incorporation of our Company, we had exceeded the said maximum limit and our Company had more than 11 directors on the board. However, the same was subsequently regularized and our board was then appropriately constituted in terms of the Articles of Association and Companies Act. Till date we have not received any notice by any authority under the Companies Act, 1956/ Companies Act, 2013 or under any other statute for violation of provisions of our Article, we cannot assure that we will not receive any such notice in future or whether any penalty would be imposed.

**39. *Our Company has allotted Equity Shares during the preceding one year from the date of this Prospectus which is lower than the Issue Price.***

In the last 12 months we have issued and allotted certain equity shares at a price lower than the Issue Price which is as follows:-

Bonus issue in the ratio of 1:13 dated 30<sup>th</sup> May, 2015 issued 32,50,000 Equity shares face value Rs.10/- per Equity Share for consideration other than cash.

The Equity Shares allotted to investors pursuant to this Issue is being priced significantly higher due to various reasons including better performance by the Company, better economic conditions and passage of time. For Further details of equity shares issued, please refer to the chapter titled “*Capital Structure*” beginning on page 42 of this Prospectus.

**40. *Registered office of some of our Group Companies and our Company are common***

The Registered office of our Group Company namely Virdeep Rollers Private Limited and our Company is common; however, there is no formal agreement between our Company and our Group Company for occupying the office space.

**RISKS RELATING TO OBJECTS OF THE ISSUE**

**41. *We have not carried out an independent appraisal of our working capital requirements. Therefore, if our estimation is not accurate, we may be required to raise additional debt on terms that may not be totally favourable to us.***

Our working capital requirements are as per the management’s estimates and we have not independently appraised or evaluated our working capital requirements by any bank or financial institution. Further, the estimates of our working capital requirement are based on the experience of our management and Promoters. However, it cannot be assured that these estimates may be accurate. We may require more working capital in which case, we may be required to raise additional debt, on terms that may not be totally favourable to our Company, which may in turn adversely affect our profitability.

**42. *The schedule of implementation envisaged by us may be delayed and as a result thereof, we may face operational delays. This may have an adverse effect on our business operations and our return on investments.***

The proposed schedule of implementation may be delayed by any reason whatsoever, including any delay in completion of the Issue. If the schedule of implementation is delayed, we may have to revise our working capital limits resulting in unprecedented financial mismatch and this may affect our revenues and results of operations.

**43. *The objects of the Issue for which funds are being raised have not been appraised by any bank or financial institution. The deployment of funds in the project is entirely at our discretion and as per the details mentioned in the section titled “Objects of the Issue”. Any revision in the estimates may require us to reschedule our projected expenditure and may have a bearing on our expected revenues and earnings.***

Our funding requirements and the deployment of the Net Issue proceeds are based on management estimates and have not been appraised by any bank or financial institution. It cannot be assured that these estimates are accurate. We may have to revise our management estimates from time to time and consequently our funding requirements may also change. Our estimates may exceed the value that would have been determined by third party appraisals and may require us to reschedule our projected expenditure, which may have a bearing on our expected revenues and earnings. Further, if the actual expenditure for the “*Objects of the Issue*” exceeds the estimates of our management, we may be required to raise additional debt, on terms that may not be totally favourable to our Company, which may in turn affect our profitability. Further, the deployment of the funds towards the “*Objects of the Issue*” is entirely at the discretion of our Board of Directors and is not subject to monitoring by external independent agency. However, the deployment of funds is subject to monitoring by our audit committee. However, in accordance with Section 27 of the Companies Act, 2013, our Company shall not vary the objects of the Issue without our Company being authorised to do so by the Shareholders by way of a special resolution and other applicable compliances.

## RISKS RELATING TO EQUITY SHARES

**44. Any future issuance of Equity Shares may dilute your shareholding and sales of our Equity Shares by our Promoter or other major shareholders may adversely affect the trading price of the Equity Shares.**

Any future equity issuances by us, including in a primary offering, may lead to the dilution of investors' shareholdings in our Company. Any future equity issuances by us or sales of our Equity Shares by our Promoter or other major shareholders may adversely affect the trading price of the Equity Shares. In addition, any perception by investors that such issuances or sales might occur could also affect the trading price of our Equity Shares.

**45. There is no existing market for our Equity Shares and we cannot assure you that such a market will develop. The stock price may be volatile, and you may be unable to resell your shares at or above the Issue price or at all.**

Prior to this Issue, there has been no public market for our Equity Shares, and an active trading market may not develop or be sustained upon the completion of this Issue. The Issue Price of the Equity Shares offered hereby may not be indicative of the market price of the Equity Shares after this Issue. The market price of our Equity Shares after this Issue will be subject to significant fluctuations in response to among other factors:

- variations in our operating results and the performance of our business;
- regulatory developments in our target markets affecting us, our customers or our competitors;
- changes in financial estimates by securities research analysts;
- loss of key employees;
- loss of one or more significant customers;
- the performance of the Indian and global economy;
- significant developments in India's economic liberalization and deregulation policies, and the fiscal regime; and
- volatility in the Indian and global securities markets.

Even though a Market Maker has been appointed for our stock, since there has been no public market for our Company's Equity Shares, an active trading market on the Indian Stock Exchanges may not develop or be sustained after the Issue. The Issue Price of the Equity Shares may bear no relationship to the market price of the Equity Shares after the Issue. The market price of the Equity Shares after the Issue may be subject to significant fluctuations in response to, among other factors, variations in our Company's operating results, market conditions specific to the packaging sector in India, developments relating to India and volatility in the BSE and the NSE and securities markets elsewhere in the world. The risk of loss associated with this characteristic may be greater for investors expecting to sell Equity Shares purchased in this Issue soon after the Issue.

**46. 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 has been determined by the management and the lead managers on numerous factors and may not be indicative of the market price of our Equity Shares after the Issue. For further information please refer the section titled "**Basis for Issue Price**" beginning on page 61 of this Prospectus. The market price of our Equity Shares could be subject to significant fluctuations after the Issue, and may decline below the Issue Price. We cannot assure you that you will be able to sell your Equity Shares at or above the Issue Price. Amongst the factors that could affect our share price are:

- Quarterly 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
- Changes in economic, legal and regulatory factors (both domestic and international) unrelated to our performance such as global recession, imposition of trade / non trade barriers and sanctions etc.

**47. *There is no guarantee that the Equity Shares issued pursuant to the Issue will be listed on the SME Platform of BSE in a timely manner, or at all.***

In accordance with Indian law and practice, permission for listing and trading of the Equity Shares issued pursuant to the Issue will not be granted until after the Equity Shares have been issued and allotted. Approval for listing and trading will require all relevant documents authorizing the issuing of Equity Shares to be submitted. There could be a failure or delay in listing the Equity Shares on the SME Platform of BSE. Any failure or delay in obtaining the approval would restrict your ability to dispose of your Equity Shares.

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

Capital gains arising from the sale of shares and debentures are generally taxable in India. Any gain realised on the sale of shares and debentures on a stock exchange held for more than 12 months will not be subject to capital gains tax in India if the securities transaction tax, or STT, has been paid on the transaction. The STT will be levied on and collected by an Indian stock exchange on which shares or debentures are sold. Any gain realised on the sale of shares and/or 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 capital gains tax in India. Further, any gain realised on the sale of shares and/or debentures held for a period of 12 months or less will be subject to capital gains tax in India. Capital gains arising from the sale of shares and/or debentures will be exempt from taxation in India in cases where an exemption is provided under a 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 and/or debentures, as the case may be.

**49. *Any future issuance of Equity Shares may dilute the shareholding of the Investor and sales of our Equity Shares by our Promoter or other major shareholders and dilution in net tangible book value may adversely affect the trading price of Equity Shares.***

Any future issuance of our Equity Shares by our Company could dilute the shareholding of the investor. Any such future issuance of our Equity Shares or sales of our Equity Shares by any of our significant shareholders may also adversely affect the trading price of our Equity Shares and could impact our ability to raise capital through an offering of our securities. While the entire Post-Issue paid-up share capital held by our Promoters and other shareholders will be locked-in for a period of 1 (one) year and 20% of our post-Issue paid-up capital held by our Promoter will be locked-in for a period of 3 (three) years from the date of allotment of Equity Shares in the Issue, upon listing of our Equity Shares on the Stock Exchanges. In addition, any perception by investors that such issuances or sales might occur could also affect the trading price of our Equity Shares. For further information relating to such Equity Shares that will be locked-in, please refer to the sub-section titled "Notes to the Capital Structure" under the section titled "**Capital Structure**" beginning on page 42 of this Prospectus.

## **EXTERNAL RISKS**

**50. *The Companies Act, 2013 has introduced significant changes to the existing Indian company law framework and the SEBI has introduced changes to the Listing Agreement, which are effective from October 1, 2014, which may subject us to greater compliance requirements and increase our compliance costs.***

A majority of the provisions and rules under the Companies Act, 2013 have recently been notified and have come into effect from the date of their respective notification, resulting in the corresponding provisions of the Companies Act, 1956 ceasing to have effect. The Companies Act, 2013 has brought into effect significant changes to the Indian company law framework, such as in the provisions related to issue of capital (including provisions in relation to issue of securities on a private placement basis), disclosures in offer document, corporate governance norms, accounting policies and audit matters, related party transactions, introduction of a provision allowing the initiation of class action suits in India against companies by shareholders or depositors, a restriction on investment by an Indian company through more than two layers of subsidiary investment companies (subject to certain permitted exceptions), prohibitions on loans to directors, insider trading and restrictions on directors and key managerial personnel from engaging in forward dealing. We may also need to spend, in each financial year, at least 2.0% of our average net profits during the three immediately preceding financial years towards corporate social responsibility activities. Further, the Companies Act, 2013 imposes greater monetary and other liability on our Company and Directors for any non-compliance. To ensure compliance with the requirements of the Companies Act, 2013, we may need to allocate additional resources, which may increase our regulatory compliance costs and divert management attention.

The Companies Act, 2013 has introduced certain additional requirements which do not have corresponding equivalents



under the Companies Act, 1956. Accordingly, we may face challenges in interpreting and complying with such provisions due to limited jurisprudence on them. In the event, our interpretation of such provisions of the Companies Act, 2013 differs from or contradicts with, any judicial pronouncements or clarifications issued by the government in the future, we may face regulatory actions or we may be required to undertake remedial steps. Additionally, some of the provisions of the Companies Act, 2013 overlap with other existing laws and regulations (such as the corporate governance norms and insider trading regulations issued by SEBI). Recently, SEBI issued revised corporate governance guidelines which are effective from October 1, 2014. Pursuant to the revised guidelines, we are required to, *inter alia*, establish a vigilance mechanism for directors and employees and reconstitute certain committees in accordance with the revised guidelines. We may face difficulties in complying with any such overlapping requirements. Any increase in our compliance requirements or in our compliance costs may have an adverse effect on our business and results of operations.

***51. Political instability or changes in the Government in India or in the government of the states where we operate could cause us significant adverse effects.***

We are incorporated in India and all of our operations, assets and personnel are located in India. Consequently, our performance and the market price and liquidity of our Equity Shares may be affected by changes in exchange rates and controls, interest rates, government policies, taxation, social and ethnic instability and other political and economic developments affecting India. The central government has traditionally exercised, and continues to exercise, a significant influence over many aspects of the economy. Our businesses, and the market price and liquidity of our Equity Shares may be affected by interest rates, changes in central government policy, taxation, social and civil unrest and other political, economic or other developments in or affecting India. Since 1991, successive central governments have pursued policies of economic liberalization and financial sector reforms. However, there can be no assurance that such policies will be continued. A significant change in the central government's policies, in particular, those relating to the banking and finance industry in India, could adversely affect our business, financial condition and results of operations and could cause the price of our Equity Shares to decline.

***52. Global economic downturn and adverse market conditions could cause our business to suffer. A slowdown in economic growth in India could cause our business to suffer***

The developed economies of the world viz. U.S., Europe, Japan and others are in midst of a downturn affecting their economic condition and markets general business and consumer sentiment has been adversely affected due to the global slowdown and there can be no assurance whether the developed economies or the emerging market economies will see good economic growth in the near future. Consequently, this has also affected the global stock and commodity markets. Our performance and growth is directly related to the performance of the Indian economy. The performance of the Indian economy is dependent among other things on the interest rate, political and regulatory actions, liberalization policies, commodity and energy prices etc. A change in any of the factors would affect the growth prospects of the Indian economy, which may in turn adversely impact our results of operations, and consequently the price of our Equity Shares.

***53. Any downgrading of India's debt rating by an independent agency may harm our ability to raise debt financing.***

Any adverse revisions to India's credit ratings for domestic and international debt by international rating agencies may adversely affect our ability to raise additional financing and the interest rates and other commercial terms at which such additional financing is available. This could have a material adverse effect on our capital expenditure plans, business and financial performance.

***54. If communal disturbances or riots erupt in India, or if regional hostilities increase, this would adversely affect the Indian economy and our business***

Some parts of India have experienced communal disturbances, terrorist attacks and riots during recent years. If such events recur, our operational and marketing activities may be adversely affected, resulting in a decline in our income. The Asian region has, from time to time, experienced instances of civil unrest and hostilities among neighbouring countries. Since May 1999, military confrontations between countries have occurred in Kashmir. The hostilities between India and its neighbouring countries are particularly threatening because India and certain of its neighbours possess nuclear weapons. Hostilities and tensions may occur in the future and on a wider scale. Also, since 2003, there have been military hostilities and continuing civil unrest and instability in Afghanistan. There has also recently been hostility in the Korean Peninsula. In July 2006 and November 2008, terrorist attacks in Mumbai resulted in numerous casualties. Events of this nature in the future, as well as social and civil unrest within other countries in Asia, could influence the Indian economy and could have a material adverse effect on the market for securities of Indian companies, including our Equity Shares.

### 55. Future sales of our Equity Shares may negatively affect our Equity Shares

Future sales of substantial amounts of our Equity Shares in the public market, or even the potential for such sales, could adversely affect the price of our Equity Shares and could impair our ability to raise capital. All of the shares sold in this offering, will be freely tradable without restriction. The Equity Shares owned by our Promoters and other shareholders are subject to lock-in as detailed under the section titled "**Capital Structure**" beginning on page 42 of this Prospectus. We cannot assure you that they will retain ownership of our Equity Shares after the lock-in period following this offering. Sales or distributions by our Promoters or other shareholders of substantial amounts of our Equity Shares in the public market could adversely affect prevailing market prices for our Equity Shares.

### Prominent Notes:

1. The investors may contact the LM for any complaint pertaining to the Issue.
2. Public Issue of 12,96,000 Equity Shares of Rs.10/- each for cash at a price of Rs. 25/- per Equity Share (including a share premium of Rs. 15 per Equity Share) for cash aggregating to Rs. 324.00 Lacs ("**Issue**"). The issue of Equity Shares will constitute 27.02% of the fully diluted post-issue Equity Share capital of our Company.
3. Our Company's net worth as at March 31, 2015 was Rs. 440.00 Lacs.
4. The NAV / Book Value per Equity Share, based on Restated Financials of our Company as March 31, 2015 was Rs.12.57 per share. For more information, see the section titled "**Restated Financial Statements**" beginning on page 125 of this Prospectus
5. The average cost of acquisition per Equity Share by our Promoters is as follows:

Sr. No.	Name of Promoter	Cost of Acquisition (in Rs.)
1.	Mr. Dilipkumar Changela	1.26
2.	Mr. Hiralal Changela	1.26
3.	Mr. Vrajlal Changela	1.26

*As certified by our Statutory Auditor vide their certificate dated 23<sup>rd</sup> June, 2015 For Further details, please refer to "**Capital Structure**" on page 42 of this Prospectus.*

6. Company was incorporated as "**Vishal Bearings Private Limited**" on 24th July, 1991 under the Companies Act, 1956, with the Registrar of Companies, Gujarat, Dadra and Nagar Haveli, bearing Registration Number 016005. Subsequently, our Company was converted into a public limited company and the name of our Company was changed from "Vishal Bearings Private Limited" to "Vishal Bearings Limited" by a special resolution passed on 11th May, 2015. A fresh Certificate of Incorporation consequent upon conversion into public limited company was granted to our Company on 5<sup>th</sup> June, 2015, by the Registrar of Companies, Ahmedabad. For further details, please refer to the section titled "**History and Certain Corporate Matters**" on page no. 99 of this Prospectus.
7. Any clarification or information relating to the Issue shall be made available by the LM and our Company to the investors at large and no selective or additional information would be available for a section of investors in any manner whatsoever. For any clarification or information relating to the Issue, investors may contact the LM, who will be obliged to provide such clarification or information to the investors.
8. The Lead Manager and our Company shall update this Prospectus and keep the investors / public informed of any material changes till listing of the Equity Shares offered in terms of this Prospectus and commencement of trading.
9. During the period of six months immediately preceding the date of filing of this Prospectus with BSE, no financing arrangements existed whereby the Promoter Group, our Promoters, our Directors and their relatives may have financed the purchase of Equity Shares by any other person, other than in the normal course of the business of such financing entity.
10. For the details of related party transaction, please refer to the notes on related party transactions in "**Restated Financial Statements**" on page 125 of this Prospectus.
11. None of our Group companies have any business or other interest in our Company, except as stated in section titled "**Restated Financial Statements - Annexure X - Statement of Related Parties Transactions, as Restated**" on page

- 156 and ***“Our Promoters and our Promoter Group Companies / Entities”*** on page 113 and 115 of this Prospectus and to the extent of any Equity Shares held by them and to the extent of the benefits arising out of such shareholding.
12. Our Company, Promoters, Directors, Promoter Group, Group entities have not been prohibited from accessing the Capital Market under any order or direction passed by SEBI nor they have been declared as willful defaulters by RBI / Government authorities. Further, no violations of securities laws have been committed by them in the past or pending against them.
  13. The Directors / Promoters of our Company have no interest in our Company except to the extent of remuneration and reimbursement of expenses (if applicable) and to the extent of any Equity Shares of our company held by them or their relatives and associates or held by the companies, firms and trusts in which they are interested as director, member, partner, and/or trustee, and to the extent of benefits arising out of such shareholding. For further details please see the chapter titled ***“Our Management”*** on page 102 chapter titled ***“Our Promoter Group and Group Companies / Entities”*** on page 115 and chapter titled ***“Financial Information of the Company”*** beginning on page 125 of this Prospectus.
  14. No loans and advances have been made to any person(s) / companies in which Directors are interested except as stated in the Auditors Report. For details, please see ***“Financial Information of the Company”*** beginning on page 125 of this Prospectus.
  15. In the event of over-subscription, allotment shall be made as set out in paragraph titled ***“Basis of Allotment”*** beginning on page 231 of this Prospectus and shall be made in consultation with the Designated Stock Exchange i.e. BSE. The Registrar to the Issue shall be responsible to ensure that the basis of allotment is finalized in a fair and proper manner as set out therein.
  16. No part of the Issue proceeds will be paid as consideration to Promoters, Promoter Group, Directors, Key Managerial Personnel or Group Companies.
  17. Trading in the Equity Shares for all investors shall be in dematerialised form only.
  18. Investors are advised to see the paragraph titled ***“Basis for Issue Price”*** beginning on page 61 of this Prospectus.

### **SECTION III – INTRODUCTION**

#### **SUMMARY OF INDUSTRY**

*This is only a summary and does not contain all the information that you should consider before investing in our Equity Shares. You should read the entire Prospectus, including the information contained in the chapter titled “Risk Factors” and “Restated Financial Statements” and related notes beginning on page 11 and 125 of this Prospectus before deciding to invest in our Equity Shares.*

Bearings, also known as anti-friction components have their applications in automobiles, pumps, gearboxes, heavy earth-moving equipment and industrial sectors. The growth of the bearings industry, which caters mostly to the requirement of replacement market, is directly correlated with the automotive and industrial sectors. Though automotive sector in India accounts for the largest share in demand of bearings in the Indian market, Industrial bearings market is far more widespread. It is spread over every segment of the Industry. As every movement, rotating or linear requires support of bearings prearrangement, the applications and varieties of bearing products is enormous, which not only widens to a huge size range with variations, but calls for a special variety of products such as: Slewing Rings, Track Rollers, Rod Ends, Spherical Plain, Cam followers, Linear motion system, Re-circulating bearings, Ball bushings, Plain bearings and many more. Approximately, 70% bearings are used in industries other than automobiles. In India, Industrial Bearings are manufactured by few players mostly it is imported from Europe, Japan and other countries. As the infrastructure develops, the Bearing Industry has got the opportunity to grow up. The Indian bearing market accounts for less than 5% of the world bearing market. The players in that market include international manufacturers and numerous local manufacturers such as NEI, NRB, ABC and TATA. A noteworthy proportion of bearings are imported from countries like Germany, Japan, China, Singapore, Sweden, France and Italy.

#### ***Global Economic Overview***

Global growth is projected to reach 3.5 percent and 3.8 percent in 2015 and 2016 global. Specifically, the recovery in the United States was stronger than expected, averaging about 4 percent annualized in the last three quarters of 2014. Consumption—the main engine of growth—has benefited from steady job creation and income growth, lower oil prices, and improved consumer confidence. The unemployment rate declined to 5.5 percent in February, more than 1 percentage point below its level of a year ago. Growth is projected to be stronger in 2015 relative to 2014 in advanced economies, but weaker in emerging markets, reflecting more subdued prospects for some large emerging market economies and oil exporter. Economic performance in Russia was a bit stronger than expected in the second half of 2014, but the increase in geopolitical tensions, declining confidence, and the repercussions of the oil price decline point to a more severe weakening of the outlook in the Commonwealth of Independent States (CIS) as a whole at the start of the year.

*(Source: IMF - World Economic Outlook Update April 2015)*

IMF said that India is among the few major economies with a strong growth outlook. Growth in India has picked up, even as the world economy is faced with subdued demand conditions, particularly in Europe and Japan, and recent slowdown in China. IMF estimates that GDP growth in India this fiscal will be 7.2 to 7.4 per cent.

*(Source: Press Information Bureau, Government of India, Press note dated March 16, 2015)*

#### ***The IMF’s GDP forecast estimates of advance and emerging economies are summarized below:***

			<b>Projections</b>	
	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>
<b>World Output</b>	3.4	3.4	3.5	3.8
<b>Advanced Economies</b>	1.4	1.8	2.4	2.4
United States of America	2.2	2.4	3.1	3.1
Japan	1.6	(0.1)	1.0	1.2
United Kingdom	1.7	2.6	2.7	2.3
Canada	2.0	2.5	2.2	2.0
Emerging Market and developing Economies	5.0	4.6	4.3	4.7
China	7.8	7.4	6.8	6.3
Russia				
<b>India</b>	<b>6.9</b>	<b>7.2</b>	<b>7.5</b>	<b>7.5</b>

*(Source: IMF- World Economic Outlook Update April 2015)*

### **Indian Economic Overview**

The growth at market prices for 2015-16 is expected to be 8.1-to 8.5 per cent. The growth rate in GDP at constant (2011-12) market prices in 2012-13 was 5.1 per cent, which increased to 6.9 percent in 2013-14 and it is expected to further increase to 7.4 per cent in 2014-15 (According to advanced estimates). (Source: Press Information Bureau, Government of India, Press note dated February 27, 2015). In the coming year, real GDP growth at market prices is estimated to be about 0.6-1.1 percentage points higher vis-a-vis 2014-15. This increase is warranted by four factors. First, the government has undertaken a number of reforms and is planning several more. Their cumulative growth impact will be positive. A further impetus to growth will be provided by declining oil prices and increasing monetary easing facilitated by ongoing moderation in inflation. Simulating the effects of tax cuts, declining oil prices will add spending power to households, thereby boosting consumption and growth. Oil is also a significant input in production, and declining prices will shore up profit margins and hence balance sheets of the corporate sector. Declining input costs are reflected in the wholesale price index which moved to deflation territory in January 2015.

(Source: Economic Survey 2014-15)

The RBI has also reduced the cash reserve ratio ("CRR") of scheduled banks by 25 basis points from 4.25% to 4.0% of their net demand and time liabilities ("NDTL") effective the fortnight beginning February 9, 2013. As a result of this reduction in the CRR, around Rs. 180,000 million of primary liquidity is expected to be injected into the banking system. (Source: Third Quarter Review of Monetary Policy 2012-13; RBI Press Release dated January 29, 2013)

The Ministry of Statistics and Programme Implementation, Government of India has revised the base year for estimating national income and has released new series of national accounts. As per international practices Gross Value Added (GVA) at basic prices in place of GDP at factor cost and GDP at Market prices will be referred to as GDP. As per the advance estimates of National Income, 2014-15, the Growth in GDP at constant prices (2011-12) during 2014-15 is estimated at 7.4 per cent as compared to the growth rate of 6.9 per cent in 2013-14. Agriculture sector's growth has been estimated at 1.1 per cent in 2014-15 as against 3.7 per cent in 2013-14. Manufacturing and Services sector are estimated to grow at 6.8 per cent and 10 per cent, respectively in 2014-15.

As per quarterly estimates of GDP for Q3 of 2014-15 as per the new series, GDP growth was registered at 7.5 per cent. According to data released as per the earlier estimates, GDP growth stood at 5.7 per cent and 5.3 per cent during Q1 and Q2, respectively. Organization for Economic Cooperation and Development (OECD) has estimated that India's GDP is expected to accelerate to 5.4 per cent in the year 2014-15 and 6.6 per cent for the year 2015-16.

India's fiscal deficit during the 2013-14 was recorded at 4.5 percent of GDP. In the Union Budget 2014-15, the Government has targeted to bring down the fiscal deficit to 4.1 per cent of GDP for FY 2014-15. India's fiscal deficit, during April-December, stood at 100.2 per cent of the full-year target.

### **Global Bearing (Ball Bearings Roller Bearings) Market**

Bearings are machine elements that are primarily used for reducing friction between moving parts. Instrumented bearings are integrated with sensor units for measuring angular position of the rotatable ring with respect to the fixed ring of the bearing. The information collected through these sensors are used in various applications such as anti lock braking system, adaptive cruise control, tire pressure monitoring system and other industrial sectors.

The global instrumented bearing market is expected to witness substantial growth during the forecast period. This is due to the increasing demand of bearings across various application sectors such as automotive, defense and aerospace and industrial sector. The increase in automobile production globally is stimulating the growth in demand for instrumented bearings and associated components.

Factors such as rising demand from defense and aerospace industries and need for energy efficient solutions in various industries is also expected to influence the market growth. Aerospace equipment requires specialized bearings that are used for mission critical applications. These bearings need to be monitored very closely in order to ensure zero error operability.

Increasing need for energy efficiency in process industries is expected to drive the global bearings market over the forecast period. Technological advancements and surging demand across several end-use industries such as oil & gas, construction, machinery, automotive etc are witnessing progression in functionalities, thereby driving the bearings market growth. Rapid industrialization and infrastructure development in the Asia Pacific and Middle East regions also offers avenues for market growth. The bearings market has evolved significantly owing to the development of new materials, lubricant and searching for alternative uses for bearings.



The industry manufactures roller and ball bearings, which are small machine components that constrain motion and reduce friction between moving parts of several equipments. Bearings market demand is highly responsive to the price of steel, which is a key input to manufacturing, and influences the price operators charge for their products. Over the last few years, moderate demand and volatile steel prices has negatively impacted market growth. However, the bearings market is expected to witness slow growth owing to import penetration and increasing competition for key export markets.

Roller bearings are components used to reduce or eliminate friction between moving parts and thus reduce wear & tear of machines. They help improve machine performance and are thus a critical component of any equipment that rotates. It finds varied application, ranging from simple electric fans to complex space rockets. Depending on its usage, a bearing may have to withstand prolonged use, high-speed rotation, varied temperatures, or a corrosive environment. Bearings are available in two distinctive shapes, ball, and roller. There are four different types of roller bearings – cylindrical roller bearings, needle roller bearings, tapered roller bearings and spherical roller bearings

The bearings industry is highly fragmented. The organised sector caters to both the original equipment manufacturers and replacement market. The unorganised sector, which manufactures low quality small bearings, caters to the replacement market. The manufacturing activity of a few small-scale units is restricted to assembly of imported components. The automobile industry is the major user industry for the bearings industry. Given the growing demand for automobiles in the country, demand for bearings would increase in the coming years

### ***Indian Bearing Markets***

The US\$ 3.75 billion Indian auto ancillaries and components industry has established itself as a major player in both the domestic and international markets. A major feature of the auto ancillary industry is its high degree of export orientation - exports had grown from US\$ 330 million in 1997-98 to US\$ 800 million in 2002-03. Exports to US and Europe forms around 60 per cent of total component exports, followed by exports to Asian markets. India's presence in the international market is likely to grow further as global manufacturers leverage India's low-cost and highly skilled labour to reduce their cost of inputs. Several Government initiatives have helped the industry. The Auto Policy of 2002 removed earlier stipulations on indigenisation and import-balancing requirements and granted 'automatic' permission to foreign automobile manufacturers to set up wholly owned subsidiaries in India. This had strong multiplier effects for the components industry. In addition, the recent Government initiatives such as improvement in road infrastructure, better connectivity to ports, and faster clearance of export consignments have reduced the time taken in exports, thereby saving on working capital requirements. The Government has also reduced customs duties on raw materials required to manufacture components, making Indian components more cost-competitive. The duty regime is targeted to match the ASEAN levels in the near future.

(Source: DIPP)

The Indian Bearings Industry is well poised to achieve strong growth in coming years owing to rising domestic demand in the auto sector and in Industrial applications. Given the government of India's focus on the manufacturing sector, Indian Bearings Industry is expected to grow in the coming years. The government has already made clear its continuing focus on infrastructure from Power and Oil & Gas, Roads, Ports and Airports. As per the planning commission's estimates, the government has planned substantial investment in the 12th Five Year Plan aggregating USD 1 tn. This infrastructure spending will lead to growth in the manufacturing sector, which in turn will have a positive impact on bearings industry.

The Indian bearing industry has recorded healthy growth in the past few years. The Indian manufacturers are able to meet more than three-fourth of the demand for general purpose bearings. The Indian bearing industry's product range comprises of more than 500 types of bearings. Indian manufacturers do not produce special purpose bearings as demand for the same is low and investments required are huge as bearings is a capital intensive industry. Special purpose bearings are therefore imported.

Given decent extensive demand scenarios in the domestic market and with India evolving as a preferred low-cost sourcing destination, bearings manufacturers are likely to capitalise on the increasing production capacities and technological capabilities. Further, companies are likely to continue to diversify their product portfolio and de-risk their businesses. Though, competition is anticipated to increase and prices of raw material are likely to trail an upward movement. This is expected to exert pressure on the industry's profit margins. In such a scenario, cost control programmes would assume greater significance for the industry players, both big and small.

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is low and investments required are huge as bearings is a capital intensive industry. Special purpose bearings are therefore imported.

Roller bearings are essential components in the rotating parts of virtually all machines such as automobiles, electric motors, diesel engines, industrial machinery & machine tools, etc. Bearings are used in diversified fields. Hence, the product range is vast and diversified. The indigenous manufactures are manufacturing bearings of quality and precision at par with world renowned manufacturers. However, bearings for special applications, requiring high technology and /or required in low volumes are still being imported. There is considerable scope for development of bearings of smaller sizes and lighter weight with improved performance in harsh operating conditions like higher or low temperature. Automobile industry accounts for bulk of the total demand of this industry with estimated share of 35%, electrical industry share is 12%, after market (replacement) share is 40% and the remaining 13% consumption is by other industries.

(Source: DIPP)

The rapidly globalising world is opening new avenues for the transportation industry, generating the need for more efficient, safe and reliable modes of transportation, which is subsequently adding to the auto component industry's growing opportunities. According to a report by the Confederation of Indian Industry (CII), the Indian auto component industry is set to become the third largest in the world by 2025. Also, by that time, newer verticals and opportunities for component manufacturers will open up as the automobile market will shift towards electric, electronic and hybrid cars, and newer technologies will have to be adopted via systematic research and development. 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.

### **Investments**

The cumulative foreign direct investment (FDI) inflows into the Indian automobile industry during the period April 2000 – February 2015 were recorded at US\$ 12,232.06 million, as per data published by the Department of Industrial Policy and Promotion

(Source: DIPP).

## SUMMARY OF OUR BUSINESS

The following information should be read together with the information contained in the sections titled “*Risk Factors*”, “*Industry Overview*”, “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” and “*Financial Information of the Company*” on pages 11, 76, 173 and 125 respectively, of this Prospectus.

### Business Overview:

We were incorporated in the year of 1991 by our founder member, Mr. Gordhanbhai Changela and started manufacturing customized Bearing rollers in Unit I in the year 1992 in the state of Gujarat. We made further expansion by establishing Unit II in the year 1995. We are manufacturer of taper rollers, cylindrical rollers, spherical rollers and certain components of taper rollers and are one of the key players in the list of finished roller manufacturers in India. Over the years we have developed expertise and upgraded our technology by adding several automatic and imported machineries and equipments to the plant, which has helped us boost our production capacity and the quality of our products. With our quality manufacturing, we have been identified as “Direct Online Supplier” for cold headed components-Rollers by National Engineering Industries Limited, Jaipur (NBC Bearings Limited), a CK Birla Group Company where our products go directly for manufacturing of bearings without checks on quality and specifications.

We have over 20 years of experience of operating in India. We supply our finished Bearing rollers and products across India to reputed bearing manufactures and OEMs in domestic market for end users in diverse industries such as rail, light vehicles, off-highway, heavy trucks, industries classified as ‘automobile industries’, and heavy industries, industrial processes, gear drives, energy and industrial distribution, as segments within the ‘process industries’ and also export our products to customers based outside India for end users in diverse industries. We are also exporter of cylindrical roller which cater the requirements of international customers in Germany, Hungary, Turkey etc. in diverse industries such as, automotive and Hydraulics. Over the years, we have also ventured into power generation business by installing wind mill in year 2010-11 at KotdaPitha in Amreli, Gujarat with a commissioned capacity of 0.25MW and is currently used for our captive consumption.

We have our production manufacturing facility unit which is located at Shapar (Veraval), Rajkot, Gujarat having a total area of approximately 5624.28 sq. meters. As on March 31, 2015, this facility had an installed capacity of 22,00,000 KG p.a. i.e. Grinding Capacity for Cylindrical Rollers Grinding Capacity and Taper Rollers Grinding Capacity is 12 million Pcs/month each of manufacturing of Bearing Rollers. A quality assurance system is said to increase customer confidence and a company's credibility, to improve work processes and efficiency, and to enable a company to better compete with others. This facility for manufacturing of Bearing Rollers have been recognized for its quality Management System with ISO/TS 16949:2009 and ISO 9001:2008 for Environmental Management System with ISO 14001:2004 and recognized for Health and Safety Management System with OHSAS 18001:2007 by United Registrar of System (“URS”) Certification.

We believe that we have long-term and stable relationships developed over the years with our key suppliers of raw materials and our key customers although we do not have formal contracts. Our key suppliers are ASCOINDUSTRIES SAS France, Dongbu Special Steel Co. Limited and Overseas Alloy Steel etc. Our major customers include NRB Bearings Limited, SKF India Limited, Turbo Bearings Private Limited, Texspin Bearings Limited, NRB Industrial Bearing Limited, TIMKEN, National Engineering Industries Limited, Turbo Industries, INAPEX Pvt Ltd., etc.

As of March 31, 2015, our work force consisted of approximately 170 full time employees. We adhere to international best practices standards and are committed in developing products and services where quality assurance is systematic process of checking to see whether a product or service being developed is meeting specified requirements. We have a separate department devoted to quality assurance with highly equipped standard room carrying all measuring equipments with latest technology.

Our total revenue increased from Rs. 1,142.61 Lacs in Fiscal 2010 to Rs. 2,720.00 Lacs in Fiscal 2015, representing a CAGR of 15.55 %. Our EBITDA increased from Rs. 185.36 lacs in Fiscal 2010 to Rs. 642.39 lacs in Fiscal 2015, representing a CAGR of 23.02 %.

As of May 31, 2015 the total value of our order book is about Rs. 200.00 Lacs. The total value of the Order Book has been certified by the Statutory Auditor vide their certificate dated June 20, 2015.

**Our Strengths:** We believe the following are our competitive strength

**1. One of the key players of Finished cylindrical and taper roller manufacturers in India**

We are one of the key manufacturers of finished taper rollers and various types of finished cylindrical rollers and components in India, and to cater finished taper roller needs of our valuable customers. We have imported brand new machines from SEIBU JIDO KIKI Co. Ltd, Japan. We offer an extensive line of Taper & Cylindrical rollers which are available to customers across India. We believe our rollers are uniquely designed with customized geometries and engineered surfaces to provide engineering solutions for harsh and critical applications. Our products portfolio is tailor made for our customers so as to meet their specific requirements. Our manufacturing process provides us with flexibility of manufacturing smaller volumes of products at short notice. The facility deals with Bearing Steel, SAE5210 etc. using precision-grinding and heat treatment technology, to deliver a long lasting product. This facility also has an innovation centre for detailed analysis, testing, metallurgy and development of new products.

**2. Wide and Stable customer base**

We supply our finished rollers and products to reputed bearing manufactures and OEMs for end users in diverse industries. Our five largest customers accounted for about 92% of our total revenue for the period ended March 31, 2015. Our major customers include NRB Bearings Limited, SKF India Limited, Turbo Bearings Private Limited, Texspin Bearings Limited, NRB Industrial Bearings Limited, TIMKEN, National Engineering Industries Limited, Turbo Industries, INAPEX Pvt. Ltd. etc. Our relationships with our customers ensure that we are constantly in communication with them and enable our products to meet their exacting specifications. We believe that the strength of our relationships with our customers is attributable to our consistent performance over long periods and the emphasis that we place on catering to our customers needs, supplemented with our access to technology.

**3. Well Experienced Organization**

Our core management team has substantially contributed to the growth of our business operations. Our Company was incorporated in 1991 by Mr. Gordhanbhai K Changela. He has helped in developing unique and indigenous ways to manufacture bearing rollers of the finest quality and at the optimum cost. Our Promoters Mr. Dilipkumar Changela, Mr. Hiralal Changela, and Mr. Vrajilal Changela has more than two decades of experience in this industry. Our experienced directors have in-depth knowledge of the products and industry in which we operate. Our Board and management periodically review our internal policies and business practices and have been instrumental in building our reputation in the roller bearing sector in India. We believe that our strong business practices and reputation in the industry enable us to meet the expectations of our customers. Our key management personnel are largely responsible for successful execution of day to day activities, developing new customer base and strengthening our customer relationships.

**4. Wide Product Range**

Our Company manufactures Taper and Cylindrical Bearing Rollers from 5 mm to 150 mm in diameter and from 5 mm to 280 mm in length whereas the Spherical Bearing Rollers from 5 mm to 60 mm in diameter and length. Due to this varying size advantage, we have been able to develop over 1,500 varieties of products for our clients as per the specifications mentioned by them. We have dedicated few lines and quantity i.e. 60,00,000 of semi-finished rollers to our customer, National Engineering Industries Limited, Jaipur (NRB Bearings Limited).

**5. Quality products**

Our Company believes in providing quality products to its customers and for that follows Indian as well as International quality standards for the products manufactured. Our Company is certified for quality Management System with ISO/TS 16949:2009 and ISO 9001:2008 for Environmental Management System with ISO 14001:2004 and recognized for Health and Safety Management System with OHSAS 18001:2007 by United Registrar of System (“URS”) Certification. We have a separate department devoted to quality assurance with highly equipped standard room carrying all measuring equipments with latest technology. Each and every piece that leaves the manufacturing unit is being check with “Camera Based Optical Visual Inspection” machine by Vizzitec Solutions Pvt Ltd, the rejection is then reviewed again by well equipped instruments and experienced technical persons. The defective pieces found after undergoing the quality check process are discarded. We also undertake sample check of our products based on the quality guidance prescribed by our customers. This has benefited our manufacturing process significantly in terms of reducing wastage and enabling us to demand a premium for our products. The quality checks ensure that no defective material reached the customer and ensure reduced process rejection and reduced machine down time. We believe that our quality products have earned us a goodwill from our customers, which has resulted in customer retention and order repetition also new addition to the customer base.

## **6. Prime Factory Location**

We are situated at one of highly industrialised belt in Gujarat State (India) on National Highway 8B, Rajkot which has good transport connectivity and also being costal state we are close to some major / popular sea ports like Kandla Port and Mundra Sea Port.

**Our Business Strategy:** We intend to pursue the following principal strategies to leverage our competitive strengths and grow our business:

### **1. To enhance market share by expanding our business with more OEM's and expanding our export business**

We intend to expand our business more with our organised customers like TIMKEN, NRB Industrial Bearings Limited, National Engineering Industries Limited, INAPEX Pvt. Ltd. etc. We are exploring more export customers by exploring more business with TIMKEN Global and others, which is having spread and reach of their distribution system as a significant strength of their business because it allows them to market and sell their products across India and globally.

### **2. To continue expanding our business by including new customized products and services**

We intend to explore opportunities to expand our operations by developing new products and services within our existing lines of business. Further expanding our service offerings will help us to build on existing diversification of our business.

### **3. Innovations in our products**

We have a team with experience in our industry & its related products that are constantly focusing on innovations. Our products confirm to various test requirements to meet industry standards. We generally keep upgrading our tool room and Visual inspection systems and we have also installed online gauging system on Header which is from MARPOS Company. We are also developing one Automatic Packing machine which is getting developed by Vizzitec Solutions Pvt Ltd.

### **4. Optimal Utilization of Resources**

Our Company constantly endeavors to improve our production process, skill up-gradation of workers, using latest technology in machineries to optimize the utilization of resources. We regularly analyze our existing raw material procurement and manufacturing processes to identify the areas of bottlenecks and correct the same. This helps us in improving efficiency and putting resources to optimal use.

## **Our Products & Product Range**

We manufacture a wide range of Taper Rollers, Cylindrical Rollers and Spherical Rollers as under:-

- Taper bearing roller
- Cylindrical bearing roller
- Spherical bearing roller



### SUMMARY OF FINANCIAL INFORMATION

The following tables set forth summary financial information derived from our statement of Assets and Liabilities, Profit and Loss as restated and Cash Flow Statement as restated for years ended 2015, 2014, 2013, 2012 and 2011. These financial statements have been prepared in accordance with Indian GAAP, the Companies Act and the SEBI (ICDR) Regulations and restated as described in the auditor's report and presented in the section titled "*Financial Information of the Company*" beginning on page 125 of this Prospectus.

#### SUMMARY STATEMENT OF ASSETS AND LIABILITIES (AS RESTATED)

#### ANNEXURE-I

(Rs. In Lacs)

Particulars	Annexure	As At				
		31/03/15	31/03/14	31/03/13	31/03/12	31/03/11
<b>Equity &amp; Liabilities</b>						
Shareholders' Funds						
(a) Share Capital	<b>A</b>	25.00	25.00	25.00	25.00	24.00
(b) Reserves & Surplus	<b>B</b>	415.00	244.15	220.63	130.56	173.27
		<b>440.00</b>	<b>269.15</b>	<b>245.63</b>	<b>155.56</b>	<b>197.27</b>
<b>Non Current Liabilities</b>						
(a) Long-term borrowings	<b>C</b>	1,486.60	1,181.96	1,076.12	1,013.52	970.92
(b) Deferred tax liabilities (net)	<b>D</b>	75.46	53.84	44.06	28.68	23.55
(c) Long-term provisions	<b>E</b>	12.89	12.93	10.51	5.49	4.94
		<b>1,574.95</b>	<b>1,248.73</b>	<b>1,130.68</b>	<b>1,047.69</b>	<b>999.41</b>
<b>Current liabilities</b>						
(a) Short-term borrowings	<b>F</b>	348.29	202.05	197.45	20.97	0.00
(b) Trade payables	<b>G</b>	218.60	291.29	99.65	72.14	121.61
(c) Other current liabilities	<b>H</b>	349.94	50.11	118.66	111.35	112.87
(d) Short-term provisions	<b>I</b>	69.64	190.36	53.49	38.26	26.05
		<b>986.47</b>	<b>733.81</b>	<b>469.25</b>	<b>242.73</b>	<b>260.53</b>
<b>Total</b>		<b>3,001.42</b>	<b>2,251.70</b>	<b>1,845.57</b>	<b>1,445.98</b>	<b>1,457.22</b>
<b>Assets</b>						
<b>Non-current assets</b>						
(a) Fixed Assets	<b>J</b>	1,430.94	991.29	919.07	779.13	745.75
(b) Non-current investments	<b>K</b>	67.36	54.40	36.37	44.81	88.13
(c) Long-term loans and advances	<b>L</b>	92.36	18.66	23.66	27.26	9.18
(d) Other non-current assets		0.00	0.00	0.00	0.00	0.00
		<b>1,590.66</b>	<b>1,064.34</b>	<b>979.10</b>	<b>851.19</b>	<b>843.07</b>
<b>Current Assets</b>						
(a) Current Investments		0.00	0.00	0.00	0.00	0.00
(b) Inventories		745.63	559.48	471.82	183.30	236.32
(c) Trade Receivables	<b>M</b>	403.49	400.97	299.74	310.96	230.55
(d) Cash & Bank Balances	<b>N</b>	73.56	137.07	25.28	27.16	54.60
(e) Short Term Loans & Advances	<b>O</b>	183.52	85.65	66.95	41.02	91.99
(f) Other Current Assets	<b>P</b>	4.57	4.19	2.68	32.35	0.70
		<b>1,410.77</b>	<b>1,187.35</b>	<b>866.47</b>	<b>594.79</b>	<b>614.15</b>
<b>Total</b>		<b>3,001.42</b>	<b>2,251.70</b>	<b>1,845.57</b>	<b>1,445.98</b>	<b>1,457.22</b>

Note: The above statement should be read with the restated statement of profit and loss, cash flow statement, significant accounting policies and notes to restated summary statements as appearing in Annexures II, III and IV respectively

**ANNEXURE-II****SUMMARY STATEMENT OF PROFIT AND LOSS (AS RESTATED)**

(Rs. In Lacs)

Particulars	Annexure	For the Year ended				
		31/03/15	31/03/14	31/03/13	31/03/12	31/03/11
Continuing Operations						
<b>Revenue from operations:</b>						
- Revenue From Sale of Products	<b>Q</b>	2,586.52	2,056.56	1,830.50	1,529.64	1,575.35
- Revenue From Sale of Services	<b>Q</b>	115.92	52.84	30.44	77.58	19.93
- Other Operating Income	<b>Q</b>	17.56	13.89	18.84	14.52	0.15
<b>Net Revenue from operations</b>		<b>2,720.00</b>	<b>2,123.29</b>	<b>1,879.78</b>	<b>1,621.74</b>	<b>1,595.43</b>
Other income	<b>Q</b>	96.42	(6.59)	20.58	12.97	12.77
<b>Total Revenue (A)</b>		<b>2,816.43</b>	<b>2,116.70</b>	<b>1,900.36</b>	<b>1,634.71</b>	<b>1,608.20</b>
<b>Expenses:</b>						
Cost of Materials & Stores Consumed	<b>R</b>	1,420.26	1,095.19	964.53	833.12	754.90
Purchase of Stock-in-trade		0.00	0.00	0.00	0.00	5.71
Changes in inventories of finished goods, WIP and Stock-in-Trade	<b>S</b>	34.37	(28.81)	(4.49)	(1.07)	88.33
Employee benefits expense	<b>T</b>	358.27	284.16	267.77	213.64	190.58
Other expenses	<b>U</b>	361.13	239.75	234.80	178.70	296.23
<b>Total Expenses (B)</b>		<b>2,174.03</b>	<b>1,590.29</b>	<b>1,462.61</b>	<b>1,224.39</b>	<b>1,335.76</b>
<b>Earnings Before Interest, Taxes, Depreciation &amp; Amortization</b>		<b>642.40</b>	<b>526.42</b>	<b>437.75</b>	<b>410.33</b>	<b>272.44</b>
Finance costs	<b>V</b>	225.86	182.57	168.25	144.92	108.72
Depreciation and amortization expenses		165.84	127.70	114.88	112.68	40.84
<b>Profit before exceptional items, extraordinary items and tax (C=A-B)</b>		<b>250.70</b>	<b>216.15</b>	<b>154.62</b>	<b>152.72</b>	<b>122.87</b>
Exceptional items (D)		0.00	0.00	0.00	0.00	0.00
<b>Profit before extraordinary items and tax (E=C-D)</b>		<b>250.70</b>	<b>216.15</b>	<b>154.62</b>	<b>152.72</b>	<b>122.87</b>
Extraordinary items (F)		0.00	0.00	0.00	0.00	0.00
<b>Profit before tax (G=E-F)</b>		<b>250.70</b>	<b>216.15</b>	<b>154.62</b>	<b>152.72</b>	<b>122.87</b>
<b>Provision for Tax</b>						
- Current Tax		59.94	65.44	48.22	32.34	22.46
- Tax adjustment of prior years		(1.08 )	(1.14 )	0.95	4.04	0.27
- Deferred Tax Liability / (Asset)		21.62	9.79	15.38	5.12	15.17
- MAT Credit Entitlement		0.00	1.56	0.00	0.00	(-5.06)
<b>Tax Expense For The Year (H)</b>		<b>80.47</b>	<b>75.64</b>	<b>64.55</b>	<b>41.51</b>	<b>32.84</b>
<b>Restated profit after tax from Continuing Operations (I=G-H)</b>		<b>170.23</b>	<b>140.51</b>	<b>90.07</b>	<b>111.21</b>	<b>90.03</b>
<b>Profit from Discontinuing Operations (J)</b>		0.00	0.00	0.00	0.00	0.00
<b>Restated profit for the year from total operations (K=I+J)</b>		<b>170.23</b>	<b>140.51</b>	<b>90.07</b>	<b>111.21</b>	<b>90.03</b>

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

**SUMMARY STATEMENT OF CASH FLOW STATEMENT (AS RESTATED)****ANNEXURE-III**

(Rs. In lacs)

Particulars	For the Year ended				
	31/03/15	31/03/14	31/03/13	31/03/12	31/03/11
<b>1. Cash Flow From Operating Activities:</b>					
Net Profit before tax and extraordinary item	250.70	216.15	154.62	152.72	122.87
Adjustments for:					
Depreciation and amortization expense	165.84	127.70	114.88	112.68	40.84
Interest & Other Charges	222.72	172.15	164.71	143.37	101.91
Dividend Received	(0.06)	(0.06)	(0.09)	(0.07)	(1.77)
Interest Received/ Other Non Operative Receipts	(96.36)	6.64	(20.49)	(12.90)	(11.00)
<b>Operating Profit before Working Capital Changes</b>	<b>542.83</b>	<b>522.58</b>	<b>413.64</b>	<b>395.80</b>	<b>252.85</b>
Adjustments for:					
Inventories	(186.16)	(87.66)	(288.52)	53.02	98.13
Trade Receivables	(2.53)	(101.22)	11.22	(80.41)	(26.10)
Short Term Loans & Advances	(89.15)	(14.95)	(7.44)	44.17	(36.23)
Other Current Assets	(0.38)	(1.51)	29.67	(31.65)	(0.53)
Trade Payables	(72.69)	191.64	27.51	(49.46)	11.73
Other Current Liabilities	299.83	(68.55)	7.31	(1.52)	101.09
Short term Provision	(115.23)	119.65	(0.64)	2.32	(58.45)
<b>Cash Generated from Operation</b>	<b>376.54</b>	<b>559.99</b>	<b>192.75</b>	<b>332.27</b>	<b>342.49</b>
Taxes Paid	73.07	52.39	51.79	19.71	29.34
<b>Net Cash from Operating Activities</b>	<b>303.47</b>	<b>507.60</b>	<b>140.95</b>	<b>312.57</b>	<b>313.16</b>
<b>2. Cash Flow From Investing Activities:</b>					
Fixed Assets Purchased (Net)	(604.87)	(199.91)	(254.83)	(146.06)	(585.98)
Dividend Received	0.06	0.06	0.09	0.07	1.77
Interest Received/ Other Non Operative Receipts	96.36	(6.64)	20.49	12.90	11.00
Adjustments for:					
Long Term Loans & Advances	(73.71)	5.00	3.60	(18.07)	(0.96)
Non Current Investments	(12.96)	(18.03)	8.44	43.32	(84.06)
Long term Provision	(0.04)	2.42	5.02	0.55	4.94
<b>Net Cash from Investing Activities</b>	<b>(595.14)</b>	<b>(217.10)</b>	<b>(217.20)</b>	<b>(107.29)</b>	<b>(653.29)</b>
<b>3. Cash Flow From Financing Activities:</b>					
Proceeds from issue of shares	0.00	0.00	0.00	1.00	0.00
Proceeds from Short term borrowings	146.24	4.60	176.48	20.97	0.00
Proceeds from Long term borrowings	304.64	105.84	62.60	42.61	457.06
Payment of Interim Dividend and tax on it	0.00	(117.00)	0.00	(153.92)	(69.97)
Interest & Other Charges paid	(222.72)	(172.15)	(164.71)	(143.37)	(101.91)
<b>Net Cash from Financing Activities</b>	<b>228.16</b>	<b>(178.70)</b>	<b>74.36</b>	<b>(232.71)</b>	<b>285.19</b>
<b>Net Increase/ (Decrease) in Cash &amp; Cash Equivalents</b>	<b>(63.51)</b>	<b>111.79</b>	<b>(1.88)</b>	<b>(27.44)</b>	<b>(54.94)</b>
<b>Cash &amp; Cash Equivalents at the beginning of the year</b>	<b>137.07</b>	<b>25.28</b>	<b>27.16</b>	<b>54.60</b>	<b>109.54</b>
<b>Cash &amp; Cash Equivalents at the end of the year</b>	<b>73.56</b>	<b>137.07</b>	<b>25.28</b>	<b>27.16</b>	<b>54.60</b>

Notes:

**1. Components of Cash & Cash Equivalents:**

Particulars	31/03/15	31/03/14	31/03/13	31/03/12	31/03/11
Cash on Hand	2.83	5.81	3.38	4.62	3.85
Balances with Scheduled Banks					
In Current Accounts	0.26	100.75	0.51	9.12	17.98
In Deposit Accounts	70.47	30.51	21.39	13.42	32.76
<b>Total Cash &amp; Cash Equivalents</b>	<b>73.56</b>	<b>137.07</b>	<b>25.28</b>	<b>27.16</b>	<b>54.60</b>

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

## THE ISSUE

PRESENT ISSUE IN TERMS OF THIS PROSPECTUS	
<b>Equity Shares Offered:</b>	12,96,000 Equity Shares having Face Value Rs. 10.00 each for cash at a price of Rs. 25/- per share aggregating to Rs. 324.00 Lacs
<b>Public Issue of Equity Shares by our Company</b>	
<b>Of which</b>	
<b>Issue Reserved for Market Makers</b>	72,000 Equity Shares of Rs.10/- each for cash at a price of Rs.25/- per share aggregating to Rs. 18.00Lacs
<b>Net Issue to the Public</b>	12,24,000 Equity Shares of Rs.10/- each for cash at a price of Rs.25/- per share aggregating to Rs. 306.00 Lacs
	<b>of which</b>
	6,12,000 Equity Shares of Rs.10/- each at Issue Price Rs.25/- per equity share will be available for allocation for allotment to Retail Individual Investors of upto Rs.2.00 Lacs
	6,12,000 Equity Shares of Rs.10/- each at Issue Price of Rs.25/- per equity share will be available for allocation for allotment to Investors of above Rs.2.00 Lacs
<b>Equity Shares outstanding prior to the Issue</b>	35,00,000 Equity Shares of face value Rs. 10/- each
<b>Equity Shares outstanding after the Issue</b>	47,96,000 Equity Shares of face value Rs. 10/- each
<b>Use of Issue Proceeds</b>	For details refer to chapter titled ' <i>Objects of the Issue</i> ' on page 56 of this Prospectus

\*This Issue is being made in terms of Chapter XB of the SEBI (ICDR) Regulations as amended from time to time. For further details, please see the section titled "Issue Related Information" beginning on page 205 of this Prospectus.

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

- (a) Minimum fifty percent to Retail Individual Investors; and
- (b) Remaining to:
  - (i) individual applicants other than Retail Individual Investors and
  - (ii) other investors including corporate bodies or institutions, irrespective of the number of specified securities applied for.
- (c) The unsubscribed portion in either of the categories specified in (a) or (b) above may be allocated to the applicants in the other category.

***If the Retail Individual Investor category is entitled to more than fifty per cent on proportionate basis, the Retail Individual Investors shall be allocated that higher percentage.***

## GENERAL INFORMATION

Our Company was incorporated as “**Vishal Bearings Private Limited**” on 24<sup>th</sup> July, 1991 under the Companies Act, 1956, with the Registrar of Companies, Gujarat, Dadra and Nagar Haveli, bearing Registration Number 016005. Subsequently, our Company was converted into a public limited company and the name of our Company was changed from “**Vishal Bearings Private Limited**” to “**Vishal Bearings Limited**” by a special resolution passed on 11<sup>th</sup> May, 2015. A fresh Certificate of Incorporation consequent upon conversion into public limited company was granted to our Company on 5<sup>th</sup> June, 2015, by the Registrar of Companies, Ahmedabad. For further details, please refer to the section titled “**History and Certain Corporate Matters**” on page no. 99 of this Prospectus.

### Registered Office of our Company

Survey No 22/1, Plot No 1, Shapar Main Road, Shapar (Veraval), Rajkot - 360 002

**Tel:** 02827-252273, 252414; **Fax:** 02827-253087

**Website:** [www.vishalbearings.com](http://www.vishalbearings.com)

**Email:** [compliance@vishalbearings.com](mailto:compliance@vishalbearings.com)

### Registrar of Companies

#### **The Registrar of Companies, Ahmedabad**

ROC Bhavan, Opposite Rupal Park Society, Behind Ankur Bus Stop, Naranpura, Ahmedabad – 380 013

**Tel:** 079-27437597; **Fax:** 079-27438371

**Email:** [roc.ahmedabad@mca.gov.in](mailto:roc.ahmedabad@mca.gov.in)

### Board of Directors

Name, Designation, Occupation	Age	DIN	Residential Address
Mr. Dilipkumar Changela <b>Designation:</b> Chairman & Managing Director <b>Occupation:</b> Business	52	00247302	5-Parnakutir Society, Nana Mava Main Road, Rajkot-360004, Gujarat
Mr. Hiralal Changela <b>Designation:</b> Whole Time Director <b>Occupation:</b> Business	65	00247292	Sahajanand Block No.45-A, 5-Parnakutir Society, Nana Mava Main Road, Rajkot-360004, Gujarat
Mr. Vrajilal Changela <b>Designation:</b> Whole Time Director <b>Occupation:</b> Business	62	00247295	Sahajanand Block No.45-A, 5-Parnakuti Society, Nana Mava Main Road, Rajkot-360004, Gujarat
Mr. Rakesh Savani <b>Designation:</b> Independent Non-Executive Director <b>Occupation:</b> Professional (Chartered Accountant)	30	07191075	Hari Krupa Street No. 3, Raval Nagar, 150 ft Ring Road, Rajkot – 360007, Gujarat
Mr. Niteshkumar Patel <b>Designation:</b> Independent Non-Executive Director <b>Occupation:</b> Business	43	01854443	Block No. 78, Vrindavan, Madhuvan Park, Sadhu Vasvani Road, Rajkot-360007, Gujarat
Ms. Urja Ghetiya <b>Designation:</b> Independent Non-Executive Director <b>Occupation:</b> Chartered Accountant	23	07191068	522, Prayagraj, Shaktinagar Main Road, Rajkot – 360004, Gujarat

For details of our Directors, see the chapter titled “**Our Management**” on page 102 of this Prospectus.

### Company Secretary and Compliance Officer

Ms. Dimpi Sampat

#### **Vishal Bearings Limited**

Survey No 22/1, Plot No 1, Shapar Main Road, Shapar (Veraval), Rajkot - 360 002, Gujarat

**Tel:** 02827-252273, 252414 **Fax:** 02827-253087

**Email:** [compliance@vishalbearings.com](mailto:compliance@vishalbearings.com)

**Website:** [www.vishalbearings.com](http://www.vishalbearings.com)

Investors can contact our Compliance Officer in case of any pre-Issue or post-Issue related matters such as non-receipt of letters of allotment, credit of allotted shares in the respective beneficiary account, refund orders etc.



**Chief Financial Officer**

Mr. Vishal Changela

**Vishal Bearings Limited**

Survey No 22/1, Plot No 1, Shapar Main Road, Shapar (Veraval), Rajkot - 360 002, Gujarat

Tel: 02827-252273, 252414 Fax: 02827-253087

Email: [vishal@vishalbearings.com](mailto:vishal@vishalbearings.com)Website: [www.vishalbearings.com](http://www.vishalbearings.com)**ISSUE MANAGEMENT TEAM**

<b>LEAD MANAGER OF THE ISSUE</b>	<b>LEGAL ADVISOR TO THE ISSUE</b>
<b>HEM SECURITIES LIMITED</b> 14/15, Khatau Bldg., 1st Floor, 40, Bank Street, Fort, Mumbai – 01, India <b>Tel:</b> 022-2267 1543/44, 2267 1000 <b>Fax:</b> 022-2262 5991 <b>Email:</b> <a href="mailto:ib@hemonline.com">ib@hemonline.com</a> <b>Investor Grievance Email:</b> <a href="mailto:redressal@hemonline.com">redressal@hemonline.com</a> <b>Website:</b> <a href="http://www.hemonline.com">www.hemonline.com</a> <b>Contact Person:</b> Ms. Menka Jha / Ms. Payal Mundra <b>SEBI Reg. No:</b> INM000010981	<b>DHAVAL VUSSONJI &amp; ASSOCIATES</b> 805/ 806, Dalamal Towers, Free Press Journal Marg, Nariman Point, Mumbai 400 021, India <b>Tel:</b> 91-22-66623535 <b>Fax:</b> 91-22-66623536 <b>Email:</b> <a href="mailto:dhaval@dvassociates.co.in">dhaval@dvassociates.co.in</a> <b>Contact Person:</b> Mr. Dhaval Vussonji
<b>REGISTRAR TO THE ISSUE</b>	<b>BANKER OF THE COMPANY</b>
<b>KARVY COMPUTERSHARE PRIVATE LIMITED</b> Karvy selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad 500 032 <b>Tel :</b> +91 (40) 6716 2222 <b>Fax :</b> + 91 (40) 2343 1551 <b>Website:</b> <a href="http://www.karishma.karvy.com">www.karishma.karvy.com</a> <b>E-mail:</b> <a href="mailto:vishalbearings.ipo@karvy.com">vishalbearings.ipo@karvy.com</a> <b>Investor Grievance Email:</b> : <a href="mailto:vishalbearings.ipo@karvy.com">vishalbearings.ipo@karvy.com</a> <b>Contact Person:</b> Mr. M Murali Krishna <b>SEBI Registration :</b> INR000000221	<b>KOTAK MAHINDRA BANK LIMITED</b> 223-9, 2 <sup>nd</sup> floor, Siddhivinyak Complex, Shivaranjani Cross Road, Satellite, Ahmedabad, Gujarat- <b>Tel/ Mob: +91-9712925149</b> <b>Fax:</b> 0281-6622604 <b>Email:</b> <a href="mailto:bhaskar.trivedi@kotak.com">bhaskar.trivedi@kotak.com</a> <b>Website:</b> <a href="http://www.kotak.com">www.kotak.com</a> <b>Contact Person:</b> Mr. Bhaskar Trivedi
<b>STATUTORY AUDITORS</b>	<b>PEER REVIEW AUDITORS<sup>#</sup></b>
<b>M/S. P. GHANSHYAM &amp; CO,</b> Chartered Accountant 605, Shilp Tower, Tagore Road, Rajkot - 360002, Gujarat <b>Tel No:</b> +91 (281) 2482965 <b>Email:</b> <a href="mailto:pghanshyam.co.@gmail.com">pghanshyam.co.@gmail.com</a> <b>Firm registration no.:</b> 103153W <b>Contact Person:</b> Mr. G. L. Kathrotia	<b>M/S. SVK &amp; ASSOCIATES,</b> Chartered Accountants C-701/702, Titanium Square, Near BMW Show Room, Thaltej Cross Roads, S. G. Road, Ahmedabad- 380054 Gujarat <b>Tel No:</b> +91 (79) 40320800 <b>Email:</b> <a href="mailto:svk@casvk.com">svk@casvk.com</a> / <a href="mailto:npunit@casvk.com">npunit@casvk.com</a> <b>Contact Person:</b> CA. Shilpang Karia/ CA. Punit Nathwani
<b>BANKERS TO THE ISSUE</b> <b>{Escrow Collection Bank(s) &amp; Refund Bank(s)}</b>	
<b>HDFC Bank Limited</b> FIG-OPS Department- Lodha, I Think Techno Campus, O-3, Level, Next to Kanjurmarg Railway Station, Kanjurmarg (East), Mumbai-400042 <b>Tel:</b> 022 30752928 <b>Fax:</b> 022 25799801 <b>Website:</b> <a href="http://www.hdfcbank.com">www.hdfcbank.com</a> <b>E-mail:</b> <a href="mailto:uday.dixit@hdfcbank.com">uday.dixit@hdfcbank.com</a> <b>Contact Person:</b> Mr. Uday Dixit <b>SEBI Registration:</b> INB100000063	

#M/s.SVK & ASSOCIATES holds a peer reviewed certificate dated 13<sup>th</sup> Day of November 2013 issued by the Institute of Chartered Accountants of India.

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 Allotment, credit of allotted Equity Shares in the respective beneficiary account and refund orders

All grievances relating to the ASBA process may be addressed to the Registrar to the Issue, with a copy to the SCSBs, giving full details such as name, address of the applicant, number of Equity Shares applied for, Application Amount blocked, ASBA Account number and the Designated Branch of the SCSBs where the Application Form was submitted by the ASBA Applicant.

For all Issue related queries and for redressal of complaints, investors may also write to the LM. All complaints, queries or comments received by BSE shall be forwarded to the LM, who shall respond to the same.

#### **Self-Certified Syndicate Banks**

The list of banks that have been notified by SEBI to act as SCSB for the ASBA Process are provided on [www.sebi.gov.in/pmd/scsb.pdf](http://www.sebi.gov.in/pmd/scsb.pdf). For details on designated branches of SCSBs collecting the Application Form for ASBA process, please refer the above mentioned SEBI website.

#### **Credit Rating**

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

#### **Brokers to the Issue**

All brokers registered with SEBI & members of the Recognised Stock Exchange can act as brokers to the Issue.

#### **Monitoring Agency**

In terms of Regulation 16(1) of the SEBI (ICDR) Regulations we are not required to appoint a monitoring agency for the purposes of this Issue as the Issue size shall not exceed Rs.50,000 Lacs.

However, as per the Clause 52 of the SME Listing Agreement to be entered into with BSE upon listing of the equity shares and the corporate governance requirements, the audit committee of our Company, would be monitoring the utilization of the proceeds of the Issue.

#### **Statement of Responsibilities for the Issue**

Hem Securities Limited is the sole Lead Manager to this Issue and hence, is responsible for all the issue management related activities.

#### **IPO Grading**

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

#### **Debenture Trustees**

As this is an Issue of Equity Shares, the appointment of Debenture Trustees is not required.

#### **Appraising Entity**

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

### **Expert Opinion**

Except the report of the Statutory Auditor of our Company on the “*Statement of Tax Benefits*” and the report of the Peer Review Auditor of our Company in the Section “*Restated Financial Statements*” and “*Statement of Financial Indebtedness*” included in this Prospectus, our Company has not obtained any other expert opinion.

### **Underwriting Agreement**

This Issue shall be 100% Underwritten. Our Company has entered into an Underwriting Agreement dated 22<sup>nd</sup> June 2015 with the HEM Securities Limited for the Equity Shares proposed to be offered through the Issue. The obligations of the Underwriter are subject to certain conditions specified therein. The Underwriter has indicated its intention to underwrite the following number of Equity Shares:

<b>Name and Address of the Underwriter</b>	<b>Indicated Number of Equity Shares to be Underwritten</b>	<b>Amount Underwritten (Rs. In Lacs)</b>
<b>Hem Securities Limited</b> 203, Jaipur Tower, M.I. Road, Jaipur - 302 001, Rajasthan, India. <b>Tel:</b> +91 (141)2378 608 / 2363 278 <b>Fax No.:</b> +91 (141) 5101 757 <b>Website:</b> <a href="http://www.hemonline.com">www.hemonline.com</a> <b>Email:</b> <a href="mailto:underwriter@hemonline.com">underwriter@hemonline.com</a> <b>SEBI Regn. No.</b> INM000010981 <b>Contact Person:</b> Mr. Anil Bhargava	12,96,000	324.00

*\*Includes 72,000 Equity shares of Rs.10/- each for cash of the Market Maker Reservation Portion which are to be subscribed by the Market Maker (Hem Securities Limited) in its OWN account in order to claim compliance with the requirements of Regulation 106 V (4) of the SEBI (ICDR) Regulations, 2009, as amended*

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

In the opinion of our Board of Directors (based on a certificate given by the Underwriters), the resources of the above mentioned Underwriters is sufficient to enable them to discharge their respective underwriting obligations in full. The above-mentioned Underwriter is registered with SEBI under Section 12(1) of the SEBI Act or registered as broker with the Stock Exchange(s).

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

Our Company and the Lead Manager have entered into an agreement dated 22<sup>nd</sup> June, 2015 with the following Market Maker registered with BSE Limited in order to fulfil the obligations of Market Making.

#### **Market Maker**

<b>Name</b>	Hem Securities Limited
<b>Address</b>	203, Jaipur Tower, M.I. Road, Jaipur -302 001, Rajasthan, India
<b>Tel No.</b>	+91 (141) 2378 608, 2363 278
<b>Fax No.</b>	+91 (141) 5101 757
<b>E-mail</b>	<a href="mailto:mm@hemonline.com">mm@hemonline.com</a>
<b>Contact Person</b>	Mr. Anil Bhargava
<b>SEBI Registration No.</b>	INB011069953
<b>Market Maker Reg. No.</b>	SMEMM0024801022013

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

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

1. The Market Maker(s) (individually or jointly) shall be required to provide a 2-way quote for 75% of the time in a day. The same shall be monitored by the stock exchange. Further, the Market Maker(s) shall inform the exchange in advance for each and every black out period when the quotes are not being offered by the Market Maker(s).
2. The minimum depth of the quote shall be Rs. 1,00,000. However, the investors with holdings of value less than Rs. 1,00,000 shall be allowed to offer their holding to the Market Maker(s) (individually or jointly) in that scrip provided that he sells his entire holding in that scrip in one lot along with a declaration to the effect to the selling broker.
3. Execution of the order at the quoted price and quantity must be guaranteed by the Market Maker(s), for the quotes given by him.
4. There would not be more than five Market Makers for a script at any point of time and the Market Makers may compete with other Market Makers for better quotes to the investors.
5. On the first day of the listing, there will be pre-opening session (call auction) and there after the trading will happen as per the equity market hours. The circuits will apply from the first day of the listing on the discovered price during the pre-open call auction.
6. The Market Maker(s) may also be present in the opening call auction, but there is no obligation on him to do so.
7. There will be special circumstances under which the Market Maker(s) 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 Stock Exchange, while force-majeure will be applicable for non controllable reasons. The decision of the Stock Exchange for deciding controllable and non-controllable reasons would be final.
8. The Market Maker(s) shall have the right to terminate said arrangement by giving a three months notice or on mutually acceptable terms to the Lead Manager, who shall then be responsible to appoint a replacement Market Maker(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 Lead Manager to arrange for another Market Maker in replacement during the term of the notice period being served by the Market Maker(s) but prior to the date of releasing the existing Market Maker from its duties in order to ensure compliance with the requirements of regulation 106V of the SEBI (ICDR) Regulations, 2009. Further our Company and the 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 (s) subject to the total number of Designated Market Maker(s) does not exceed five or as specified by the relevant laws and regulations applicable at that particular point of time. The Market Making Agreement is available for inspection at our registered office from 11.00 a.m. to 5.00 p.m. on working days.

9. **Risk containment measures and monitoring for Market Maker(s):** BSE SME Exchange will have all margins, which are applicable on the BSE Main Board viz., Mark-to-Market, Value-At-Risk (VAR) Margin, Extreme Loss Margin, Special Margins and Base Minimum Capital etc. BSE can impose any other margins as deemed necessary from time-to-time.
10. **Price Band and Spreads:** SEBI Circular bearing reference no: CIR/MRD/DP/ 02/2012 dated 20, 2012 has laid down that for issue size up to Rs. 250 Crores, the applicable price bands for the first day shall be:
  - 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.
  - In case equilibrium price is not discovered in the Call Auction, the price band in the normal trading session shall be 5% of the issue price.
  - Additionally, the trading shall take place in TFT segment for first 10 days from commencement of trading. The following spread will be applicable on the BSE SME Exchange/ Platform.

Sr. No.	Market Price Slab (in Rs.)	Proposed spread (in % to sale price)
1	Up to 50	9
2	50 to 75	8
3	75 to 100	6
4	Above 100	5

11. Punitive Action in case of default by Market Makers: BSE SME Exchange will monitor the obligations on a real time basis and punitive action will be initiated for any exceptions and/or non-compliances. Penalties / fines may be imposed by the Stock 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 Stock Exchange from time to time. The Stock 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:

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

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



## CAPITAL STRUCTURE

Our Equity Share capital before the Issue and after giving effect to the Issue, as at the date of this Prospectus, is set forth below:

(In Rs.in Lakhs except share data)

<b>Particulars</b>		<b>Aggregate Value at Face Value</b>	<b>Aggregate Value at Issue Price</b>
<b>A.</b>	<b>Authorized Capital</b>		
	50,00,000 Equity Shares of face value of Rs.10/- each	500.00	
<b>B.</b>	<b>Issued, Subscribed And Paid-Up Equity Capital before the Issue</b>		
	35,00,000 Equity Shares of Rs.10/- each fully paid-up before the Issue	350.00	
<b>C.</b>	<b>Present Issue to public in terms of this Prospectus</b>		
	12, 96,000 Equity Shares of Rs.10/- each as Issue to Public*.	129.60	324.00
	<i>Of which</i>		
<b>I</b>	<b>Reservation for Market Maker Portion</b>		
	72,000 Equity Shares of Rs.10/- each for cash	7.20	18.00
<b>II</b>	<b>Net Issue to the Public</b>		
	12,24,000 Equity Shares of Rs.10/- each for cash	122.40	306.00
	Out of which:		
	6,12,000 Equity Shares of Rs.10/- each at Issue Price Rs.25/- per equity share will be available for allocation for allotment to Retail Individual Investors of upto Rs.2.00 Lacs	61.20	153.00
	6,12,000 Equity Shares of Rs.10/- each at Issue Price of Rs.25/- per equity share will be available for allocation for allotment to Investors of above Rs.2.00 Lacs	61.20	153.00
<b>D.</b>	<b>Paidup Equity Capital after the Issue</b>		
	47,96,000 Equity Shares of Rs.10/- each	479.60	-
<b>E.</b>	<b>Securities Premium Account</b>		
	Before the Issue		Nil
	After the Issue		194.40

\*the present Issue has been authorized pursuant to a resolution of our Board Meeting dated 30<sup>th</sup> May, 2015 and by Special Resolution passed under Section 62(1)(c) of the Companies Act, 2013 at an Annual General Meeting of our shareholders held on 9<sup>th</sup> June, 2015. Our Company does not have any outstanding convertible instruments as on the date of this Prospectus.

## Classes of Shares

The Company has only one class of share capital i.e. Equity Shares of Rs.10/- each only.

Notes to Capital Structure**1. Changes in the Authorised Share Capital of the Company since incorporation:**

The Authorized Share Capital of our Company at the time of incorporation was Rs.15.00 Lakh divided into 15,000 Equity Shares of Rs.100/- each. The following table gives the changes in the Authorized Capital post Incorporation of our Company:

<b>Sr. No.</b>	<b>Particulars of Increase</b>	<b>Date of Shareholders approval</b>
1.	Increase in authorised capital from Rs. 15.00 Lacs to Rs. 25.00 Lacs comprising of 25,000 Equity shares of Rs. 100/- each.	15.10.1991
2.	25,000 equity shares of Rs.100/- each sub-divided into 2,50,000 equity shares of Rs. 10/- each	11.05.2015
3.	Increase in authorised capital from Rs. 25.00 Lacs to Rs. 500.00 Lacs comprising of 50,00,000 Equity shares of Rs.10/- each.	11.05.2015

## 2. Share Capital History of our Company

(a) The history of the equity share capital of our Company is provided in the following table:

All the allotments of Equity Shares of our Company were made as fully paid-up equity shares of face value of Rs. 10/- each.

Date of Allotment / Date of Fully Paid-up	No. of Equity Shares Alloted	Face Value (Rs.)	Issue Price Per Share (Rs.)	Nature of Consideration	Nature of Allotment	Cumulative No. of Equity Shares	Cumulative Paid-up share capital (Rs.)	Cumulative Share Premium (Rs.)
24.07.1991 (upon incorporation)	2	100	100	Cash	Subscription to Memorandum of Association <sup>1</sup>	2	200	Nil
26.11.1991	14,998	100	100	Cash	Further Allotment <sup>2</sup>	15,000	1,500,000	Nil
31.03.1993	9,000	100	100	Cash	Further Allotment <sup>3</sup>	24,000	2,400,000	Nil
06.03.2012	1,000	100	100	Cash	Further Allotment <sup>4</sup>	25,000	2,500,000	Nil
<i>Sub-division of Nominal Value of 25,000 Equity shares of our Company from Rs. 100/- per Equity Share into 2,50,000 Equity Share of Rs. 10/- per Equity Share pursuant to resolution passed in Extra Ordinary General Meeting dated 11<sup>th</sup> May, 2015.</i>								
30.05.2015	32,50,000	10	-	Bonus Issue	Bonus Issue in the ratio of 1:13 <sup>5</sup>	35,00,000	3,50,00,000	Nil

### 1. Allotment Dated 24.07.1991 (upon incorporation)

Sr. No.	Name of Shareholders	No of Shares
1	Mr. Hiralal Changela	1
2	Mr. Ravjibhai Dadhanania	1
	<b>Total</b>	<b>2</b>

### 2. Allotment Dated 26.11.1991

Sr. No.	Name of Shareholders	No of Shares
1	Mr. Gordhanbhai Kanjibhai Changela	1,200
2	Mrs. Rambhaben Changela	1,250
3	Mr. Vrajilal Changela	1,750
4	Mrs. Jyotiben Changela	1,250
5	Mr. Dilipkumar Changela	1,100
6	Mrs. Rasilaben Changela	1,250
7	Mr. Hiralal Changela	1,249
8	Mrs. Jayshree Ben Changela	1,250
9	Mr. Girish Kumar Changela	600
10	Mrs. Jaynaben Changela	600
11	Mr. Purshottambhai Dadhanania	1,000
12	Mr. Ravjibhai Dadhanania	999
13	Mr. Vrajilal R. Dadhanania	500
14	Mrs. Hansaben Patel	500
15	Mrs. Manjulaben Marvania	500
	<b>Total</b>	<b>14,998</b>

### 3. Allotment Dated 31.03.1993

Sr. No.	Name of Shareholders	No of Shares
1	Mr. Gordhanbhai Kanjibhai Changela	100
2	Mrs. Rambhaben Changela	50
3	Mr. Vrajilal Changela	50
4	Mrs. Jyotiben Changela	550
5	Mr. Dilipkumar Changela	700
6	Mrs. Rasilaben Changela	550
7	Mr. Hiralal Changela	550
8	Mrs. Jayshree Ben Changela	550

<b>3. Allotment Dated 31.03.1993</b>		
<b>Sr. No.</b>	<b>Name of Shareholders</b>	<b>No of Shares</b>
9	Mr. Girish Kumar Changela	1,200
10	Mrs. Jaynaben Changela	1,200
11	Mr. Vrajlal R. Dadhanian	500
12	Mr. Haribhai Dadhanian	1,000
13	Mrs. Muktaben H. Dadhanian	500
14	Mrs. Shardaben Dadhanian	500
15	Mrs. Vijayaben Vrajlal Dadhanian	500
16	Mrs. Shardaben Dadhanian	500
	<b>Total</b>	<b>9,000</b>

<b>4. Allotment Dated 06.03.2012</b>		
<b>Sr. No.</b>	<b>Name of Shareholders</b>	<b>No of Shares</b>
1	Mr. Divyash bhai Changela	13
2	Mr. Darshit bhai changela	12
3	Mr. Vijay bhai Changela	7
4	Mr. Prashant Bhai Changela	3
5	Mr. Rajanbhai Changela	3
6	Mr. Jayeshbhai Trambhadia	271
7	Mr. Jitendrabhai Trambadia	105
8	Mr. Jayendrabhai Trambadia	105
9	Mr. Atulbhai Changela	240
10	Mr. Harsukhbhai Changela	241
	<b>Total</b>	<b>1,000</b>

<b>5. Bonus Shares as on 30.05.2015</b>		
<b>Sr. No.</b>	<b>Name of Shareholders</b>	<b>No of Shares</b>
1	Mrs. Rambhaben Changela	19,500
2	Mr. Vrajlal Changela	4,81,000
3	Mrs. Jyotiben Changela	1,23,500
4	Mr. Dilipkumar Changela	4,81,000
5	Mrs. Rasilaben Changela	1,23,500
6	Mr. Hiralal Changela	4,81,000
7	Mrs. Jayshriben Changela	1,23,500
8	Mr. Girish kumar Changela	1,56,000
9	Mrs. Jaynaben Changela	1,56,000
10	Mrs. Hansaben Patel	65,000
11	Mrs. Manjulaben Marvania	65,000
12	Mrs. Rinkuben Changela	1,30,000
13	Mr. Vishal Changela	1,50,800
14	Mr. Darshit kumar Changela	1,66,010
15	Mr. Vijaykumar Changela	80,210
16	Ms. Bhoomi Changela	65,000
17	Mr. Prashant kumar Changela	78,390
18	Mr. Rajnkumar Changela	78,390
19	Mr. Divyesh Changela	1,01,140
20	Mr. Jayeshbhai Trambadiya	35,230
21	Mr. Jitendra Trambadiya	13,650
22	Mr. Jayendrabhai Trambadiya	13,650
23	Mr. Atulbhai Changela	31,200
24	Mr. Harsukhbhai Changela	31,330
	<b>Total</b>	<b>32,50,000</b>

(b) As on the date of this Prospectus, our Company does not have any preference share capital.

3. Till date no Equity Shares have been allotted pursuant to any scheme approved under section 391-394 of the Companies Act, 1956 or under the corresponding provisions of the Companies Act, 2013.
4. As of date of filing this Prospectus, our Company has not issued any equity shares under any employee stock option scheme.

**5. Details of Allotment made in the last two (2) years preceding the date of this Prospectus:**

Except for allotment of Bonus Share which were issued out of reserves and surplus of the Company as mentioned below in point no. 6, no Equity share has been issued for consideration other than cash in last two years.

**6. Equity Shares issued for consideration other than cash**

Other than the issues made by us, details of which are set out in the table below, we have made no issues of shares for consideration other than cash:

Date of the allotment	Face Value (Rs.)	No. of Equity Shares	Issue Price (Rs.)	Reasons for allotment	Benefits accruing to the Company	Persons to whom the allotment were made
30.05.2015	10	32,50,000	Nil	Bonus Issue of equity shares in the ratio of 1:13 by way of capitalization of reserves and surplus of Rs. 325.00 Lakhs	Expansion of Capital	Existing Equity Shareholders

**7. Capital Build Up in respect of shareholding of Our Promoters & Promoter's Contribution and Lock-in:**

Date on which the equity shares were allotted / acquired and made fully paid up or transferred	Nature of allotment	Number of Equity shares <sup>#</sup>	Nature of payment of consideration	Face value (in Rs.)	Issue Price / Acquisition Price / Transfer Price	% of Pre-issue Capital	% of Post-issue Capital	Source of Funds	Lock In
(A) Dilipkumar Changela									
26.11.1991	Further Allotment	1,100	Cash	100	100	0.31*	0.23*	Owned Funds	1 year
31.03.1993	Further Allotment	700	Cash	100	100	0.20*	0.15*	Owned Funds	
Sub-division of Nominal Value of 1,800 Equity shares of our Company from Rs. 100/- per Equity Share into 18,000 Equity Share of Rs. 10/- per Equity Share pursuant to resolution passed in Extra Ordinary General Meeting dated 11 <sup>th</sup> May, 2015.									
18.05.2015	Transfer from Rambhaben Changela	5,500	Cash	10	25	0.16	0.11	Owned Funds	1 year
18.05.2015	Transfer from Rasilaben Changela	8,500	Cash	10	25	0.24	0.18	Owned Funds	
18.05.2015	Transfer from Darshit Changela	5,000	Cash	10	25	0.14	0.10	Owned Funds	
30.05.2015	Bonus issue in the ratio of 1:13	1,53,273	Bonus Issue	10	Nil	4.38	3.20	N.A.	3 years
		3,27,727	Bonus Issue	10	Nil	9.36	6.83		
TOTAL		5,18,000				14.80	10.80		
(B) Hiralal Changela									
24.07.1991	Subscription to Memorandum	1	Cash	100	100	Negligible*	Negligible*	Owned Funds	1 year

Date on which the equity shares were allotted / acquired and made fully paid up or transferred	Nature of allotment	Number of Equity shares <sup>#</sup>	Nature of payment of consideration	Face value (in Rs.)	Issue Price / Acquisition Price / Transfer Price	% of Pre-issue Capital	% of Post-issue Capital	Source of Funds	Lock In
26.11.1991	Further Allotment	1,249	Cash	100	100	0.36*	0.26*	Owned Funds	
31.03.1993	Further Allotment	550	Cash	100	100	0.16*	0.11*	Owned funds	
<b>Sub-division of Nominal Value of 1,800 Equity shares of our Company from Rs. 100/- per Equity Share into 18,000 Equity Share of Rs. 10/- per Equity Share pursuant to resolution passed in Extra Ordinary General Meeting dated 11<sup>th</sup> May, 2015</b>									
18.05.2015	Transfer from Rambhoben Changela	5,500	Cash	10	25	0.16	0.11	Owned Funds	<b>1 year</b>
18.05.2015	Transfer from Jayshreeben Changela	8,500	Cash	10	25	0.24	0.18	Owned Funds	
18.05.2015	Transfer from Divyesh Changela	5.000	Cash	10	25	0.14	0.10	Owned Funds	
30.05.2015	Bonus issue in the ratio of 1:13	1,53,273	Bonus Issue	10	Nil	4.38	3.20	N.A.	<b>3 years</b>
		3,27,727	Bonus Issue	10	Nil	9.36	6.83	N.A	
<b>TOTAL</b>		<b>5,18,000</b>				<b>14.80</b>	<b>10.80</b>		
<b>(C) Vrajlal Changela</b>									
26.11.1991	Further Allotment	1,750	Cash	100	100	0.50*	0.36*	Owned Funds	<b>1 year</b>
31.03.1993	Further Allotment	50	Cash	100	100	0.01*	0.01*	Owned Funds	
<b>Sub-division of Nominal Value of 1,800 Equity shares of our Company from Rs. 100/- per Equity Share into 18,000 Equity Share of Rs. 10/- per Equity Share pursuant to resolution passed in Extra Ordinary General Meeting dated 11<sup>th</sup> May, 2015</b>									
18.05.2015	Transfer from Rambhaben Changela	5,500	Cash	10	25	0.16	0.11	Owned Funds	<b>1 year</b>
18.05.2015	Transfer from Jyotiben Changela	8,500	Cash	10	25	0.24	0.18	Owned Funds	
18.05.2015	Transfer from Vishal Changela	5.000	Cash	10	25	0.14	0.10	Owned Funds	
30.05.2015	Bonus issue in the ratio of 1:13	1,53,273	Bonus Issue	10	Nil	4.38	3.20	N.A.	<b>3 years</b>
		3,27,727	Bonus Issue	10	Nil	9.36	6.83	N.A	
<b>TOTAL</b>		<b>5.18,000</b>				<b>14.80</b>	<b>10.80</b>		

\*Allotment of Equity Shares has been made at a Face Value of Rs. 100/-. However, pre-issue and post-issue percentages have been calculated on the basis of Face Value of Rs. 10/- each.

# None of the shares has been pledged by our Promoters

**8. Details of the Pre and Post Issue Shareholding of our Promoters and Promoter Group is as below:**

Name	Pre Issue		Post Issue	
	No. of Shares Held	as a % of Issued Equity	No. of Shares	as a % of Issued Equity
<b>Promoters</b>				
Mr. Dilipkumar Changela	5,18,000	14.80	5,18,000	10.80
Mr. Vrajlal Changela	5,18,000	14.80	5,18,000	10.80



Name	Pre Issue		Post Issue	
	No. of Shares Held	as a % of Issued Equity	No. of Shares	as a % of Issued Equity
Mr. Hiralal Changela	5,18,000	14.80	5,18,000	10.80
<b>Total (A)</b>	<b>15,54,000</b>	<b>44.40</b>	<b>15,54,000</b>	<b>32.40</b>
<b>Promoter Group</b>				
Mrs. Rambhaben Changela	21,000	0.60	21,000	0.44
Mrs. Rasilaben Changela	1,33,000	3.80	1,33,000	2.77
Mrs. Jayshreeben Changela	1,33,000	3.80	1,33,000	2.77
Mr. Girish kumar Changela	1,68,000	4.80	1,68,000	3.50
Mrs. Hansaben Patel	70,000	2.00	70,000	1.46
Mrs. Manjulaben Marvania	70,000	2.00	70,000	1.46
Mr. Vishal Changela	1,62,400	4.64	1,62,400	3.39
Mr. Darshit Changela	1,78,780	5.11	1,78,780	3.73
Mr. Vijaykumar Changela	86,380	2.47	86,380	1.80
Mr. Divyesh Changela	1,08,920	3.11	1,08,920	2.27
Mrs. Jyotiben Changela	1,33,000	3.80	1,33,000	2.77
Ms. Bhoomiben Changela	70,000	2.00	70,000	1.46
<b>Total (B)</b>	<b>13,34,480</b>	<b>38.13</b>	<b>13,34,480</b>	<b>27.82</b>
<b>Total (A)+(B)</b>	<b>28,88,480</b>	<b>82.53</b>	<b>28,88,480</b>	<b>60.22</b>

#### 9. Details of Promoters Contribution locked in for three years:

Pursuant to the Regulation 32(1)(a) of the SEBI ICDR Regulations, an aggregate of 20% of the post-Issue shareholding of the Promoters shall be locked-in for a period of three years from the date of allotment in the Issue. Further our Promoters have by a written undertaking dated 11<sup>th</sup> June, 2015 given their consent for including these Equity Shares as a part of Promoter's Contribution, details of which are set out below:

#### Summary of Shares under locked for 3 years

Sr. No.	Name of Promoters	No. of Share	% of Post Issue Capital
1	Mr. Dilipkumar Changela	3,27,727	6.83
2	Mr. Hiralal Changela	3,27,727	6.83
3	Mr. Vrajlal Changela	3,27,727	6.83
	<b>TOTAL</b>	<b>9,83,181</b>	<b>20.49</b>

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

Reg. No.	Promoters' Minimum Contribution in-eligibility Conditions	Eligibility Status of Equity Shares forming part of Promoter's Contribution
33(1)(a)(i)	Specified securities acquired during the preceding three years, if they are acquired for consideration other than cash and revaluation of assets or capitalization of intangible assets is involved in such transaction.	The minimum Promoters' contribution does not consist of such Equity Shares. <b>Hence Eligible</b>
33(1)(a)(ii)	Specified securities acquired during the preceding three years, resulting from a bonus issue by utilization of revaluation reserves or unrealized profits of the issuer or from bonus issue against Equity Shares which are ineligible for minimum promoters' contribution.	The minimum Promoters' contribution does not consist of such Equity Shares. <b>Hence Eligible</b>
33(1)(b)	Specified securities acquired by promoters during the preceding one year at a price lower than the price at which specified securities are being offered to public in the initial public offer.	The minimum Promoters' contribution does not consist of such Equity Shares. <b>Hence Eligible</b>

Reg. No.	Promoters' Minimum Contribution in-eligibility Conditions	Eligibility Status of Equity Shares forming part of Promoter's Contribution
33(1)(c)	Specified securities allotted to promoters during the preceding one year at a price less than the issue price, against funds brought in by them during that period, in case of an issuer formed by conversion of one or more partnership firms, where the partners of the erstwhile partnership firms are the promoters of the issuer and there is no change in the management: Provided that specified securities, allotted to promoters against capital existing in such firms for a period of more than one year on a continuous basis, shall be eligible.	Our Company has not been formed by the conversion of a partnership firm into a company. Accordingly, the minimum Promoters' contribution does not consist of such Equity Shares. <b>Hence Eligible</b>
33(1)(d)	Specified securities pledged with any creditor.	Our Promoters has not Pledged any shares with any creditors. Accordingly, the minimum Promoters' contribution does not consist of such Equity Shares. <b>Hence Eligible</b>

#### **Details of share capital locked in for One Year:**

In terms of Regulation 36(b) and 37 of the SEBI (ICDR) Regulations, other than the above Equity Shares that would be locked in for three years, the entire pre-Issue capital of our Company shall be locked-in for a period of one year from the date of Allotment in the Issue.

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

#### **Other requirements in respect of lock-in.**

Pursuant to Regulation 39 of the SEBI (ICDR) Regulations, locked-in Equity Shares held by the Promoters can be pledged with banks or financial institutions as collateral security for loans granted by such banks or financial institutions, Subject to the following:

(i) the pledge of shares is one of the terms of sanction of the loan; and (ii) if the shares are locked in as Promoters' contribution for three years under Regulation 36 of the SEBI (ICDR) Regulations, such shares may be pledged, only if, in addition to fulfilling the requirements of paragraph (i), the loan has been granted by the banks or financial institutions for the purpose of financing one or more of the objects of the Issue.

Further, pursuant to Regulation 40 of the SEBI (ICDR) Regulations, Equity Shares held by shareholders other than the Promoters may be transferred to any other person holding shares which are locked-in as per Regulation 36 or 37 of the SEBI (ICDR) Regulations, subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with the Takeover Code, as applicable.

Pursuant to Regulation 40 of the SEBI (ICDR) Regulations, Equity Shares held by the Promoters may be transferred to and among the Promoters or the Promoter Group or to a new promoter or persons in control of the Company subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with the Takeover Code, as applicable.

**10. Shareholding pattern of our Company**

The table below presents the current shareholding pattern of our Company both Pre Issue and would be Post Issue as per clause 37 of the SME Equity Listing Agreement.

Category code	Category of shareholder	No. of shareholders	Total no. of shares Pre Issue	% of Total	Number of shares held in dematerialized form	Pre Issue shareholding as a % of total number of shares		Post Issue shareholding as a % of total number of shares			Shares Pledged or otherwise encumbered	
						As a % of (A+B)	As a % of (A+B+C)	Total no. of shares Post Issue	As a % of (A+B)	As a % of (A+B+C)	Number of Shares	As a % of Shareholding
(A)	Promoter and Promoter Group											
(1)	Indian											
(a)	Individuals/ Hindu Undivided Family	15	28,88,480	82.53	28,88,480	82.53	82.53	28,88,480	60.22	60.22	Nil	Nil
(b)	Central Government/ State Government(s)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(c)	Bodies Corporate	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(d)	Financial Institutions/ Banks	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(e)	Any Other (specify)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	Sub-Total (A)(1)	15	28,88,480	82.53	28,88,480	82.53	82.53	28,88,480	60.22	60.22	Nil	Nil
(2)	Foreign											
(a)	Individuals (Non-Resident Individuals/ Foreign Individuals	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(b)	Bodies Corporate	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(c)	Institutions	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(d)	Any Other (specify)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	Sub-Total (A) (2)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	Total Shareholding of Promoters and Promoter group (A)= A(1)+(A)(2)	15	28,88,480	82.53	28,88,480	82.53	82.53	28,88,480	60.22	60.22	Nil	Nil
(B)	Public shareholding											
(1)	Institutions											

*Vishal Bearings Limited*

Category code	Category of shareholder	No. of shareholders	Total no. of shares Pre Issue	% of Total	Number of shares held in dematerialized form	Pre Issue shareholding as a % of total number of shares		Post Issue shareholding as a % of total number of shares			Shares Pledged or otherwise encumbered	
						As a % of (A+B)	As a % of (A+B+C)	Total no. of shares Post Issue	As a % of (A+B)	As a % of (A+B+C)	Number of Shares	As a % of Share holding
(a)	Mutual Funds/UTI	Nil	Nil	Nil	Nil	Nil	Nil	19,07,520	39.73	39.73	Nil	Nil
(b)	Financial Institutions/ Banks	Nil	Nil	Nil	Nil	Nil	Nil				Nil	Nil
(c)	Central Government/ State Government(s)	Nil	Nil	Nil	Nil	Nil	Nil				Nil	Nil
(d)	VentureCapital Funds	Nil	Nil	Nil	Nil	Nil	Nil				Nil	Nil
(e)	Insurance Companies	Nil	Nil	Nil	Nil	Nil	Nil				Nil	Nil
(f)	Foreign Institutional Investors	Nil	Nil	Nil	Nil	Nil	Nil				Nil	Nil
(g)	Foreign Venture Capital Investors	Nil	Nil	Nil	Nil	Nil	Nil				Nil	Nil
(h)	Nominated investors(as defined in Chapter XB of SEBI (ICDR) Regulation )	Nil	Nil	Nil	Nil	Nil	Nil				Nil	Nil
(i)	Market Makers	Nil	Nil	Nil	Nil	Nil	Nil				Nil	Nil
(h)	Any Other (specify)	Nil	Nil	Nil	Nil	Nil	Nil				Nil	Nil
	<b>Sub-Total (B) (1)</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>				<b>Nil</b>	<b>Nil</b>
<b>(2)</b>	<b>Non- institutions</b>											
(a)	Bodies Corporate	Nil	Nil	Nil	Nil	Nil	Nil				Nil	Nil
(b)	Individuals - Individual shareholders holding Nominal share capital up to Rs. 1 lakh.	5	1,34,680	3.85	1,34,680	3.85	3.85				Nil	Nil
	Individual shareholders holding Nominal share capital in excess of Rs. 1 lakh.	2	3,08,000	8.80	3,08,000	8.80	8.80					
(c)	Any Other (NRI)	2	1,68,840	4.82	1,68,840	4.82	4.82				Nil	Nil
	<b>Sub-Total (B) (2)</b>	<b>9</b>	<b>6,11,520</b>	<b>17.47</b>	<b>6,11,520</b>	<b>17.47</b>	<b>17.47</b>	<b>19,07,520</b>	<b>39.73</b>	<b>39.73</b>	<b>Nil</b>	<b>Nil</b>
	<b>Total Public Shareholding (B) = (B) (1) + (B) (2)</b>	<b>9</b>	<b>6,11,520</b>	<b>17.47</b>	<b>6,11,520</b>	<b>17.47</b>	<b>17.47</b>	<b>19,07,520</b>	<b>39.73</b>	<b>39.73</b>	Nil	Nil

*Vishal Bearings Limited*

Category code	Category of shareholder	No. of shareholders	Total no. of shares Pre Issue	% of Total	Number of shares held in dematerialized form	Pre Issue shareholding as a % of total number of shares		Post Issue shareholding as a % of total number of shares			Shares Pledged or otherwise encumbered	
						As a % of (A+B)	As a % of (A+B+C)	Total no. of shares Post Issue	As a % of (A+B)	As a % of (A+B+C)	Number of Shares	As a % of Share holding
	<b>TOTAL (A) + (B)</b>	<b>24</b>	<b>35,00,000</b>	<b>100.00</b>	<b>35,00,000</b>	<b>100.00</b>	<b>100.00</b>	<b>47,96,000</b>	<b>100.00</b>	<b>100.00</b>	<b>Nil</b>	<b>Nil</b>
<b>(C)</b>	<b>Shares held by Custodians and against which Depository Receipts have been issued</b>											
(a)	Promoters and Promoter Group	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(b)	Public	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	<b>GRAND TOTAL (A) + (B) + (C)</b>	<b>24</b>	<b>35,00,000</b>	<b>100.00</b>	<b>35,00,000</b>	<b>100.00</b>	<b>100.00</b>	<b>47,96,000</b>	<b>100.00</b>	<b>100.00</b>	<b>Nil</b>	<b>Nil</b>

\* We have received an approval letter from NSDL & CDSL. We have received the ISIN-. INE060T01016.

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

Name of the Promoter	No. of Shares held	Average Cost of Acquisition per Share
Mr. Dilipkumar Changela	5,18,000	1.26
Mr. Hiralal Changela	5,18,000	1.26
Mr. Vrajlal Changela	5,18,000	1.26

**12. The list of top ten shareholders of our Company and the number of Equity Shares held by them is as follows:**

- a. Our top ten shareholders as on the date of filing of this Prospectus and 10 days prior filing of this Prospectus are as follows:

S. No.	Name of the Shareholder	No. of Equity Shares	(%) Shareholding
1.	Mr. Dilipkumar Changela	5,18,000	14.80
2.	Mr. Hiralal Changela	5,18,000	14.80
3.	Mr. Vrajlal Changela	5,18,000	14.80
4.	Mr. Darshitkumar Changela	1,78,780	5.11
5.	Mr. Girishkumar Changela	1,68,000	4.80
6.	Mrs. Jaynaben Changela	1,68,000	4.80
7.	Mr. Vishal Changela	1,62,400	4.64
8.	Mrs Rinkuben Changela	1,40,000	4.00
9.	Mrs Jyotiben Changela	1,33,000	3.80
10.	Mrs Rasilaben Changela	1,33,000	3.80
11.	Mrs Jayshreeben Changela	1,33,000	3.80
<b>Total</b>		<b>27,70,180</b>	<b>79.15</b>

- b. Our top ten shareholders and the number of Equity Shares held by them two years prior to date of filing of this Prospectus are as follows:

S. No.	Name of the Shareholder	No. of Shares of face value of Rs. 100/- each	% of paid up capital (2 years prior to the date of this Prospectus, represented by 25,000 Equity Shares)
1.	Mrs. Rambhaben Changela	1,800	7.20
2.	Mr. Vrajlal Changela	1,807	7.23
3.	Mr Dilipkumar Changela	1,800	7.20
4.	Mr Hiralal Changela	1,800	7.20
5.	Mrs. Jyotiben Changela	1,800	7.20
6.	Mrs. Rasilaben Changela	1,800	7.20
7.	Mr Jayshree Changela	1,800	7.20
8.	Mr Darshitkumar Changela	1,777	7.11
9.	Mr Vishal Changela	1,660	6.64
10.	Mr Divyesh Changela	1,278	5.11
	<b>Total</b>	<b>17,322</b>	<b>69.29</b>

13. Except as provided below, none of our public shareholders are holding more than 1% of the pre-Issue share capital of our Company.

S. No.	Name of Shareholder	Number Equity Shares	% of Pre- Issue Share Paid up Capital
1	Mrs. Jaynaben Changela	1,68,000	4.80
2	Mrs. Rinkuben Changela	1,40,000	4.00
3	Mr. Prashant Kumar Changela	84,420	2.41
4	Mr. Rajankumar Changela	84,420	2.41
4	Mr. Jayeshbhai Trambadiya	37,940	1.08



14. Our Company, our Directors, our Promoters and the LM have not entered into any buy-back and/or standby arrangements for the purchase of Equity Shares of our Company from any person.
15. Except the Bonus issue on May 30, 2015, there are no Equity Shares issued by our Company in the year preceding the date of this Prospectus at a price lower than the Issue price.
16. There are no financing arrangements wherein the Promoter Group, the Directors of our Company and relatives of the Directors of our Company 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 this Prospectus.
17. Except as provided below, there has been no subscription to or sale or purchase of the securities of our Company within three (03) years preceding the date of filing of the prospectus by our Promoters or Directors or Promoter Group which in aggregate equals to or is greater than 1% of the Pre-Issue share capital of the Company.

Sr. No.	Name of Shareholder	Promoter/Promoter Group/Director	Number of Equity Shares	% of Equity Shares	Subscribed/Purchase or Sold/Transferred
1.	Mr. Vrajlal Changela	Promoter and Whole Time Director	5,500	0.54*	Received through transfer from Mrs. Rambhaben Changela
			8,500		Received through transfer from Mrs. Jyotiben Changela
			5,000		Received through transfer from Mr. Vishal Changela
2.	Mr. Hiralal Changela	Promoter and Whole Time Director	5,500	0.54*	Received through transfer from Mrs. Rambhaben Changela
			8,500		Received through transfer from Mrs. Jayshreeben Changela
			5,000		Received through transfer from Mr. Divyesh Changela
3.	Mr. Dilipkumar Changela	Promoter and Managing Director	5,500	0.54*	Received through transfer from Mrs. Rambhaben Changela
			8,500		Received through transfer from Mrs. Rasilaben Changela
			5,000		Received through transfer from Mr. Darshitkumar Changela
4.	Mr. Vrajlal Changela	Promoter and Whole Time Director	4,81,000	13.74	Subscribed (Bonus Issue)
5.	Mrs. Jyotiben Changela	Promoter Group	1,23,500	3.53	Subscribed (Bonus Issue)
6.	Mr. Dilipkumar Changela	Promoter and Managing Director	4,81,000	13.74	Subscribed (Bonus Issue)
7.	Mrs. Rasilaben Changela	Promoter Group	1,23,500	3.53	Subscribed (Bonus Issue)
8.	Mr. Hiralal Changela	Promoter and Whole Time Director	4,81,000	13.74	Subscribed (Bonus Issue)
9.	Mrs. Jayshreeben Changela	Promoter Group	1,23,500	3.53	Subscribed (Bonus Issue)
10.	Mr. Girishkumar Changela	Promoter Group	1,56,000	4.46	Subscribed (Bonus Issue)
11.	Mrs. Hansaben Patel	Promoter Group	65,000	1.86	Subscribed (Bonus Issue)
12.	Mrs. Manjulaben Menvania	Promoter Group	65,000	1.86	Subscribed (Bonus Issue)
13.	Mr. Vishal Changela	Promoter Group	1,50,800	4.31	Subscribed (Bonus Issue)
14.	Mr. Darshitkumar Changela	Promoter Group	1,66,010	4.74	Subscribed (Bonus Issue)
15.	Mr. Vijaykumar Changela	Promoter Group	80,210	2.29	Subscribed (Bonus Issue)
16.	Ms. Bhoomiben Changela	Promoter Group	65,000	1.86	Subscribed (Bonus Issue)

17.	Mr. Divyeshkumar Changela	Promoter Group	1,01,140	2.89	Subscribed (Bonus Issue)
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\* The aggregate percentage of the transfer of the shares to the promoters is 1.63%

18. Except Bonus allotment dated 30<sup>th</sup> May, 2015, there are no Equity Shares purchased/ acquired or sold by our Promoters, Promoters Group and/or by our Directors and their immediate relatives within 6 (six) months immediately preceding the date of filing of this Prospectus.
19. None of our Directors or Key Managerial Personnel hold any Equity Shares other than as set out below:

Name	Designation	No. of Equity Shares held
Hiralal Changela	Whole Time Director	5,18,000
Dilipkumar Changela	Managing Director	5,18,000
Vrajlal Changela	Whole Time Director	5,18,000
Divyesh Changela	COO	1,08,920
Vishal Changela	CFO	1,62,400
<b>Total</b>		<b>18,25,320</b>

20. Under-subscription, if any, of the categories would be allowed to be met with spill over from any other category at the discretion of the Company and the LM and Designated Stock Exchange.
21. As on the date of filing this Prospectus, there are no outstanding, options or rights to convert debentures, loans or other instruments which are convertible into Equity Shares.
22. We have not raised any bridge loan against the proceeds of the Issue.
23. An oversubscription to the extent of 10% of the Issue can be retained for the purposes of rounding off to the nearer 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 the Promoters and subject to lock-in shall be suitably increased; so as to ensure that 20% of the post Issue paid-up capital is locked in.
24. We presently do not intend or propose to alter our capital structure for a period of six months from the date of filing of this Prospectus, by way of split or consolidation of the denomination of Equity Shares or further issue of Equity Shares (including issue of securities convertible into or exchangeable, directly or indirectly for Equity Shares) whether preferential or otherwise except that if we enter into acquisitions or joint ventures, we may, subject to necessary approvals, consider raising additional capital to fund such activity or use Equity Shares as currency for acquisition or participation in such joint ventures.
25. There will be no further issue of capital whether by way of issue of bonus shares, preferential allotment, or rights issue or in any other manner during the period commencing from the date of filing of this Prospectus with BSE until the Equity Shares offered through the Prospectus have been listed.
26. None of our Equity Shares have been issued out of revaluation reserve created out of revaluation of assets.
27. The Equity Shares held by the Promoters and the Promoter Group are not subject to any pledge.
28. There shall be only one denomination of the Equity Shares, unless otherwise permitted by law.
29. As on the date of filing of this Prospectus, the total number of holders of Equity Shares is Twenty Four (24).
30. Our Company or our Promoters shall not make any payments direct or indirect, discounts, commission allowances or otherwise to any Allottee under this Issue.
31. We have not granted any options or issued any shares under any employee stock option or employees stock purchase scheme and we do not intend to allot any Equity Shares to our Employees under ESOS/ESOP scheme from proposed issue.
32. As per RBI regulations, OCBs are not allowed to participate in this Issue.

33. The Equity Shares are fully paid up and there are no partly paid up Equity Shares as on the date of filing of this Prospectus.
34. We have availed financial facilities from Kotak Mahindra Bank Limited. In respect of various agreements entered into by our Company with our lender and sanction letters issued by our lender to us, we are bound by certain restrictive covenants.
35. Our Company shall comply with such disclosure and accounting norms as may be specified by BSE, SEBI and other regulatory authorities from time to time.
36. Our Promoters and Promoter Group will not participate in this Issue.
37. This Issue is being made through Fixed Price method.
38. There are no safety net arrangements for this public issue.
39. Our Company has not made any public issue or rights issue of any kind or class of securities since its incorporation.
40. We shall ensure that transactions in Equity Shares by the Promoters and members of the Promoter Group, if any, between the date of registering this Prospectus with the RoC and the Issue Closing Date are reported to the Stock Exchanges within 24 hours of such transactions being completed.

### **OBJECTS OF THE ISSUE**

The Issue includes a fresh Issue of 12,96,000 Equity Shares of our Company at an Issue Price of Rs. 25/- per Equity Share.

Our Company proposes to utilize the funds which are being raised through this Issue towards the below mentioned objects and gain benefits of listing on SME platform of BSE:

**The Objects of the Issue are:-**

- (a) To Meet Working Capital Requirement;
- (b) To meet the Issue Expenses

*(Collectively referred as the “Objects”)*

We believe that listing will enhance our corporate image and brand name and create a public market for Equity Share of our Company in India and will further enable us to avail future growth opportunities. Our Company is primarily engaged in manufacturing of customized bearing rollers. The main object clause and the ancillary object clause of the Memorandum of Association of our Company enable us to undertake our existing activities and the activities for which we are raising funds through the Issue. The existing activities of our Company are within the object clause of our Memorandum. The Fund requirement and deployment is based on internal management estimates and has not been appraised by any bank and financial institution.

**Requirement of Funds**

Our funding requirement is depend on a number of factors which may not be in the control of our management, changes in our financial condition and current commercial condition. Such factors may entail rescheduling and / or revising the planned expenditure and funding requirement and increasing or decreasing the expenditure for a particular purpose from the planned expenditure.

The following table summarizes the requirement of funds:

Sr. No.	Particulars	Amount (in Rs. Lacs)
1	To Meet Working Capital Requirement	286.00
2	Public Issue Expenses	38.00
	<b>Total-Gross Issue Proceeds</b>	<b>324.00</b>
	<b>Less: Issue Expense</b>	<b>38.00</b>
	<b>Net Issue Proceeds</b>	<b>286.00</b>

**Utilisation of Net Issue Proceeds:** The Net Issue proceeds will be utilised to finance Working Capital Requirement in tune of Rs.286.00 Lacs.

**Means of Finance:** The above-mentioned fund requirement will be met from the proceeds of the Issue. We intend to fund the shortfall, if any, from internal accruals and/ or debt. Set forth below are the means of finance for the above-mentioned fund requirement:

Sr. No.	Particulars	Amount (in Rs. Lacs)
1	Net Issue Proceeds	286.00
	<b>Total</b>	<b>286.00</b>

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

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

In case of any increase in the actual utilization of funds earmarked for the Objects, such additional funds for a particular activity will be met by way of means available to our Company, including from internal accruals. If the actual utilization towards any of the Objects is lower than the proposed deployment such balance will be used for future growth opportunities including funding existing objects, if required. In case of delays in raising funds from the Issue, our company may deploy certain amounts towards any of the above mentioned Objects through a combination of Internal Accruals or Unsecured Loans.

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

For further details on the risks involved in our business plans and executing our business strategies, please see the section titled "**Risk Factors**" beginning on page no. 11 of this Prospectus.

### **Details of the use of the proceeds**

#### **1. To Meet Working Capital Requirement**

Our business is working capital intensive. We finance our working capital requirement from various banks / financial institutions and from our internal accruals. As on 31<sup>st</sup> March, 2015, the Company's working capital funding sanctioned from bank is of Rs. 575.00 Lacs (fund & non fund based). Considering the existing and future growth, the total working capital needs of our Company, as assessed based on the internal workings of our Company is expected to reach Rs. 1175.56 Lacs for FY 2015- 2016. We intend to meet our working capital requirements to the extent of Rs.286.00 Lacs from the Net Proceeds of this Issue and the balance will be met from internal accruals and borrowings at an appropriate time as per the requirement.

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

(Rs in Lacs)( Except No of Days)							
S. No	Particulars	31-3-2014 (Restated)		31-3-2015 (Restated)		31-3-2016 (Estimate)	
		Amt	Days	Amt	Days	Amt	Days
<b>I</b>	<b><u>Current Assets</u></b>						
	Inventory	559.48	138	745.63	163	921.56	165
	Trade Receivable	400.97	53	403.49	48	492.19	53
	Cash & Bank Balances	137.07		73.56		4.13	
	Short term Loan & Advances	85.65		183.52		183.36	
	Other Current Assets	4.19		4.57		0.00	
	<b>Total (A)</b>	<b>1187.35</b>		<b>1410.77</b>		<b>1601.24</b>	
<b>II</b>	<b><u>Current Liabilities</u></b>						
	Trade Payables	291.29	96	218.60	48	215.64	45
	Other Current Liabilities	50.11		349.94		141.70	
	Short Term Provisions	190.36		69.64		68.34	
	<b>Total (B)</b>	<b>531.76</b>		<b>638.18</b>		<b>425.68</b>	
<b>III</b>	<b>Net Working Capital (A-B)</b>	<b>655.59</b>		<b>772.59</b>		<b>1175.56</b>	
<b>IV</b>	<b><u>Funding Pattern</u></b>						
	Bank Borrowings*	202.05		348.29		575.00	
	Internal Accruals & Unsecured Loans	453.54		424.29		314.56	
	<b>IPO Proceeds</b>					<b>286.00</b>	

\*As on date, our company has sanctioned facilities (vide Sanction letter dated 7<sup>th</sup> April, 2015) consisting of an aggregate fund based and non fund based Limit of Rs. 575.00 Lacs from Kotak Mahindra Bank Limited. For further details regarding

these facilities, please see the chapter titled “Statement of Financial Indebtedness” beginning on page no. 169 of this Prospectus.

#### **Justification:**

<b>Inventories</b>	We believe that the Inventory Holding Period would be in similar lines to that of FY 2014-2015. We believe that the strong inventory levels that gives a competitive edge as the Company is able to supply its products within efficient time line. The Inventory Holding days to be at 165 days for FY 2015-16 due to our production cycle and maintaining required level of inventory.
<b>Debtors</b>	Our Company provides credit to its customers based on trade relations and vintage of association with the Company. Although the average receivable period of our Company is less than the industry average level period of 60 days, the Company strives to continue having disciplined debtor management and strong management control policies in place. Thus, in view of the same the receivables period for FY 2015-2016 is estimated at 53 days as compared to 48 days in than F.Y. 2014-2015.
<b>Creditors</b>	Considering the vintage of the Company and trade relation with the suppliers, the company gets a credit of average 50 -60 days from its suppliers. Since availing longer credit period decrease the cost of Raw Materials, thus going forward the Company plans to avail optimal level of credit from its suppliers. The estimated average credit period for FY 2015-2016 is considered at 45 days as compared to 48 days in F.Y. 2014-2015.

#### **2. Public Issue Expense**

The estimated Issue related expenses includes Issue Management Fee, Underwriting and Selling Commissions, Printing and Distribution Expenses, Legal Fee, Advertisement Expenses, Registrar’s Fees, Depository Fee and Listing Fee. The total expenses for this Issue are estimated to be approximately Rs.38.00 Lakhs which is 11.73% of the Issue Size. All the Issue related expenses shall be met out of the proceeds of the Issue and the break-up of the same is as follows:

<b>(Rs. In Lacs)</b>	
<b>Activity</b>	<b>Expenses</b>
Fees payable to Merchant Banker , Registrar Fees, Legal Fees & Misc. Expenditure	28.50
Brokerage & Selling Commission	2.50
Printing and Stationery Expenses	2.00
Advertising and Marketing Expenses	2.00
Statutory Expenses	3.00
<b>Total Estimated Issue Expenses</b>	<b>38.00</b>

#### **3. Proposed year-wise Deployment of Funds and Schedule of Implementation:**

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

<b>(Rs. In Lacs)</b>			
<b>Sr. No.</b>	<b>Particulars</b>	<b>Amount already Incurred</b>	<b>Amount to be deployed in F.Y. 2015-16</b>
1	Working Capital Requirement	Nil	286.00
2.	Public Issue Expenses	14.60	23.40
	<b>Total</b>	<b>14.60</b>	<b>309.40</b>

#### **4. Funds Deployed and Sources of Funds Deployed:**

Our Peer Review Auditor, M/s. SVK & Associates, Chartered Accountants vide their certificate dated 14<sup>th</sup> September, 2015 have confirmed that as on 14<sup>th</sup> September, 2015, the following funds have been deployed for the proposed object of the Issue:

<b>(Rs. In Lacs)</b>		
<b>Sr. No.</b>	<b>Particulars</b>	<b>Amount deployed</b>
1	Issue Expenses	14.60
	<b>Total</b>	<b>14.60</b>

#### **5. Sources of Financing for the Funds Deployed**

Our Peer Review Auditor, M/s. SVK & Associates, Chartered Accountants. vide their certificate dated 14<sup>th</sup> September, 2015 have also confirmed the amount deployed so far towards part of the Issue expenses has been financed through internal sources.



(Rs. In Lacs)

Sr. No.	Particulars	Amount deployed
1	Internal Accruals	14.60
	<b>Total</b>	<b>14.60</b>

### Appraisal

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

### Shortfall of Funds

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

### Bridge Financing Facilities

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

### Monitoring Utilization of Funds

The Audit committee & the Board of Directors of our Company will monitor the utilization of funds raised through this public issue. Pursuant to Clause 52 of the SME Listing Agreement, the Audit Committee would be reviewing, with the management, the statement of uses / application of funds raised through this issue and shall be making appropriate recommendations to the Board to take up steps in this matter. On an annual basis, our Company shall prepare a statement of funds utilized for purposes other than stated in this Prospectus and place it before the Audit Committee. Such disclosures shall be made only until such time that all the proceeds of the Issue have been utilized in full. The statement of funds utilized will be certified by the Statutory Auditors of our Company.

### Interim Use of Proceeds

Our management, in accordance with the policies established by our Board of Directors, will have flexibility in deploying the proceeds received from the Issue. Pending utilization of the proceeds of the Issue for the purposes described above, our Company will temporarily invest the Net Proceeds in deposits with schedule commercial banks included in second schedule of Reserve Bank of India Act, 1934.

### Variation in Objects

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

### Other Confirmations

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

## BASIC TERMS OF THE ISSUE

### Authority for the Issue

This Issue in terms of this Prospectus has been authorized by the Board of Directors pursuant to a resolution dated 30<sup>th</sup> May, 2015 and by the shareholders pursuant to a special resolution in an Annual General Meeting held on 9<sup>th</sup> June, 2015 under section 62(1)(c) of the Companies Act, 2013.

### Ranking of Equity Shares

The Equity Shares being offered under the Issue shall be subject to the provisions of our Memorandum and Articles and shall rank pari-passu with the existing Equity Shares of our Company including rights in respect of dividends. The Allottees in receipt of Allotment of Equity Shares under this Issue will be entitled to dividends or any other corporate benefits, if any, declared by the Company after the date of Allotment. For further details, please refer to the chapter ***“Main Provisions of the Articles of Association”*** beginning on page 280 of this Prospectus.

### Terms of the Issue

The Equity Shares, now being offered, are subject to the terms and conditions of this Prospectus, Prospectus, Application form, Confirmation of Allocation Note (***“CAN”***), the Memorandum and Articles of Association of our Company, the guidelines for listing of securities issued by the Government of India and SEBI (ICDR) Regulations, 2009, the Depositories Act, Stock Exchange, RBI, RoC and/or other authorities as in force on the date of the Issue and to the extent applicable.

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

<b>Face Value</b>	Each Equity Share shall have the face value of Rs.10/- each.
<b>Issue Price</b>	Each Equity Share is being offered at a price of Rs. 25/- each and is 2.5 times of Face Value.
<b>Market Lot and Trading Lot</b>	The Market lot and Trading lot for the Equity Share is 6,000 and the multiple of 6,000; subject to a minimum allotment of 6,000 Equity Shares to the successful applicants.
<b>Terms of Payment</b>	100% of the issue price of Rs.25/- each shall be payable on Application. For more details please refer <b><i>“Issue Procedure”</i></b> on page 212 of this Prospectus.
<b>Ranking of the Equity Shares</b>	The Equity Shares shall be subject to the Memorandum and Articles of Association of the Company and shall rank pari-passu in all respects including dividends with the existing Equity Shares of the Company. The Allottees in receipt of Allotment of Equity Shares under this Issue will be entitled to dividends and other corporate benefits, if any, declared by the Company after the date of Allotment. For further details, please see <b><i>“Main Provisions of Articles of Association”</i></b> on page 280 of this Prospectus.

### MINIMUM SUBSCRIPTION

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

If our Company does not receive the subscription of 100% of the Issue including devolvement of Underwriters within 60 (Sixty) days from the date of closure of the issue, our Company shall forthwith refund the entire subscription amount received. If there is a delay beyond 8 (eight) days after our Company becomes liable to pay the amount, our Company shall pay interest prescribed in the Companies Act.

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

For further details, please refer to section titled ***“Terms of the Issue”*** beginning on page 205 of this Prospectus.

### **BASIS FOR ISSUE PRICE**

The Issue Price has been determined by our Company in consultation with the Lead Manager on the basis of the key business strengths. The Face Value of the Equity Shares is Rs. 10/- and Issue Price is Rs. 25/- per Equity Share i.e. 2.5 times the Face Value.

Investors should read the following summary with the **“Risk Factors”** beginning from page 11 of this Prospectus, section titled **“Our Business”** beginning from page 83 and **“Financial Information of the Company”** beginning from page 125 of this Prospectus. The trading price of the Equity Shares of our Company could decline due to these risk factors and you may lose all or part of your investments.

**QUALITATIVE FACTORS:** Following are our Qualitative Factors:

- One of the key players of finished taper roller manufacturers in India
- Wide and stable customer base
- Well experienced organization
- Wide Product Range
- Quality products Assurance
- Prime Factory Location

For further details refer **“Our Business”** on page no 83 of this Prospectus.

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

#### **1. Basic & Diluted Earnings per share (EPS), as restated:**

Sr. No.	Particulars	Basic & Diluted EPS (Rs.)	Weights
1	FY 2012-13	2.57	1
2	FY 2013-14	4.01	2
3	FY 2014-15	4.86	3
	<b>Weighted Average</b>	<b>4.20</b>	

#### **Notes:**

- i. The Figures disclosed above are based on the Restated Financial statements of the Company.
- ii. The Face Value of Equity Share is Rs. 10/- each after adjusting subdivision of share from face value of Rs. 100/- each to face value of Rs. 10/- each. For further details please refer section titled **“Capital Structure”**. The same had been approved by shareholders in the meeting held on 11<sup>th</sup> May, 2015.
- iii. The EPS has been computed by dividing net profit as restated, attributable to equity shareholders by weighted average number of equity share outstanding during the year. Restated weighted average number of equity share has been calculated in accordance with Accounting Standard 20 – **“Earnings Per Share”** as issued by the Institute of Chartered Accountants of India after adjusting against the Bonus Issue. Bonus shares issued dated 28<sup>th</sup> May, 2015 has been computed for weighted average number of share in calculation of EPS.
- iv. The above ratios should be read with Significant Accounting Policies and the Notes to the Restated Financial Statements.

#### **2. Price Earning (P/E) Ratio in relation to the Issue Price of Rs. 25/- per share:**

Sr. No.	Particulars	P/E
1	P/E ratio based on the Basic & Diluted EPS, as restated for FY 2014-15	5.14
2	P/E ratio based on the Weighted Average EPS, as restated for FY 2014-15	5.95

#### **3. Peer Group P/ E\***

Sr. No.	Particulars	P/E
1	Highest (Timken India Limited)	53.90
2	Lowest (Austin Engineering Company Limited)	7.40
	<b>Industry Composite (Bearings)</b>	<b>30.65</b>

**Source: Capital Market; May 11-24, 2015; Vol: XXX/06; Bearings**

\* The Company is manufacturing Bearing Rollers which is used as components of products manufactured by the aforesaid Companies. There is no listed Company comparable in the same segment.

**4. Return on Net Worth (RoNW)\*:**

S. No	Particulars	RONW (%)	Weights
1	FY 2012-13	36.67%	1
2	FY 2013-14	52.21%	2
3	FY 2014-15	38.69%	3
	<b>Weighted Average</b>	<b>42.86%</b>	<b>6</b>

**Note:** The RoNW has been computed by dividing profit after tax by net worth.

**5. Minimum Return on Net Worth after Issue to maintain Pre-Issue EPS.**

- Based on Basic and Diluted EPS, as restated of FY 2014-15 Rs. 4.86 at an Issue Price of Rs. 25/-  
- 30.53 % on the restated financial statements.
- Based on Adjusted Weighted Average EPS, as restated of Rs. 4.20 at an Issue Price of Rs. 25/-  
- 26.36 % on the restated financial statements.

**6. Net Asset Value per Equity Share:**

Sr. No	Particulars	NAV (Rs)	*Adjusted NAV (Rs)
1	FY 2012-13	982.53	7.02
2	FY 2013-14	1076.61	7.69
3	FY 2014-15	1760.01	12.57
	Issue Price		25.00
	NAV after Issue		15.93

\*NAV per share has been computed after adjusting Subdivision of share from face value of Rs. 100/- each to face value of Rs. 10/- each and Bonus shares issued dated 28<sup>th</sup> May, 2015 & allotted dated 30<sup>th</sup> May, 2015.

**7. Comparison of Accounting Ratios with Industry Peer\*:**

S. No	Name of Company	Face Value (Rs.)	EPS (Rs.)#	PE	RoNW (%)	NAV per Share (Rs.)
1	Menon Bearings	1.00	1.2	19.2	18.1	7.6
2	ABC Bearings	10.00	2.3	27.8	2.5	106.9
3	Vishal Bearings Limited*	10.00	5.04	4.96	39.51	12.74

**Source:** Capital Market; May 11-24, 2015; Vol: XXX/06; Bearings

\*Based on March 31, 2015 restated financial statements. # Standalone

The peer group identified is broadly based on the service lines that we are into but our scale of operations is not comparable to them.

- The Face Value of our shares is Rs.10/- per share and the Issue Price is of Rs.25/- per share is 2.5 times of the Face Value.
- Our Company in consultation with the Lead Manager believes that the Issue Price of Rs. 25/- per share for the Public Issue is justified in view of the above parameters. The investors may also want to peruse the risk factors and financials of the Company including important profitability and return ratios, as set out in the Auditors' Report in this Prospectus to have more informed view about the investment.
- Investors are requested to see the section titled **"Risk Factors"** and **"Restated Financial Statements"** beginning on pages 11 and 125 respectively of this Prospectus, including important profitability and return ratios, as set out in **"ANNEXURE Z - Statement of Mandatory Accounting Ratios"** on page 162 of this Prospectus to have a more informed view.

**STATEMENT OF TAX BENEFITS**

To,  
**The Board of Directors**  
Vishal Bearings Limited  
Survey No. 22/1, Plot No. 1  
Shapar Main Road, Shapar (Veraval),  
Rajkot -360002

Dear Sir,

**Sub. : Statement of Possible Tax Benefits Available to the Company and its shareholders with regards to Initial Public Offer of Vishal Bearings Limited**

We hereby confirm that the enclosed annexure states the possible tax benefits available to Vishal Bearings Limited (the "Company") and its shareholders under the Income Tax Act, 1961 (provisions of Finance Act, 2015) and Wealth Tax Act, 1957, 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 relevant tax laws. Hence, the ability of the Company or its shareholders to derive the tax benefits is dependent upon the fulfilling such conditions, which based on the business imperatives, the Company may or may not choose to fulfill.

The amendments in Finance Bill 2015 have been incorporated to the extent relevant in the enclosed statement. It may be noted that the same is subject to enactment through the Finance Act.

The benefits discussed in the enclosed statement are not exhaustive. 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 and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the issue.

Our confirmation is based on the information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company and the interpretation of the current tax laws in force in India, which are subject to change from time to time.

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

We 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.

This certificate is provided solely for the purpose of assisting the addressee Company in discharging its responsibilities under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009.

This report is intended solely for your information and for the inclusion in the offer documents in connection with the proposed initial public offer of the Company and is not to be used, referred to or distributed for any other purpose without our prior written consent.

For, P. Ghanshyam & Co.  
**Chartered Accountants**  
F. R. No. 103153W

**G.L. Kathrotia**  
**Proprietor**  
M. No. 032424  
Place: Rajkot  
Date: 15<sup>th</sup> June, 2015

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

### **I. Benefits available to the Company under the Income Tax Act, 1961**

#### **(i) Special Tax Benefits**

##### **1. Special tax benefits available to the company**

There are no special tax benefits available to the Company

##### **2. Special tax benefits available to the shareholders of the company**

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

#### **(ii) General Tax Benefits**

The Income Tax Act, 1961 and Wealth Tax Act, 1957 presently in force in India, make available the following general tax benefits to companies and to their shareholders. Several of these benefits are dependent on the companies or their shareholders fulfilling the conditions prescribed under the relevant provisions of the statute.

### **I. Benefits to the company under the Income Tax Act, 1961 ("the Act"):**

The Company will be entitled to deduction under the sections mentioned hereunder from its total income chargeable to Income Tax.

#### **(a) Business Income**

1. The Company is entitled to claim depreciation on specified tangible and intangible assets owned by it and used for the purpose of its business as per provisions of Section 32 of the Act
2. Business losses, if any, for an assessment year can be carried forward and set off against business profits for 8 subsequent years. Unabsorbed depreciation, if any, for an assessment year can be carried forward and set off against any source of income in subsequent years as per provisions of Section 32 of the Act.
3. As per the provisions of section 32(1)(ia) of the Act, The company is entitled to claim additional depreciation of 20% of the actual cost of any new machinery or plant which has been acquired and installed after 31<sup>st</sup> March, 2005 subject to fulfillment of conditions prescribed therein.
4. As per provisions of Section 35 (1) (ii) and (iii) of the Act, in respect of any sum paid to a scientific research association which has as its object the undertaking of scientific research, or to any approved university, College or other institution to be used for scientific research or for research in social sciences or statistical scientific research to the extent of a sum equal to one and one fourth times the sum so paid. Under Section 35 (1) (ia) of the Act, any sum paid to a company, which is registered in India and which has as its main object the scientific research and development, and being approved by the prescribed authority and such other conditions as may be prescribed, shall also qualify for a deduction of one and one fourth times the amount so paid.
5. As per provisions of Section 35(2AA) of the Act, any contribution made Notified Institutions i.e. National Laboratory, University, Indian Institute of Technology, specified persons as approved by the prescribed authority, is available to the extent of one and one fourth times of such payment made.

#### **(b) Mat Credit**

1. The amount of tax paid under section 115JB by the Company for any assessment year beginning on or after 1st April, 2006 will be available as credit to the extent specified in section 115JAA against normal income-tax payable in subsequent assessment years.

Minimum Alternative Tax as follows-

Book Profits	A.Y. 2016-17		
	Tax	Surcharge	Cess
If Book Profits are less than or Equal to 1 Crore	18.5%	-	3%
If Book Profits are Greater than 1 Crore but do not exceed 10 Crore	18.5%	5%	3%
If Book Profits are Greater than to 10 Crore	18.5%	10%	3%



2. In accordance with the provisions of Section 115JAA, from assessment year 2010-11 the credit is available for ten years succeeding the assessment year in which MAT credit becomes allowable.

**(c) Capital Gains**

**(i) Computation of Capital Gains**

1. Capital assets are to be categorized into short - term capital assets and long – term capital assets based on the period of holding. All capital assets, being shares held in a company or any other security listed in a recognized stock exchange in India or unit of the Unit Trust of India or a unit of a mutual fund specified under section 10(23D) of the Act or a zero coupon bond, held by an assessee for more than twelve months are considered to be long – term capital assets, capital gains arising from the transfer of which are termed as long – term capital gains ('LTCG'). In respect of any other capital assets, the holding period should exceed thirty – six months to be considered as long – term capital assets.
2. Short Term Capital Gains ('STCG') means capital gains arising from the transfer of capital asset being a share held in a company or any other security listed in a recognized stock exchange in India or unit of the Unit Trust of India or a unit of a mutual fund specified under clause (23D) of Section 10 or a zero coupon bonds, held by an assessee for 12 months or less.
3. In respect of any other capital assets, STCG means capital gains arising from the transfer of an asset, held by an assessee for 36 months or less.
4. Finance Act, 2014 has amended section 2(42A) of the Act whereby capital assets, being security (other than a unit) listed in a recognized stock exchange in India or unit of the Unit Trust of India or a unit of equity oriented fund or a zero coupon bond, held by an assessee for not more than twelve months are considered to be short-term capital asset. In respect of any other capital assets, the holding period should not exceed thirty – six months to be considered as short– term capital assets. This amendment is applicable on and after 10th July, 2014.
5. Therefore, capital asset being unlisted share or unit of mutual fund (other than an equity oriented mutual fund) shall be short-term capital asset if it is held for not more than thirty-six months.
6. LTCG arising on transfer of equity shares of a company or units of an equity oriented fund (as defined which has been set up under a scheme of a mutual fund specified under Section 10(23D) or a unit of business trust as defined in section 2(13A), is exempt from tax as per provisions of Section 10(38) of the Act, provided the transaction is chargeable to securities transaction tax (STT) and subject to conditions specified in that section.
7. Income by way of LTCG exempt under Section 10(38) of the Act is to be taken into account while determining book profits in accordance with provisions of Section 115JB of the Act.
8. As per the provisions of Section 48 of the Act, Long term Capital Gain arising on transfer of capital assets, other than bonds and debentures (excluding capital indexed bonds issued by the Government) and depreciable assets, is computed by deducting the indexed cost of acquisition and indexed cost of improvement from the full value of consideration.
9. As per the provisions of section 111A, short term capital gains arising from the transfer of equity shares in any company or units of an equity oriented mutual fund transacted through a recognized stock exchange shall be subject to tax @ 15% provided such a transaction is entered in after the 1<sup>st</sup> day of Oct, 2004 and transaction is subject to security transaction tax. Further, short term capital gains as computed above that are not liable to STT would be subject to tax at a rate of 30% (plus applicable surcharge plus education cess plus higher education cess) in case of a company. No deduction under Chapter VIA is allowed from such income.
10. As per the provisions of section 112 of the Act, long-term capital gains to the extent not exempt under Section 10(38) of the Act would be subject to tax at the rate of 20% (plus applicable surcharge plus education cess plus higher education cess with indexation benefits. However, as per the proviso to Section 112 of the Act, if the tax on long-term capital gains is resulting from transfer of listed securities or units or zero coupon bonds, then long term capital gain will be chargeable to tax at the rate lower of the following: -
  - a. 20% (plus applicable surcharge plus education cess plus higher education cess of the capital gains as computed after indexation of the cost; or
  - b. 10% (plus applicable surcharge plus education cess plus higher education cess) of the capital gains as computed without indexation.

However, Finance Act, 2014 has amended the provisions of section 112 allowing the concessional rate of tax of ten per cent on long term capital gain to listed securities (other than unit) and zero coupon bonds. This amendment is applicable on and after 10th July, 2014.

11. The tax rates mentioned above stands increased by applicable surcharge, education cess and higher education cess on the total income.
12. As per Section 50 of the Act, where a capital asset is forming part of a block of assets in respect of which depreciation has been allowed under the Act, capital gains shall be computed in the following manner:
  - a. where full value of consideration on account of transfer of any asset forming part of block of asset, as reduced by expenditure incurred wholly or exclusively in connection with transfer, exceeds the written down value of block of assets and actual cost of assets acquired during the year, such excess shall be deemed to be short term capital gains and taxed accordingly.
  - b. where any block of assets ceases to exist, for the reason that all the assets in that block are transferred, the difference between the consideration arising on result of transfer and the written down value of block of assets and the actual cost of assets acquired during the year, shall be deemed to be short term capital gains/ (losses) and taxed accordingly.
13. As per provisions of Section 71 read with Section 74 of the Act, short - term capital loss arising during a year is allowed to be set-off against short - term as well as long - term capital gains. Balance loss, if any, shall be carried forward and set-off against any capital gains arising during subsequent eight assessment years.
14. As per provisions of Section 71 read with Section 74 of the Act, long - term capital loss arising during a year is allowed to be set-off only against long - term capital gains. Balance loss, if any, shall be carried forward and set-off against long – term capital gains arising during subsequent eight assessment years.

**(ii) Exemption of capital gains from income-tax**

1. As per the provisions of section 54D of the Act and subject to the conditions to the extent specified therein, capital gains arising on compulsory acquisition of land & building or any right therein used by an industrial undertaking, will be exempt from tax if the capital gains are invested in “land, building, or any right therein within 3 years from the date of compulsory acquisition for the purpose of shifting / re-establishing/ setting up another industrial undertaking” subject to lower of Capital Gain or the Cost of acquisition of new land and building.
2. In accordance with and subject to the conditions and to the extent specified in section 54EC of the act, the company would be entitled to exemption from tax on gains arising from transfer of the long term capital asset (not covered by section 10(36) and 10(38)) if such capital gain is invested within a period of six months from the date of transfer in bonds redeemable after three years and issued by:-
  - a. National Highway Authority of India (NHAI) constituted under Section 3 of National Highway Authority of India Act, 1988; and
  - b. Rural Electrification Corporation Limited (REC), a company formed and registered under the Companies Act, 1956.

Where a part of the capital gains is reinvested, the exemption is available on a proportionate basis. The maximum investment in the specified long term asset cannot exceed Rs 5,000,000 per assessee during any financial year and subsequent financial year.

Where the long term specified assets is transferred or converted into money at any time with in a period of three years from the date of its acquisition, the amount of capital gains exempted earlier would become chargeable to tax as long term capital gains in the year in which the long term specified assets is transferred or converted into money.

**(d) Securities Transaction Tax (STT)**

As per the provisions of Section 36 (1) (xv) of the Act, the amount of Securities Transaction Tax paid by an assessee in respect of taxable securities transactions offered to tax as "Profits and gains of Business or profession" shall be allowable as a deduction against such Business Income.

**(e) Dividends**

1. U/s 10(34) read with section 115-O of the Act, dividend income (whether interim or final) in the hands of the company as distributed or paid by any other domestic on or after April 1, 2004 is completely exempt from tax in the hands of the company.

2. The domestic company distributing dividends will be liable to pay dividend distribution tax at the applicable rate on net basis on the amount of dividend payable applicable surcharge and education cess and secondary and higher education cess on the amount of dividend distribution tax and surcharge thereon)
3. Further w.e.f 1st October 2014, Finance Act 2014, has amended section 115-O in order to provide that for the purpose of determining the tax on distributed profits payable in accordance with the section 115-O, any amount which is declared, distributed or paid by any domestic Company out of current or accumulated profit on or after 1 April 2003 is to be reduced by any amount of dividend as received by the company from its subsidiary or from foreign companies during the financial year, shall be increased to such amount as would, after reduction of the tax on such increased amount at the rate of 15%, be equal to the net distributed profits.
4. Therefore, the amount of distributable income and the dividends which are actually received by the unit holder of mutual fund or shareholders of the domestic company need to be grossed up for the purpose of computing the additional tax.
5. Further, if the company being a holding company, has received any dividend from its subsidiary on which dividend distribution tax has been paid by such subsidiary, then company will not be required to pay dividend distribution tax to the extent the same has been paid by such subsidiary company.
6. As per section 10(35) of the Act, the following income will be exempt from tax in the hands of the Company:
  - (i) Income received in respect of the units of a Mutual Fund specified under section 10(23D) (other than income arising from transfer of such units); or
  - (ii) Income received in respect of units from the Administrator of the specified undertaking; or
  - (iii) Income received in respect of units from the specified company:

However, this exemption does not apply to any income arising from transfer of units of the Administrator of the specified undertaking or of the specified company or of a mutual fund, as the case may be.

For this purpose (i) "Administrator" means the Administrator as referred to in section 2(a) of the Unit Trust of India (Transfer of Undertaking and Repeal) Act, 2002 and (ii) "Specified Company" means a company as referred to in section 2(h) of the said Act.
7. As per the provisions of section 115BBD of the act, dividend Received by an Indian company from a Specified Foreign Company (in which it has shareholding of 26% or more) would be taxable at the Concessional rate of 15% on gross basis (excluding surcharge and Education cess) up to march 31, 2014. As per finance act, 2014, the Benefit of lower rate of 15% is extended without limiting it to a Particular assessment year.
8. For removing the cascading effect of dividend distribution tax, while computing the amount of dividend distribution tax payable. By a domestic company, the dividend received from a foreign Subsidiary on which income-tax has been paid by the Domestic Company under section 115BBD of the act shall be reduced.

#### **(f) Tax Treaty Benefits**

As per the provisions of section 90, for taxes on income paid in Foreign Countries with which India has entered into Double Taxation Avoidance Agreements (Tax Treaties from projects/activities undertaken thereat), the Company will be entitled to the deduction from the India Income-tax of a sum calculated on such doubly taxed income to the extent of taxes paid in Foreign Countries. Further, the company as a tax resident of India would be entitled to the benefits of such Tax Treaties in respect of income derived by it in foreign countries. In such cases the provisions of the Income tax Act shall apply to the extent they are more beneficial to the company. Section 91 provides for unilateral relief in respect of taxes paid in foreign countries

#### **(g) Buy Back of Shares**

As per section 115QA of the Act, an Indian unlisted company will have to pay 20% tax on 'distributed income' on buy-back of shares. Distributed income has been defined to mean consideration paid by the Indian unlisted company for purchase of its own shares as reduced by the amount which was received by the Indian unlisted company at the time of issue of such shares. The said provision has come into effect from 1 June 2013.

#### **(h) Other Provisions**

1. As per provisions of Finance Act, 2015, the corporate tax will be 25% w.e.f. AY 16-17 for the period of first four years.
2. As per provisions of Section 80G of the Act, the Company is entitled to claim deduction of a specified amount in respect of eligible donations, subject to the fulfilment of the conditions specified in that section.

3. As per provisions of Section 14A of the Act, expenditure incurred to earn an exempt income is not allowed as deduction while determining taxable income.

## **II. Benefits available to Resident Shareholders under the Income Tax Act, 1961**

### **• Business Income**

As per the provisions of Section 36 (1) (xv) of the Act, the amount of Securities Transaction Tax paid by an assessee in respect of taxable securities transactions offered to tax as "Profits and gains of Business or profession" shall be allowable as a deduction against such Business Income.

### **• Dividends**

As per the provisions of section 10(34) read with section 115-O of the Act, dividend (whether interim or final) declared, distributed or paid by the domestic company on or after 1<sup>st</sup> April, 2004 is completely exempt from tax.

### **• Capital Gains**

#### **(i) Computation of Capital Gains**

1. Capital assets are to be categorized into short - term capital assets and long – term capital assets based on the period of holding. All capital assets, being shares held in a company or any other security listed in a recognized stock exchange in India or unit of the Unit Trust of India or a unit of a mutual fund specified under section 10(23D) of the Act or a zero coupon bond, held by an assessee for more than twelve months are considered to be long – term capital assets, capital gains arising from the transfer of which are termed as long – term capital gains ('LTCG'). In respect of any other capital assets, the holding period should exceed thirty – six months to be considered as long – term capital assets.
2. Short Term Capital Gains ('STCG') means capital gains arising from the transfer of capital asset being a share held in a company or any other security listed in a recognized stock exchange in India or unit of the Unit Trust of India or a unit of a mutual fund specified under clause (23D) of Section 10 or a zero coupon bonds, held by an assessee for 12 months or less.
3. In respect of any other capital assets, STCG means capital gains arising from the transfer of an asset, held by an assessee for 36 months or less.
4. Finance Act, 2014 has amended section 2(42A) of the Act whereby capital assets, being security (other than a unit) listed in a recognized stock exchange in India or unit of the Unit Trust of India or a unit of equity oriented fund or a zero coupon bond, held by an assessee for not more than twelve months are considered to be short-term capital asset. In respect of any other capital assets, the holding period should not exceed thirty – six months to be considered as short-term capital assets. This amendment is applicable on and after 10th July, 2014.
5. Therefore, capital asset being unlisted share or unit of mutual fund (other than an equity oriented mutual fund) shall be short-term capital asset if it is held for not more than thirty-six months.
6. LTCG arising on transfer of equity shares of a company or units of an equity oriented fund (as defined which has been set up under a scheme of a mutual fund specified under Section 10(23D) or a unit of business trust as defined in section 2(13A), is exempt from tax as per provisions of Section 10(38) of the Act, provided the transaction is chargeable to securities transaction tax (STT) and subject to conditions specified in that section.
7. The Finance Act 2012 has amended the chapter of Securities Transaction Tax [Chapter VII of Finance Act (No 2) of 2004]. As per the amendment, sale of unlisted equity shares under an offer for sale to the public which are included in an initial public offer and where such shares are subsequently listed on a recognized stock exchange, the same would be covered within the ambit of taxable securities transaction under the said Chapter. Accordingly, STT is leviable on sale of shares under an offer for sale to the public in an initial public offer and the LTCG arising on transfer of such shares would be exempt from tax as per provisions of Section 10(38) of the Act. However, in case the shareholder is a Company, income by way of long term capital gain shall not be reduced in computing the book profits for the purposes of computation of minimum alternate tax ("MAT") under section 115JB of the I.T. Act.
8. As per the provisions of Section 48 of the Act, Long term Capital Gain arising on transfer of capital assets, other than bonds and debentures (excluding capital indexed bonds issued by the Government) and depreciable assets, is computed by deducting the indexed cost of acquisition and indexed cost of improvement from the full value of consideration.

9. As per the provisions of section 111A, short term capital gains arising from the transfer of equity shares in any company or units of an equity oriented mutual fund transacted through a recognized stock exchange shall be subject to tax @ 15% provided such a transaction is entered in after the 1<sup>st</sup> day of Oct, 2004 and transaction is subject to security transaction tax. Further, short term capital gains as computed above that are not liable to STT would be subject to tax at a rate applicable to the assessee (plus applicable surcharge plus education cess plus higher education cess). No deduction under Chapter VIA is allowed from such income.
10. As per provisions of Section 112 of the Act, LTCG not exempt under Section 10(38) of the Act are subject to tax at the rate of 20% with indexation benefits. However, if such tax payable on transfer of listed securities or units or zero coupon bonds exceed 10% of the LTCG (without indexation benefit), the excess tax shall be ignored for the purpose of computing the tax payable by the assessee.
11. The tax rates mentioned above stands increased by applicable surcharge, education cess and higher education cess on the total income.
12. As per provisions of Section 71 read with Section 74 of the Act, short - term capital loss arising during a year is allowed to be set-off against short - term as well as long - term capital gains. Balance loss, if any, shall be carried forward and set-off against any capital gains arising during subsequent eight assessment years.
13. As per provisions of Section 71 read with Section 74 of the Act, long - term capital loss arising during a year is allowed to be set-off only against long - term capital gains. Balance loss, if any, shall be carried forward and set-off against long – term capital gains arising during subsequent eight assessment years.

**(ii) Exemption of capital gains from income-tax**

1. In accordance with and subject to the conditions and to the extent specified in section 54EC of the act, the company would be entitled to exemption from tax on gains arising from transfer of the long term capital asset (not covered by section 10(36) and 10(38)) if such capital gain is invested within a period of six months from the date of transfer in bonds redeemable after three years and issued by:-
  - (a) National Highway Authority of India (NHAI) constituted under Section 3 of National Highway Authority of India Act, 1988; and
  - (b) Rural Electrification Corporation Limited (REC), a company formed and registered under the Companies Act, 1956.

Where a part of the capital gains is reinvested, the exemption is available on a proportionate basis. The maximum investment in the specified long term asset cannot exceed Rs 5,000,000 per assessee during any financial year and subsequent financial year.

Where the long term specified assets is transferred or converted into money at any time within a period of three years from the date of its acquisition, the amount of capital gains exempted earlier would become chargeable to tax as long term capital gains in the year in which the long term specified assets is transferred or converted into money.

2. In addition to the same, some benefits are also available to a resident shareholder being an individual or HUF.
3. As per the provisions of section 54F of the Act and subject to the conditions specified therein, long term capital gains (in cases not covered under section 10(38)) arising on the transfer of the shares of the Company held by an individual or Hindu Undivided Family will be exempt from tax if the net consideration is utilized, within a period of one year before, or two years after the date of transfer, in the purchase of a residential house, or for construction of a residential house within three years from the date of transfer.
4. As per provisions of Section 56(2)(vii) of the Income Tax Act and subject to exception provided in second proviso therein, where an individual or a HUF receives shares and securities without consideration or for a consideration which is less than the aggregate fair market value (as defined) of the shares and securities by an amount exceeding Rs. 50,000, the excess of fair market value of such shares and securities over the said consideration is chargeable to tax under the head “income from other sources”. However, the said section is not applicable in case the shares and securities are received under instances specified under the proviso thereon.
5. No income tax is deductible at source from income by way of capital gains under the present provisions of the Act in case of residents.



• **Buy Back of Shares**

As per the Finance Act 2013, any income arising to shareholders on account of buy-back of shares as referred to in Section 115QA of the Act (buy-back of shares by unlisted companies) shall be exempt in the hands of the shareholders.

• **Other Provisions**

1. As per provisions of Section 14A of the Act, expenditure incurred to earn an exempt income is not allowed as deduction while determining taxable income.
2. The characterization of the gain / losses, arising from sale / transfer of shares as business income or capital gains would depend on the nature of holding and various other factors.
3. Under Section 10(32) of the Act, any income of minor children clubbed in the total income of the parent under section 64(1A) of the Act will be exempted from tax to the extent of Rs.1, 500/- per minor child.

**III. Tax Benefits available to the Non-Resident Indian Shareholders**

**(a) Business Income**

As per the provisions of Section 36 (1) (xv) of the Act, the amount of Securities Transaction Tax paid by an assessee in respect of taxable securities transactions offered to tax as "Profits and gains of Business or profession" shall be allowable as a deduction against such Business Income.

**(b) Dividends**

As per the provisions of section 10(34) read with section 115-O of the Act, dividend (whether interim or final) received by non-resident shareholders from domestic company on or after 1<sup>st</sup> April, 2004 is completely exempt from tax.

**(c) Capital Gains**

**(i) Computation of Capital Gains**

1. Capital assets are to be categorized into short - term capital assets and long – term capital assets based on the period of holding. All capital assets, being shares held in a company or any other security listed in a recognized stock exchange in India or unit of the Unit Trust of India or a unit of a mutual fund specified under section 10(23D) of the Act or a zero coupon bond, held by an assessee for more than twelve months are considered to be long – term capital assets, capital gains arising from the transfer of which are termed as long – term capital gains ('LTCG'). In respect of any other capital assets, the holding period should exceed thirty – six months to be considered as long – term capital assets.
2. Short Term Capital Gains ('STCG') means capital gains arising from the transfer of capital asset being a share held in a company or any other security listed in a recognized stock exchange in India or unit of the Unit Trust of India or a unit of a mutual fund specified under clause (23D) of Section 10 or a zero coupon bonds, held by an assessee for 12 months or less.
3. In respect of any other capital assets, STCG means capital gains arising from the transfer of an asset, held by an assessee for 36 months or less.
4. Finance Act, 2014 has amended section 2(42A) of the Act whereby capital assets, being security (other than a unit) listed in a recognized stock exchange in India or unit of the Unit Trust of India or a unit of equity oriented fund or a zero coupon bond, held by an assessee for not more than twelve months are considered to be short-term capital asset. In respect of any other capital assets, the holding period should not exceed thirty – six months to be considered as short- term capital assets. This amendment is applicable on and after 10th July, 2014.
5. Therefore, capital asset being unlisted share or unit of mutual fund (other than an equity oriented mutual fund) shall be short-term capital asset if it is held for not more than thirty-six months.
6. LTCG arising on transfer of equity shares of a company or units of an equity oriented fund (as defined which has been set up under a scheme of a mutual fund specified under Section 10(23D) or a unit of business trust as defined in section 2(13A), is exempt from tax as per provisions of Section 10(38) of the Act, provided the transaction is chargeable to securities transaction tax (STT) and subject to conditions specified in that section.
7. The Finance Act 2012 has amended the chapter of Securities Transaction Tax [Chapter VII of Finance Act (No 2) of 2004]. As per the amendment, sale of unlisted equity shares under an offer for sale to the public which are included in an initial public offer and where such shares are subsequently listed on a recognized stock exchange, the same would be covered within the ambit of taxable securities transaction under the said Chapter. Accordingly, STT is leviable on



sale of shares under an offer for sale to the public in an initial public offer and the LTCG arising on transfer of such shares would be exempt from tax as per provisions of Section 10(38) of the Act. However, in case the shareholder is a Company, income by way of long term capital gain shall not be reduced in computing the book profits for the purposes of computation of minimum alternate tax ("MAT") under section 115JB of the I.T. Act.

8. As per first proviso to Section 48 of the Act, where the shares have been purchased in foreign currency by a non-resident, the capital gains arising on its transfer need to be computed by converting the cost of acquisition, expenditure incurred in connection with such transfer and full value of the consideration received or accruing as a result of the transfer, into the same foreign currency in which the shares were originally purchased. The resultant gains thereafter need to be reconverted into Indian currency. The conversion needs to be at the prescribed rates prevailing on dates stipulated. If the tax payable on transfer of listed securities exceeds 10% of the LTCG, the excess tax shall be ignored for the purpose of computing tax payable by the assessee. Further, LTCG arising from transfer of unlisted securities (other than by way of offer for sale under an initial public offer) is chargeable to tax at 10% without indexation and foreign exchange fluctuation benefits
9. As per the provisions of section 111A, short term capital gains arising from the transfer of equity shares in any company or units of an equity oriented mutual fund transacted through a recognized stock exchange shall be subject to tax @ 15% provided such a transaction is entered in after the 1<sup>st</sup> day of Oct, 2004 and transaction is subject to security transaction tax. Further, short term capital gains as computed above that are not liable to STT would be subject to tax at normal rates applicable (plus applicable surcharge plus education cess plus higher education cess) to the taxpayer. No deduction under Chapter VIA is allowed from such income.
10. As per provisions of Section 112 of the Act, LTCG arising on transfer of listed securities not exempt under Section 10(38) of the Act are subject to tax at the rate of 20% with indexation benefits. The indexation benefits are however not available in case the shares are acquired in foreign currency. In such a case, the capital gains shall be computed in the manner prescribed under the first proviso to Section 48.
11. The tax rates mentioned above stands increased by applicable surcharge, education cess and higher education cess on the total income.
12. As per provisions of Section 71 read with Section 74 of the Act, short - term capital loss arising during a year is allowed to be set-off against short - term as well as long - term capital gains. Balance loss, if any, shall be carried forward and set-off against any capital gains arising during subsequent eight assessment years.
13. As per provisions of Section 71 read with Section 74 of the Act, long - term capital loss arising during a year is allowed to be set-off only against long - term capital gains. Balance loss, if any, shall be carried forward and set-off against long - term capital gains arising during subsequent eight assessment years.

**(ii) Exemption of capital gains from income-tax**

1. In accordance with and subject to the conditions and to the extent specified in section 54EC of the act, the company would be entitled to exemption from tax on gains arising from transfer of the long term capital asset (not covered by section 10(36) and 10(38)) if such capital gain is invested within a period of six months from the date of transfer in bonds redeemable after three years and issued by:-
  - (a) National Highway Authority of India (NHAI) constituted under Section 3 of National Highway Authority of India Act, 1988; and
  - (b) Rural Electrification Corporation Limited (REC), a company formed and registered under the Companies Act, 1956.

Where a part of the capital gains is reinvested, the exemption is available on a proportionate basis. The maximum investment in the specified long term asset cannot exceed Rs 5,000,000 per assessee during any financial year and subsequent financial year.

Where the long term specified assets is transferred or converted into money at any time within a period of three years from the date of its acquisition, the amount of capital gains exempted earlier would become chargeable to tax as long term capital gains in the year in which the long term specified assets is transferred or converted into money.

2. In addition to the same, some benefits are also available to a resident shareholder being an individual or HUF.
3. As per the provisions of section 54F of the Act and subject to the conditions specified therein, long term capital gains (in cases not covered under section 10(38)) arising on the transfer of the shares of the Company held by an individual or Hindu Undivided Family will be exempt from tax if the net consideration is utilized, within a period of one year

before, or two years after the date of transfer, in the purchase of one residential house in India, or for construction of one residential house within three years from the date of transfer.

4. As per provisions of Section 56(2)(vii) of the Income Tax Act and subject to exception provided in second proviso therein, where an individual or a HUF receives shares and securities without consideration or for a consideration which is less than the aggregate fair market value (as defined) of the shares and securities by an amount exceeding Rs. 50,000, the excess of fair market value of such shares and securities over the said consideration is chargeable to tax under the head "income from other sources". However, the said section is not applicable in case the shares and securities are received under instances specified under the proviso thereon.

#### **(d) Buy Back of Shares**

As per the Finance Act 2013, any income arising to shareholders on account of buy-back of shares as referred to in Section 115QA of the Act (buy-back of shares by unlisted companies) shall be exempt in the hands of the shareholders.

#### **(e) Tax Treaty Benefits**

As per the provisions of section 90(2), non-resident shareholders can opt to be taxed in India as per the provisions of the Act or the double taxation avoidance agreement entered into by the Government of India with the country of residence of the non-resident shareholder, whichever is more beneficial. It needs to be noted that a non-resident is required to hold a valid tax residency certificate. Additionally the non-resident tax payer is required to provide such other documents and information in the Form 10F as prescribed vide Notification 57 of 2013 dated 1 August 2013. However, it may be noted that Tax Authorities may ask for other information and supporting documents if required.

#### **(f) Other Provisions**

1. As per provisions of Section 14A of the Act, expenditure incurred to earn an exempt income is not allowed as deduction while determining taxable income.
2. The characterization of the gain / losses, arising from sale / transfer of shares as business income or capital gains would depend on the nature of holding and various other factors.
3. Under Section 10(32) of the Act, any income of minor children clubbed in the total income of the parent under section 64(1A) of the Act will be exempted from tax to the extent of Rs.1, 500/- per minor child.

#### **(g) Concessional Tax Regime for NRIs:**

- Special provisions in case of Non-Resident Indian ('NRI') in respect of income / LTCG from specified foreign exchange assets under Chapter XII-A of the Act are as follows:
  - NRI means a citizen of India or a person of Indian origin who is not a resident. A person is deemed to be of Indian origin if he, or either of his parents or any of his grandparents, were born in undivided India.
  - Specified foreign exchange assets include shares of an Indian company which are acquired /purchased / subscribed by NRI in convertible foreign exchange.
1. In accordance with section 115E, income from investment or income from long- term capital gains on transfer of assets other than specified asset shall be taxable at the rate of 20% ((plus applicable surcharge plus education cess plus higher education cess). Income by way of long term capital gains in respect of a specified asset (as defined in section 115C (f) of the act), shall be chargeable at 10% (plus applicable surcharge plus education cess plus higher education cess).
  2. In case of a shareholder being a non-resident Indian, and subscribing to the share in convertible foreign exchange in accordance with and subject to the conditions and to the extent specified in Section 115F of the Act, the non resident Indian shareholder would be entitled to exemption from long term capital gains (not covered by sections 10(38)) on the transfer of shares in the Company upon investment of net consideration in modes as specified in sub-section (1) of Section 115F.
  3. In accordance with the provisions of Section 115G of the Act, Non Resident Indians are not obliged to file a return of income under Section 139(1) of the Act, if their only source of income is income from investments or long term capital gains earned on transfer of such investments or both acquired out of convertible foreign exchange, provided tax has been deducted at source from such income as per the provisions of Chapter XVII-B of the Act.
  4. In accordance with the provisions of Section 115H of the Act, when a Non Resident Indian become assessable as a resident in India, he may furnish a declaration in writing to the Assessing Officer along with his return of income for that year under Section 139 of the Act to the effect that the provisions of Chapter XII-A shall continue to apply to him

in relation to such investment income derived from the specified assets for that year and subsequent assessment years until such assets are converted into money.

5. As per the provisions of section 115 I of the Act, a Non-Resident Indian may elect not to be governed by the provisions of Chapter XII-A for any assessment year by furnishing his return of income for that year under Section 139 of the Act, declaring therein that the provisions of Chapter XII-A shall not apply to him for that assessment year and accordingly his total income for that assessment year will be computed in accordance with the other provisions of the Act.

#### **IV. Tax Benefits available to the Foreign Institutional Investors ("FIIs")**

##### **(a) Dividends**

As per section 10(34) of the Act, income earned by way of dividend income from the domestic company referred to in section 115-O of the act is exempt from tax.

##### **(b) Long Term Capital Gain**

As per section 10(38) of the Act, long term capital gains arising from the transfer of a long term capital asset being an equity share in a company or a unit of an equity oriented fund, where such transaction is chargeable to securities transaction tax, will be exempt. It is pertinent to note that as per provisions of Section 14A of the Act, expenditure incurred to earn an exempt income is not allowed as deduction while determining taxable income.

##### **(c) Capital Gains**

1. As per provisions of Section 115AD of the Act, income (other than income by way of dividends referred to Section 115-O) received in respect of securities (other than units referred to in Section 115AB) is taxable at the rate of 20% (plus applicable surcharge plus education cess plus higher education cess). No deduction is allowed from such income in respect of any expenditure or allowance or deductions under Chapter VI-A of the Act. Finance Act, 2014 has inserted a provision that the amount of income tax calculated on the income by way of interest referred in section 194LD shall be at the rate of five percent. The said provision was made applicable in case of interest payable at any time on or after 1 June 2013 but before 1 June 2015 to FIIs and QFIs on their investments in Government securities and rupee denominated corporate bonds provided that the rate of interest does not exceed the rate notified by the Central Government in this regard.
2. As per section 115 AD read with section 111A of the Act, short term capital gains arising from the sale of equity shares of the Company transacted through a recognized stock exchange in India, where such transaction is chargeable to securities transaction tax, will be taxable at the rate of 15% (plus applicable surcharge plus education cess plus higher education cess).
3. In case of a shareholder being a Foreign Institutional Investor (FII), in accordance with and subject to the conditions and to the extent specified in Section 115AD of the Act, tax on long term capital gain (not covered by sections 10(36) and 10(38)) will be 10% and on short term capital gain (other than referred to in section 111A) will be 30% as increased by a surcharge and Education cess at an appropriate rate on the tax so computed in either case.
4. The tax rates mentioned above stands increased by applicable surcharge, education cess and higher education cess on the total income.
5. In accordance with and subject to the conditions and to the extent specified in section 54EC of the act, the company would be entitled to exemption from tax on gains arising from transfer of the long term capital asset (not covered by section 10(36) and 10(38)) if such capital gain is invested within a period of six months from the date of transfer in bonds redeemable after three years and issued by:-
  - a) National Highway Authority of India (NHAI) constituted under Section 3 of National Highway Authority of India Act, 1988; and
  - b) Rural Electrification Corporation Limited (REC), a company formed and registered under the Companies Act, 1956.

Where a part of the capital gains is reinvested, the exemption is available on a proportionate basis. The maximum investment in the specified long term asset cannot exceed Rs 5,000,000 per assessee during any financial year and subsequent financial year.

Where the long term specified assets is transferred or converted into money at any time within a period of three years from the date of its acquisition, the amount of capital gains exempted earlier would become chargeable to tax as long term capital gains in the year in which the long term specified assets is transferred or converted into money.

6. The Ministry of Finance, Government of India, on February 28, 2015, presented the Finance Bill 2015 before the Parliament for the Financial Year 2015-16. The Finance Bill 2015 has proposed that the FIIs earning income from transaction in securities (other than short term capital gains arising on transactions on which securities transaction tax is not chargeable ) shall be excluded from the chargeability of MAT and the profit corresponding to such income shall be reduced from the book profit . It is also provided that the expenses incurred to earn these income would be allowed as deduction from book-profits. Thus, the net capital gain shall stand excluded from book profit. These amendments will take effect from 1st April 2016 and apply in subsequent years.

#### **(d) Securities Transaction Tax**

As per provisions of Section 36(1)(xv) of the Act, STT paid in respect of the taxable securities transactions entered into in the course of the business is allowed as a deduction if the income arising from such taxable securities transactions is included in the income computed under the head 'Profit and gains of business or profession'. Where such deduction is claimed, no further deduction in respect of the said amount is allowed while determining the income chargeable to tax as capital gains.

#### **(e) Tax Treaty Benefits**

As per provisions of Section 90(2) of the Act, FIIs can opt to be taxed in India as per the provisions of the Act or the double taxation avoidance agreement entered into by the Government of India with the country of residence of the FII, whichever is more beneficial. It needs to be noted that a non-resident is required to hold a valid tax residency certificate. Additionally the FII is required to provide such other documents and information in the Form 10F as prescribed vide Notification 57 of 2013 dated 1 August 2013. However, it may be noted that Tax Authorities may ask for other information and supporting documents if required.

The characterization of the gain / losses, arising from sale / transfer of shares as business income or capital gains would depend on the nature of holding and various other factors

#### **V. Tax Benefits Available To Mutual Funds**

1. Dividend income, if any, received by the shareholders from the investment of mutual funds in shares of a domestic Company will be exempt from tax under section 10(34) read with section 115O of the Act.
2. In case of a shareholder being a Mutual fund, as per the provisions of Section 10(23D) of the Act, any income of Mutual Funds registered under the Securities and Exchange Board of India Act, 1992 or Regulations made there under, mutual Funds set up by public sector banks or bank financial institutions and Mutual Funds authorized by the Reserve Bank of India would be exempt from Income Tax, subject to the conditions as the Central Government may by notification in the Official Gazette specify in this behalf. However, the mutual funds shall be liable to pay tax on distributed income to unit holders under section 115 R of the act.

#### **VI. Tax Benefits Available To Venture Capital Companies/Funds**

1. In case of a shareholder being a Venture Capital Company / Fund, as per the provisions of Section 10(23FB) of the Act, any income of Venture Capital Companies / Funds registered with the Securities and Exchange Board of India, would exempt from Income Tax, subject to the conditions specified. However, the exemption is restricted to the Venture Capital Company and Venture Capital Fund set up to raise funds for investment in a Venture Capital Undertaking, which is engaged in the business as specified under section 10(23FB)(C). However, the income distributed by the Venture Capital Companies/ Funds to its investors would be taxable in the hands of the recipients.
2. In the case of Foreign Venture Capital Companies / Funds who are non-residents, as per Section 90(2) of the Act, the provisions of the Act would prevail over the provisions of the relevant tax treaty to the extent they are more beneficial to the non-resident. Thus, the applicable Tax Treaty provisions also need to be examined and factored for final and more favorable implications.
3. The Ministry of Finance, Government of India, on February 28, 2015, presented the Finance Bill 2015 before the Parliament for the Financial Year 2015-16. The Finance Bill 2015 has proposed to grant Tax pass through status for SEBI registered Category-I and Category-II Alternative Investment Funds (AIFs), subject to conditions contained therein. These amendments will take effect from 1st April 2016 and apply in subsequent years.

## **VII. Tax Benefits Available Under The Wealth Tax Act, 1957**

1. Wealth tax is chargeable on prescribed assets. As per provisions of Section 2(m) of the Wealth Tax Act, 1957, the Company is entitled to reduce debts owed in relation to the assets which are chargeable to wealth tax while determining the net taxable wealth
2. Shares of the company held by the shareholder will not be treated as an asset within the meaning of section 2(ea) of Wealth Tax Act, 1957. Hence, no wealth tax will be payable on the market value of shares of the company held by the shareholder of the company.

**Note:** Wealth Tax is to be abolished in India with Effect from 01 April, 2016 by Finance Act, 2015

## **VIII. Gifts Tax Act, 1958**

Gift tax is not leviable in respect of any gifts made on or after October 1, 1998

## **IX. Exemption under Employee State Insurance Scheme**

The company enjoys exemption from making contribution under ESI Scheme vide letter no. M-15/14/(Phase-Prog.)/2014-P&D dated 27<sup>th</sup> June, 2014.

### **NOTES:**

1. All the above possible benefits are as per the current tax laws as amended by the Finance Act, 2015.
2. All the above possible benefits are as per the current tax laws and will be available only to the sole / first named holder in case the shares are held by joint holder.
3. In respect of non-residents, tax rates and the consequent taxation mentioned above shall be further subject to any benefits available under the double taxation avoidance agreements, if any, between India and the country in which the non-residential has fiscal domicile.
4. In the above statement only basic tax rates have been enumerated and the same is subject to applicable surcharge plus education cess plus higher education cess, wherever applicable.
5. The above Statement of Possible Direct Tax Benefits sets out the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of equity shares.
6. In view of the individual nature of tax consequence, each investor is advised to consult his/her /its own tax advisor with respect of specific tax consequence of his / her / its participation in the scheme. The share holder is also advised to consider in his / her / its own case, the tax implication of an investment in equity Shares, particularly in view of the fact that certain recently enacted legislation may not have direct legal precedent or may have a different interpretation on the benefits which investor can avail.



## SECTION IV: ABOUT THE ISSUER COMPANY

### INDUSTRY OVERVIEW

*The information in this section has not been independently verified by us, the Lead Manager or any of our or their respective affiliates or advisors. The information may not be consistent with other information compiled by third parties within or outside India. Industry sources and publications generally state that the information contained therein has been obtained from sources it believes to be reliable, but their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured. Industry and government publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry and government sources and publications may also base their information on estimates, forecasts and assumptions, which may prove to be incorrect. Accordingly, investment decisions should not be based on such information.*

#### Background

Bearings, also known as anti-friction components have their applications in automobiles, pumps, gearboxes, heavy earth-moving equipments and industrial sectors. The growth of the bearings industry, which caters mostly to the requirement of replacement market, is directly correlated with the automotive and industrial sectors. Though automotive sector in India accounts for the largest share in demand of bearings in the Indian market, Industrial bearings market is far more widespread. It is spread over every segment of the Industry. As every movement, rotating or linear requires support of bearings prearrangement, the applications and varieties of bearing products is enormous, which not only widens to a huge size range with variations, but calls for a special variety of products such as: Slewing Rings, Track Rollers, Rod Ends, Spherical Plain, Cam followers, Linear motion system, Re-circulating bearings, Ball bushings, Plain bearings and many more. Approximately, 70% bearings are used in industries other than automobiles. In India, Industrial Bearings are manufactured by few players mostly it is imported from Europe, Japan and other countries. As the infrastructure develops, the Bearing Industry has got the opportunity to grow up. The Indian bearing market accounts for less than 5% of the world bearing market. The players in that market include international manufacturers and numerous local manufacturers such as NEI, NRB, ABC and TATA. A noteworthy proportion of bearings are imported from countries like Germany, Japan, China, Singapore, Sweden, France and Italy.

#### Global Economic Overview

Global growth is projected to reach 3.5 percent and 3.8 percent in 2015 and 2016 global. Specifically, the recovery in the United States was stronger than expected, averaging about 4 percent annualized in the last three quarters of 2014. Consumption—the main engine of growth—has benefited from steady job creation and income growth, lower oil prices, and improved consumer confidence. The unemployment rate declined to 5.5 percent in February, more than 1 percentage point below its level of a year ago. Growth is projected to be stronger in 2015 relative to 2014 in advanced economies, but weaker in emerging markets, reflecting more subdued prospects for some large emerging market economies and oil exporter. Economic performance in Russia was a bit stronger than expected in the second half of 2014, but the increase in geopolitical tensions, declining confidence, and the repercussions of the oil price decline point to a more severe weakening of the outlook in the Commonwealth of Independent States (CIS) as a whole at the start of the year.

*(Source: IMF - World Economic Outlook Update April 2015)*

IMF said that India is among the few major economies with a strong growth outlook. Growth in India has picked up, even as the world economy is faced with subdued demand conditions, particularly in Europe and Japan, and recent slowdown in China. IMF estimates that GDP growth in India this fiscal will be 7.2 to 7.4 per cent.

*(Source: Press Information Bureau, Government of India, Press note dated March 16, 2015)*

#### The IMF's GDP forecast estimates of advance and emerging economies are summarized below:

	2013	2014	Projections	
			2015	2016
<b>World Output</b>	3.4	3.4	3.5	3.8
<b>Advanced Economies</b>	1.4	1.8	2.4	2.4
United States of America	2.2	2.4	3.1	3.1
Japan	1.6	(0.1)	1.0	1.2
United Kingdom	1.7	2.6	2.7	2.3
Canada	2.0	2.5	2.2	2.0
Emerging Market and developing Economies	5.0	4.6	4.3	4.7
China	7.8	7.4	6.8	6.3



	Projections			
	2013	2014	2015	2016
Russia				
<b>India</b>	<b>6.9</b>	<b>7.2</b>	<b>7.5</b>	<b>7.5</b>

(Source: IMF- World Economic Outlook Update April 2015)

### Indian Economic Overview

The growth at market prices for 2015-16 is expected to be 8.1-to 8.5 per cent. The growth rate in GDP at constant (2011-12) market prices in 2012-13 was 5.1 per cent, which increased to 6.9 percent in 2013-14 and it is expected to further increase to 7.4 per cent in 2014-15 (According to advanced estimates). (Source: Press Information Bureau, Government of India, Press note dated February 27, 2015). In the coming year, real GDP growth at market prices is estimated to be about 0.6-1.1 percentage points higher vis-a-vis 2014-15. This increase is warranted by four factors. First, the government has undertaken a number of reforms and is planning several more. Their cumulative growth impact will be positive. A further impetus to growth will be provided by declining oil prices and increasing monetary easing facilitated by ongoing moderation in inflation. Simulating the effects of tax cuts, declining oil prices will add spending power to households, thereby boosting consumption and growth. Oil is also a significant input in production, and declining prices will shore up profit margins and hence balance sheets of the corporate sector. Declining input costs are reflected in the wholesale price index which moved to deflation territory in January 2015.

(Source: Economic Survey 2014-15)

The RBI has also reduced the cash reserve ratio ("CRR") of scheduled banks by 25 basis points from 4.25% to 4.0% of their net demand and time liabilities ("NDTL") effective the fortnight beginning February 9, 2013. As a result of this reduction in the CRR, around Rs. 180,000 million of primary liquidity is expected to be injected into the banking system.

(Source: Third Quarter Review of Monetary Policy 2012-13; RBI Press Release dated January 29, 2013)

The Ministry of Statistics and Programme Implementation, Government of India has revised the base year for estimating national income and has released new series of national accounts. As per international practices Gross Value Added (GVA) at basic prices in place of GDP at factor cost and GDP at Market prices will be referred to as GDP. As per the advance estimates of National Income, 2014-15, the Growth in GDP at constant prices (2011-12) during 2014-15 is estimated at 7.4 per cent as compared to the growth rate of 6.9 per cent in 2013-14. Agriculture sector's growth has been estimated at 1.1 per cent in 2014-15 as against 3.7 per cent in 2013-14. Manufacturing and Services sector are estimated to grow at 6.8 per cent and 10 per cent, respectively in 2014-15.

As per quarterly estimates of GDP for Q3 of 2014-15 as per the new series, GDP growth was registered at 7.5 per cent. According to data released as per the earlier estimates, GDP growth stood at 5.7 per cent and 5.3 per cent during Q1 and Q2, respectively. Organization for Economic Cooperation and Development (OECD) has estimated that India's GDP is expected to accelerate to 5.4 per cent in the year 2014-15 and 6.6 per cent for the year 2015-16.

India's fiscal deficit during the 2013-14 was recorded at 4.5 percent of GDP. In the Union Budget 2014-15, the Government has targeted to bring down the fiscal deficit to 4.1 per cent of GDP for FY 2014-15. India's fiscal deficit, during April-December, stood at 100.2 per cent of the full-year target.

### Quarterly GDP growth in India (Y-o-Y) (at 2011-12 prices)

([http://www.sebi.gov.in/cms/sebi\\_data/attachdocs/1425467794595.pdf](http://www.sebi.gov.in/cms/sebi_data/attachdocs/1425467794595.pdf))

Items	2013-14 (NS)	2014-15 (AE)	2013-14			2014-15		
			Q1	Q2	Q3	Q1	Q2	Q3
1. Agriculture & allied activities	3.7	1.1	2.7	3.6	3.8	3.5	2.0	-0.4
2. Industry								
Mining & Quarrying	5.4	2.3	0.8	4.5	4.2	5.1	2.4	2.9
Manufacturing	5.3	6.8	7.2	3.8	5.9	6.3	5.6	4.2
Electricity, Gas & Water Supply	4.8	9.6	2.8	6.5	3.9	10.1	8.7	10.1
3. Services								
Construction	2.5	4.5	1.5	3.5	3.8	5.1	7.2	1.7
Trade, Hotel, Transport and Communications	11.1	8.4	10.3	11.9	12.4	9.4	8.7	7.2
Finance, Insurance, Real Estate & Business Services	7.9	13.7	7.7	11.9	5.7	11.9	13.8	15.9
Community, Social & Personal Services	7.9	9.0	14.4	6.9	9.1	1.9	6.0	20.0
Gross Value Added at Basic Price	6.6	7.5	7.2	7.5	6.6	7.0	7.8	7.5
GDP	6.9	7.4						

Source: CSO

### **Global Bearing (Ball Bearings Roller Bearings) Market**

Bearings are machine elements that are primarily used for reducing friction between moving parts. Instrumented bearings are integrated with sensor units for measuring angular position of the rotatable ring with respect to the fixed ring of the bearing. The information collected through these sensors are used in various applications such as anti lock braking system, adaptive cruise control, tire pressure monitoring system and other industrial sectors.

The global instrumented bearing market is expected to witness substantial growth during the forecast period. This is due to the increasing demand of bearings across various application sectors such as automotive, defense and aerospace and industrial sector. The increase in automobile production globally is stimulating the growth in demand for instrumented bearings and associated components.

Factors such as rising demand from defense and aerospace industries and need for energy efficient solutions in various industries is also expected to influence the market growth. Aerospace equipment requires specialized bearings that are used for mission critical applications. These bearings need to be monitored very closely in order to ensure zero error operability.

Increasing need for energy efficiency in process industries is expected to drive the global bearings market over the forecast period. Technological advancements and surging demand across several end-use industries such as oil & gas, construction, machinery, automotive etc are witnessing progression in functionalities, thereby driving the bearings market growth. Rapid industrialization and infrastructure development in the Asia Pacific and Middle East regions also offers avenues for market growth. The bearings market has evolved significantly owing to the development of new materials, lubricant and searching for alternative uses for bearings.

The industry manufactures roller and ball bearings, which are small machine components that constrain motion and reduce friction between moving parts of several equipments. Bearings market demand is highly responsive to the price of steel, which is a key input to manufacturing, and influences the price operators charge for their products. Over the last few years, moderate demand and volatile steel prices has negatively impacted market growth. However, the bearings market is expected to witness slow growth owing to import penetration and increasing competition for key export markets.

Roller bearings are components used to reduce or eliminate friction between moving parts and thus reduce wear & tear of machines. They help improve machine performance and are thus a critical component of any equipment that rotates. It finds varied application, ranging from simple electric fans to complex space rockets. Depending on its usage, a bearing may have to withstand prolonged use, high-speed rotation, varied temperatures, or a corrosive environment. Bearings are available in two distinctive shapes, ball, and roller. There are four different types of roller bearings – cylindrical roller bearings, needle roller bearings, tapered roller bearings and spherical roller bearings

The bearings industry is highly fragmented. The organised sector caters to both the original equipment manufacturers and replacement market. The unorganised sector, which manufactures low quality small bearings, caters to the replacement market. The manufacturing activity of a few small-scale units is restricted to assembly of imported components. The automobile industry is the major user industry for the bearings industry. Given the growing demand for automobiles in the country, demand for bearings would increase in the coming years

### **Indian Bearing Markets**

The US\$ 3.75 billion Indian auto ancillaries and components industry has established itself as a major player in both the domestic and international markets. A major feature of the auto ancillary industry is its high degree of export orientation - exports had grown from US\$ 330 million in 1997-98 to US\$ 800 million in 2002-03. Exports to US and Europe forms around 60 per cent of total component exports, followed by exports to Asian markets. India's presence in the international market is likely to grow further as global manufacturers leverage India's low-cost and highly skilled labour to reduce their cost of inputs. Several Government initiatives have helped the industry. The Auto Policy of 2002 removed earlier stipulations on indigenisation and import-balancing requirements and granted 'automatic' permission to foreign automobile manufacturers to set up wholly owned subsidiaries in India. This had strong multiplier effects for the components industry. In addition, the recent Government initiatives such as improvement in road infrastructure, better connectivity to ports, and faster clearance of export consignments have reduced the time taken in exports, thereby saving on working capital requirements. The Government has also reduced customs duties on raw materials required to manufacture components, making Indian components more cost-competitive. The duty regime is targeted to match the ASEAN levels in the near future.

*(Source: DIPP)*

The Indian Bearings Industry is well poised to achieve strong growth in coming years owing to rising domestic demand in the auto sector and in Industrial applications. Given the government of India's focus on the manufacturing sector, Indian Bearings Industry is expected to grow in the coming years. The government has already made clear its continuing focus on infrastructure from Power and Oil & Gas, Roads, Ports and Airports. As per the planning commission's estimates, the government has planned substantial investment in the 12th Five Year Plan aggregating USD 1 tn. This infrastructure spending will lead to growth in the manufacturing sector, which in turn will have a positive impact on bearings industry.

The Indian bearing industry has recorded healthy growth in the past few years. The Indian manufacturers are able to meet more than three-fourth of the demand for general purpose bearings. The Indian bearing industry's product range comprises of more than 500 types of bearings. Indian manufacturers do not produce special purpose bearings as demand for the same is low and investments required are huge as bearings is a capital intensive industry. Special purpose bearings are therefore imported.

Given decent extensive demand scenarios in the domestic market and with India evolving as a preferred low-cost sourcing destination, bearings manufacturers are likely to capitalise on the increasing production capacities and technological capabilities. Further, companies are likely to continue to diversify their product portfolio and de-risk their businesses. Though, competition is anticipated to increase and prices of raw material are likely to trail an upward movement. This is expected to exert pressure on the industry's profit margins. In such a scenario, cost control programmes would assume greater significance for the industry players, both big and small.

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Roller bearings are essential components in the rotating parts of virtually all machines such as automobiles, electric motors, diesel engines, industrial machinery & machine tools, etc. Bearings are used in diversified fields. Hence, the product range is vast and diversified. The indigenous manufacturers are manufacturing bearings of quality and precision at par with world renowned manufacturers. However, bearings for special applications, requiring high technology and /or required in low volumes are still being imported. There is considerable scope for development of bearings of smaller sizes and lighter weight with improved performance in harsh operating conditions like higher or low temperature. Automobile industry accounts for bulk of the total demand of this industry with estimated share of 35%, electrical industry share is 12%, after market (replacement) share is 40% and the remaining 13% consumption is by other industries.

(Source: DIPP)

The rapidly globalising world is opening new avenues for the transportation industry, generating the need for more efficient, safe and reliable modes of transportation, which is subsequently adding to the auto component industry's growing opportunities. According to a report by the Confederation of Indian Industry (CII), the Indian auto component industry is set to become the third largest in the world by 2025. Also, by that time, newer verticals and opportunities for component manufacturers will open up as the automobile market will shift towards electric, electronic and hybrid cars, and newer technologies will have to be adopted via systematic research and development. 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.

### **Investments**

The cumulative foreign direct investment (FDI) inflows into the Indian automobile industry during the period April 2000 – February 2015 were recorded at US\$ 12,232.06 million, as per data published by the Department of Industrial Policy and Promotion.

(Source: DIPP)

### **Types of Roller Bearing**

Rolling bearings are comprised of four basic parts: an inner ring (race), an outer ring (race), rolling elements (balls and/or rollers) and a cage. The inner ring is the smaller of the two rings and has a groove on its outside diameter to form a path for the balls or rollers. It is mounted to the shaft and is usually the rotating element. The outer ring is the larger of the two rings and conversely has a groove on its inside diameter to form a pathway for the balls/rollers. It is normally placed in housing and is usually stationary. The rolling elements separate the inner and outer ring and permit the bearing to rotate smoothly with minimal friction. They carry the load and may be either balls, **tapered rollers, spherical rollers or cylindrical**

**rollers.** The cage separates the balls or rollers, guides them in the pathways during rotation and prevents them from falling out. It may be made of steel, brass, bronze, etc. depending on the type or application of the bearing. ([http://www.cbp.gov/sites/default/files/documents/ballbearings\\_3.pdf](http://www.cbp.gov/sites/default/files/documents/ballbearings_3.pdf))

### TAPERED ROLLER BEARING

Taper roller bearings consist of an inner ring (cone), an outer ring (cup), a cage and rollers which are profiled to distribute the load evenly. They have high radial and axial (thrust) load capacities at low to intermediate speeds. Taper roller bearings are available in single-row, two-row and four-row designs. With single-row bearings, the thrust load capacity is about 60% of the radial capacity. Double-row bearings have a greater radial load capacity and can handle thrust loads in both directions. The rollers can be configured in such a way that the contact lines between the roller and the race converge or diverge towards the axis of rotation. Diverging double-row bearings increase the rigidity of the shaft mounting, while converging bearings do not. Other configurations for double-row bearings feature a single outer ring and two inner rings, or two outer rings and a single inner ring. Four-row tapered roller bearings consist of four rows of alternating converging and diverging rollers.

This type of bearings is designed so that the cups, cones and **rollers have tapered surfaces** whose apexes converge at a common point on the bearing axis. This type is suitable for applications involving heavy or impact loading.



### CYLINDRICAL ROLLER BEARING

Cylindrical roller bearings are characterized by high radial and moderate thrust-load capacities. They contain **cylindrically-shaped roller**, which are nevertheless not true cylinders. Instead, they are crowned or end-relieved to reduce stress concentrations. This particular geometry results in low friction and allows high-speed applications. Cylindrical roller bearings feature high radial load capacity because the rollers and raceway are in linear contact. These bearings are suitable for applications that involve heavy radial and impact loading. They are also appropriate for high-speed applications inasmuch as they can be machined very accurately due to their structure. Having a separable inner or outer ring, these bearings can be easily mounted and dismantled.

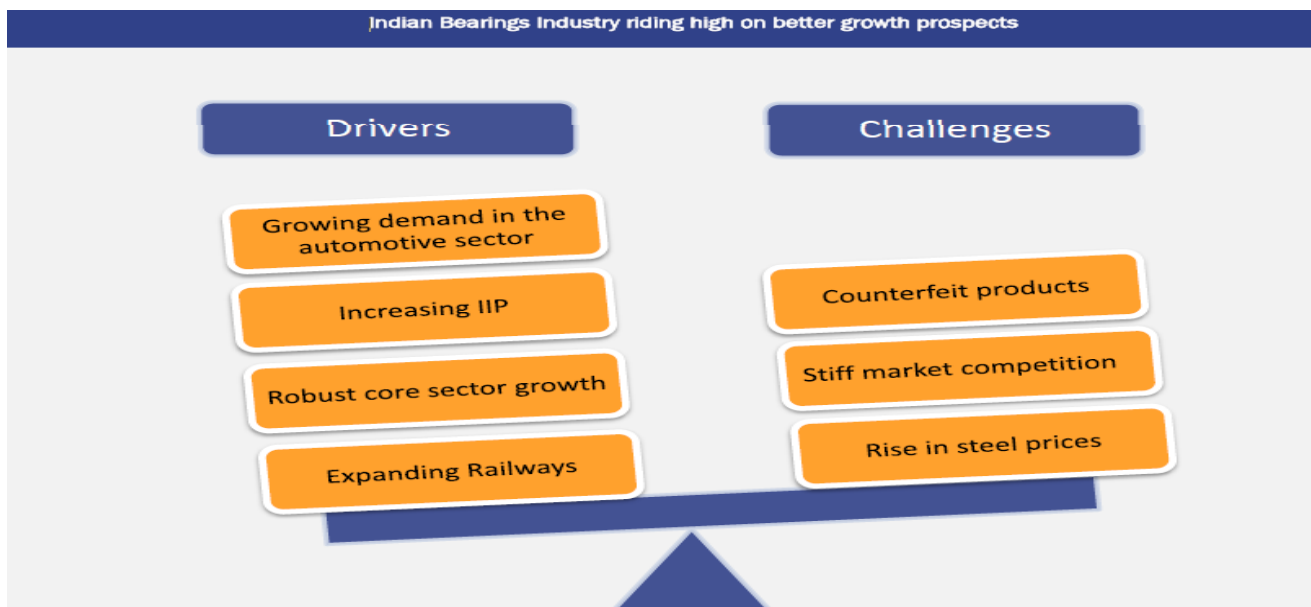
Cylindrical roller bearings are used in a variety of applications. Examples include mining, petroleum production, power generation, power transmission, cement processing, aggregate crushing, and metal recycling. Some cylindrical roller bearings are used in briquetting machines, rubber mixing equipment, rolling mills, rotary dryers, or pulp and paper machinery. Others are used in construction equipment, crushers, electric motors, blowers and fans, gears and drives, plastics machinery, machine tools and traction motors and pumps.



### SPHERICAL ROLLER BEARING

These types of bearings are self-aligning and feature a large load rating capacity. Therefore, spherical roller bearings are suitable for low/medium speed applications which involve heavy or impact loading. They come with cylindrical or tapered bores and can be supplied with adapter assemblies as well as withdrawal sleeves. Spherical roller bearings are available as double-row, combination radial and thrust bearings. They use a **spherical or crowned roller** as the rolling element. The race in the outer ring is spherical in shape, which allows for some misalignment of the shaft and the housing. Spherical

roller bearings are unequalled in their capacity for high loads and their tolerance to shock loads, but have limited speed capabilities. They perform consistently, even under extreme conditions, such as application-specific stress and marginal lubrication. The cage of a spherical roller bearing provides high dimensional accuracy and functionality. According to some estimates, spherical roller bearings have twice the running life of conventional bearings.



#### **Make in India' campaign augers well for the bearing sector**

The government recently launched "Make in India" campaign to make India a manufacturing hub. As the "Make in India" story unfolds, the road ahead for the automobile industry is anxious. The Make in India story will definitely be crusaded by the automobile and manufacturing sector as it accounts for over ~30% of the entire IIP in India thereby affecting the requirements for bearings.

#### **Key Government Policy**

**FDI and exemption from licensing:** In the auto component sector, 100% foreign equity investment is allowed via automatic route. Additionally, the manufacturing and imports in this sector are exempt from licensing and approvals. This benefits the bearings industry as it propels demand.

**R&D incentives for Industry:** Weighed deduction of 200% is granted to assesseees for any sums paid to a national laboratory, university or institute of technology, or specified people with a specific direction and that the said sum is used for scientific research within a program approved by the prescribed authority.

**For Manufacturing Facilities:** Concessional excise duty of 6% extended to March 31, 2015 for manufacturers supplying batteries to producers of electrically operated vehicles.

**State Incentives:** Incentives are in areas like subsidised land cost, relaxation in stamp duty exemption on sale and lease of land, power tariff incentives, concessional rate of interest on loans, investment subsidies, tax incentives, backward areas



subsidies and special incentive packages for mega projects. This will boost manufacturing and translate into increased demand in the bearings sector.

### **Future Outlook**

The Indian Bearings Industry is well poised to achieve strong growth in coming years owing to rising domestic demand in the auto sector and in Industrial applications. Given the government of India's focus on the manufacturing sector, Indian Bearings Industry is expected to grow in the coming years. The government has already made clear its continuing focus on infrastructure from Power and Oil & Gas, Roads, Ports and Airports. As per the planning commission's estimates, the government has planned substantial investment in the 12th Five Year Plan aggregating USD 1 tn. This infrastructure spending will lead to growth in the manufacturing sector, which in turn will have a positive impact on bearings industry.

Given decent extensive demand scenarios in the domestic market and with India evolving as a preferred low-cost sourcing destination, bearings manufacturers are likely to capitalize on the increasing production capacities and technological capabilities. Further, companies are likely to continue to diversify their product portfolio and de-risk their businesses. Though, competition is anticipated to increase and prices of raw material are likely to trail an upward movement. This is expected to exert pressure on the industry's profit margins. In such a scenario, cost control programmes would assume greater significance for the industry players, both big and small.



## OUR BUSINESS

*In this section “our Company” refers to the Company, while “we”, “us” and “our” refers to our Company*

We were incorporated in the year of 1991 by our founder member, Mr. Gordhanbhai Changela and started manufacturing customized Bearing rollers in Unit I in the year 1992 in the state of Gujarat. We made further expansion by establishing Unit II in the year 1995. We are manufacturer of taper rollers, cylindrical rollers, spherical rollers and certain components of taper rollers and are one of the key players in the list of finished roller manufacturers in India. Over the years we have developed expertise and upgraded our technology by adding several automatic and imported machineries and equipments to the plant, which has helped us boost our production capacity and the quality of our products. With our quality manufacturing, we have been identified as “Direct Online Supplier” for cold headed components-Rollers by National Engineering Industries Limited, Jaipur (NBC Bearings Limited), a CK Birla Group Company where our products go directly for manufacturing of bearings without checks on quality and specifications.

We have over 20 years of experience of operating in India. We supply our finished Bearing rollers and products across India to reputed bearing manufactures and OEMs in domestic market for end users in diverse industries such as rail, light vehicles, off-highway, heavy trucks, industries classified as ‘automobile industries’, and heavy industries, industrial processes, gear drives, energy and industrial distribution, as segments within the ‘process industries’ and also export our products to customers based outside India for end users in diverse industries. We are also exporter of cylindrical roller which cater the requirements of international customers in Germany, Hungary, Turkey etc. in diverse industries such as, automotive and Hydraulics. Over the years, we have also ventured into power generation business by installing wind mill in year 2010-11 at KotdaPitha in Amreli, Gujarat with a commissioned capacity of 0.25MW and is currently used for our captive consumption.

We have our production manufacturing facility unit which is located at Shapar (Veraval), Rajkot, Gujarat having a total area of approximately 5624.28 sq. meters. As on March 31, 2015, this facility had an installed capacity of 22,00,000 KG p.a. i.e. Grinding Capacity for Cylindrical Rollers Grinding Capacity and Taper Rollers Grinding Capacity is 12 million Pcs/month each of manufacturing of Bearing Rollers. A quality assurance system is said to increase customer confidence and a company's credibility, to improve work processes and efficiency, and to enable a company to better compete with others. This facility for manufacturing of Bearing Rollers have been recognized for its quality Management System with ISO/TS 16949:2009 and ISO 9001:2008 for Environmental Management System with ISO 14001:2004 and recognized for Health and Safety Management System with OHSAS 18001:2007 by United Registrar of System (“URS”) Certification.

We believe that we have long-term and stable relationships developed over the years with our key suppliers of raw materials and our key customers although we do not have formal contracts. Our key suppliers are ASCO INDUSTRIES SAS France, Dongbu Special Steel Co. Limited and Overseas Alloy Steel etc. Our major customers include NRB Bearings Limited, SKF India Limited, Turbo Bearings Private Limited, Texspin Bearings Limited, NRB Industrial Bearing Limited, TIMKEN, National Engineering Industries Limited, Turbo Industries, INAPEX Pvt Ltd., etc.

As of March 31, 2015, our work force consisted of approximately 170 full time employees. We adhere to international best practices standards and are committed in developing products and services where quality assurance is systematic process of checking to see whether a product or service being developed is meeting specified requirements. We have a separate department devoted to quality assurance with highly equipped standard room carrying all measuring equipments with latest technology.

Our total revenue increased from Rs. 1,142.61 Lacs in Fiscal 2010 to Rs. 2,720.00 Lacs in Fiscal 2015, representing a CAGR of 15.55 %. Our EBITDA increased from Rs. 185.36 lacs in Fiscal 2010 to Rs. 642.39 lacs in Fiscal 2015, representing a CAGR of 23.02 %.

As of May 31, 2015 the total value of our order book is about Rs. 200.00 Lacs. The total value of the Order Book has been certified by the Statutory Auditor vide their certificate dated June 20, 2015.

**Our Strengths:** We believe the following are our competitive strength

### ***1. One of the key players of Finished cylindrical and taper roller manufacturers in India***

We are one of the key manufacturers of finished taper rollers and various types of finished cylindrical rollers and components in India, and to cater finished taper roller needs of our valuable customers. We have imported brand new machines from SEIBU JIDO KIKI Co. Ltd, Japan. We offer an extensive line of Taper & Cylindrical rollers which are available to customers across India. We believe our rollers are uniquely designed with customized geometries and

engineered surfaces to provide engineering solutions for harsh and critical applications. Our products portfolio is tailor made for our customers so as to meet their specific requirements. Our manufacturing process provides us with flexibility of manufacturing smaller volumes of products at short notice. The facility deals with Bearing Steel, SAE5210 etc. using precision-grinding and heat treatment technology, to deliver a long lasting product. This facility also has an innovation centre for detailed analysis, testing, metallurgy and development of new products.

## **2. Wide and Stable customer base**

We supply our finished rollers and products to reputed bearing manufactures and OEMs for end users in diverse industries. Our five largest customers accounted for about 92% of our total revenue for the period ended March 31, 2015. Our major customers include NRB Bearings Limited, SKF India Limited, Turbo Bearings Private Limited, Texspin Bearings Limited, NRB Industrial Bearings Limited, TIMKEN, National Engineering Industries Limited, Turbo Industries, INAPEX Pvt. Ltd. etc. Our relationships with our customers ensure that we are constantly in communication with them and enable our products to meet their exacting specifications. We believe that the strength of our relationships with our customers is attributable to our consistent performance over long periods and the emphasis that we place on catering to our customers needs, supplemented with our access to technology.

## **3. Well Experienced Organization**

Our core management team has substantially contributed to the growth of our business operations. Our Company was incorporated in 1991 by Mr. Gordhanbhai K Changela. He has helped in developing unique and indigenous ways to manufacture bearing rollers of the finest quality and at the optimum cost. Our Promoters Mr. Dilipkumar Changela, Mr. Hiralal Changela, and Mr. Vrajilal Changela has more than two decades of experience in this industry. Our experienced directors have in-depth knowledge of the products and industry in which we operate. Our Board and management periodically review our internal policies and business practices and have been instrumental in building our reputation in the roller bearing sector in India. We believe that our strong business practices and reputation in the industry enable us to meet the expectations of our customers. Our key management personnel are largely responsible for successful execution of day to day activities, developing new customer base and strengthening our customer relationships.

## **4. Wide Product Range**

Our Company manufactures Taper and Cylindrical Bearing Rollers from 5 mm to 150 mm in diameter and from 5 mm to 280 mm in length whereas the Spherical Bearing Rollers from 5 mm to 60 mm in diameter and length. Due to this varying size advantage, we have been able to develop over 1,500 varieties of products for our clients as per the specifications mentioned by them. We have dedicated few lines and quantity i.e. 60,00,000 of semi-finished rollers to our customer, National Engineering Industries Limited, Jaipur (NRB Bearings Limited).

## **5. Quality products**

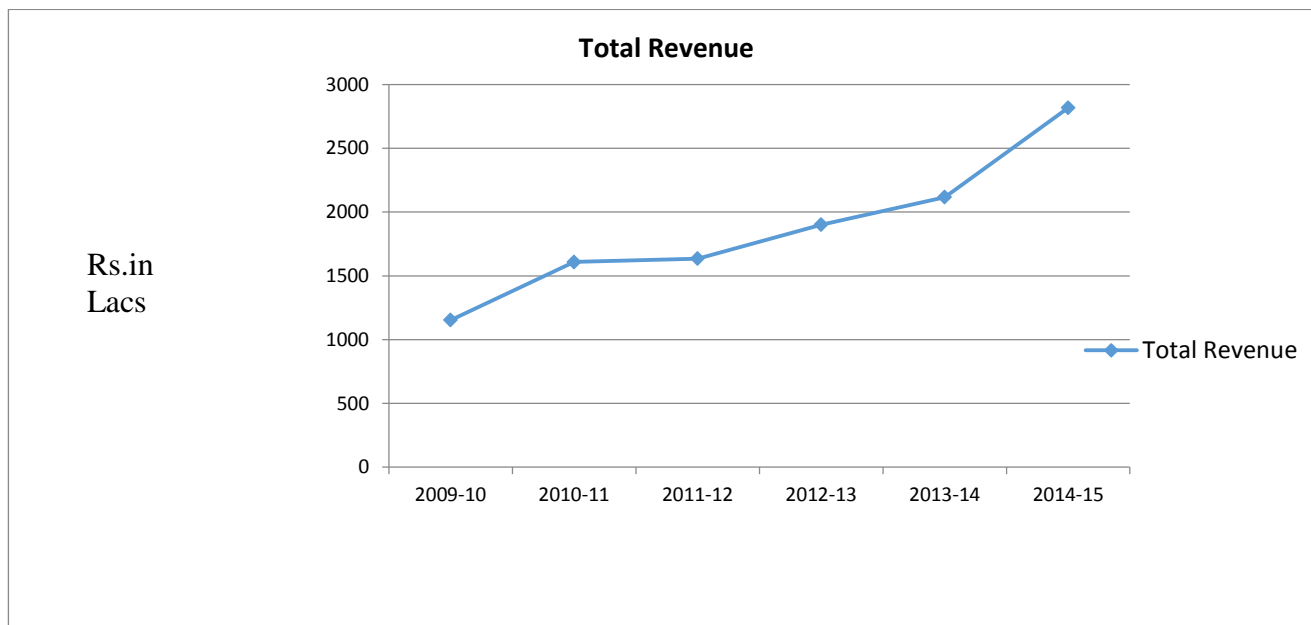
Our Company believes in providing quality products to its customers and for that follows Indian as well as International quality standards for the products manufactured. Our Company is certified for quality Management System with ISO/TS 16949:2009 and ISO 9001:2008 for Environmental Management System with ISO 14001:2004 and recognized for Health and Safety Management System with OHSAS 18001:2007 by United Registrar of System ("URS") Certification. We have a separate department devoted to quality assurance with highly equipped standard room carrying all measuring equipments with latest technology. Each and every piece that leaves the manufacturing unit is being check with "Camera Based Optical Visual Inspection" machine by Vizzitec Solutions Pvt Ltd, the rejection is then reviewed again by well equipped instruments and experienced technical persons. The defective pieces found after undergoing the quality check process are discarded. We also undertake sample check of our products based on the quality guidance prescribed by our customers. This has benefited our manufacturing process significantly in terms of reducing wastage and enabling us to demand a premium for our products. The quality checks ensure that no defective material reached the customer and ensure reduced process rejection and reduced machine down time. We believe that our quality products have earned us a goodwill from our customers, which has resulted in customer retention and order repetition also new addition to the customer base.

## **6. Prime Factory Location**

We are situated at one of highly industrialised belt in Gujarat State (India) on National Highway 8B, Rajkot which has good transport connectivity and also being costal state we are close to some major / popular sea ports like Kandla Port and Mundra Sea Port.

### Revenue data

Our total revenue (including other income) increased from Rs. 1,153.31 Lacs in Fiscal 2010 to Rs. 2,816.42 in Fiscal 2015, representing a CAGR of 16.04%.



**Our Business Strategy:** We intend to pursue the following principal strategies to leverage our competitive strengths and grow our business:

#### 1. To enhance market share by expanding our business with more OEM's and expanding our export business

We intend to expand our business more with our organised customers like TIMKEN, NRB Industrial Bearings Limited, National Engineering Industries Limited, INAPEX Pvt. Ltd. etc. We are exploring more export customers by exploring more business with TIMKEN Global and others, which is having spread and reach of their distribution system as a significant strength of their business because it allows them to market and sell their products across India and globally.

#### 2. To continue expanding our business by including new customized products and services

We intend to explore opportunities to expand our operations by developing new products and services within our existing lines of business. Further expanding our service offerings will help us to build on existing diversification of our business.

#### 3. Innovations in our products

We have a team with experience in our industry & its related products that are constantly focusing on innovations. Our products confirm to various test requirements to meet industry standards. We generally keep upgrading our tool room and Visual inspection systems and we have also installed online gauging system on Header which is from MARPOS Company. We are also developing one Automatic Packing machine which is getting developed by Vizzitec Solutions Pvt Ltd.

#### 4. Optimal Utilization of Resources


Our Company constantly endeavors to improve our production process, skill up-gradation of workers, using latest technology in machineries to optimize the utilization of resources. We regularly analyze our existing raw material procurement and manufacturing processes to identify the areas of bottlenecks and correct the same. This helps us in improving efficiency and putting resources to optimal use.

## OUR PRODUCTS & PRODUCTION PROCESS

### Our Products & Product Range

We manufacture a wide range of Taper Rollers, Cylindrical Rollers and Spherical Rollers as under:-


#### TAPER BEARING ROLLER:

	Diameter		Length	
	From	To	From	To
Millimeter (mm)	5.00	150.00	5.00	280.00

#### Technical Specifications Of Taper Bearing Roller

Sr. No.	PARAMETER	TOLERANCE	
➤	DIAMETER	(+/-) 2μm (Size Variation Within 3μm)	
➤	TAPER	(+/-) 2μm (Maximum)	
➤	OVALITY	1μm (Maximum)	
➤	LENGTH (TOLERANCE ON BASIC SIZE)	+50 To -200μm	
➤	FACE SQUARENESS	8μm (Maximum)	
➤	OD S/ROUGHNESS (RA)	0.10μm (Maximum)	
➤	FACE S/ROUGHNESS (RA)	0.20μm (Maximum)	
➤	ROUNDNESS (FILTER : 1-15)	1μm (Maximum)	
➤	HARDNESS	60 To 64 HRC	
➤	VISUAL INSPECTION	Free from rust, dent marks, spiral lines on od, out of radius	
➤	MATERIAL	SAE 52100	
➤	MICRO STRUCTURE	Fine tempered martensite with Undissolved carbides	
➤	CROWNING (PT)	Depend On Ground Length	
NOTE: The Crowning value is to be consider only for 75 to 80% of centre Roller length.		Ground Length (MM)	Crowning (Pt) μm
		0 to 15	1 to 2
		15 to 25	1 to 3
		25 to 30	1 to 4
		30 to 35	1 to 5
		35 to 45	2 to 6
		45 to 50	2 to 7
		50 Above	3 to 8

#### CYLINDRICAL BEARING ROLLER:

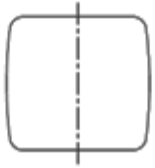
	Diameter		Length	
	From	To	From	To
Millimeter (mm)	5.00	150.00	5.00	280.00

#### Technical Specifications of Cylindrical Roller

Sr. No.	PARAMETER	TOLERANCE
1.	DIAMETER	(+/-) 1.5μm (Size Variation Within 2μm)
2.	OVALITY	1μm (Maximum)

Sr. No.	PARAMETER	TOLERANCE
3.	LENGTH (Tolerance on Basic Size)	- 20 $\mu$ m (Maximum), Grouping within 6 $\mu$ m
4.	FACE SQUARENESS	6 $\mu$ m (Maximum)
5.	OD S/ROUGHNESS (Ra)	0.10 $\mu$ m (Maximum)
6.	FACE S/ROUGHNESS (Ra)	0.20 $\mu$ m (Maximum)
7.	ROUNDNESS (Filter : 1-15)	1 $\mu$ m (Maximum)
8.	HARDNESS	60 To 64 HRC
9.	VISUAL INSPECTION	Free from rust, dent marks, spiral lines on OD, out of radius
10.	MATERIAL	SAE 52100
11.	MICRO STRUCTURE	Fine tempered martensite with Undissolved carbides
12.	CROWNING (Pt)	Depend On Ground Length
NOTE: The Crowning value is to be considerably for 75 to 80% of centre Roller length.		Ground Length (MM)
		MIN.
		MAX.
		Crowning (Pt) $\mu$ m
		MIN.
		MAX.
		6
		7
		1
		3
		8
		10
		1.5
		5
		11
		14
		2
		7
		15
		17
		3
		9
		18
		19
		5
		10
		20
		22
		7
		14
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		7
		15
		24
		25
		8
		16
		26
		8
		17
		27
		28
		8
		18
		29
		30
		9
		18
		31
		32
		9
		19

**SPHERICAL BEARING ROLLER:**

	Diameter		Length	
	From	To	From	To
Millimeter (mm)	5.00	60.00	5.00	60.00

**Technical Specifications of Spherical Roller**

Nominal Dia. of Roller	Wobble of Face	Tol. On Length		Conicity	Ovality	Surface Roughness on OD.	Surface Roughness on Face.	Hardness	Material
		Max.	Min.						
0 – 10	8µm	-0	-15	12µm	1.5µm	0.15	0.30	60 to 64 HRC	SAE 52100
10 – 20	10µm	-0	-20	15µm	2.0µm	0.20	0.40		
20 – 40	12µm	-0	-30	18µm	2.5µm	0.25	0.50		
40 -	20µm	-0	-40	25µm	3.0µm	0.25	0.60		
VISUAL INSPECTION			Free From Rust, Dent Marks, Spiral Lines On OD, Out Of Radius						
MICRO STRUCTURE			Fine Tempered Martensite with Undissolved Carbides						

**Product Portfolio:**

The bearing makes many of the machines we use every day possible. Without bearings, we would be constantly replacing parts that wore out from friction. Bearings reduce friction by providing smooth metal rollers, and a smooth inner and outer metal surface for the balls to roll against. These rollers which is known as a heart of bearings "bear" the load, allowing the device to spin smoothly.

Taper roller bearings help in absorption of both radial and axial load combinations. For this reason, taper roller bearings are preferred solutions for reducing friction in applications such as wheels, gear boxes and power transmitting shafts. Our products are used by reputed bearing manufacturers and OEMs and then it is used by end-users in diverse industries such as rail, light vehicles, off-highway, heavy trucks and auto-aftermarket, industries classified as 'automobile industries', and

heavy industries, industrial processes, gear drives, energy and industrial distribution, as segments within the 'process industries'.

The following table provides an overview of our product portfolio:

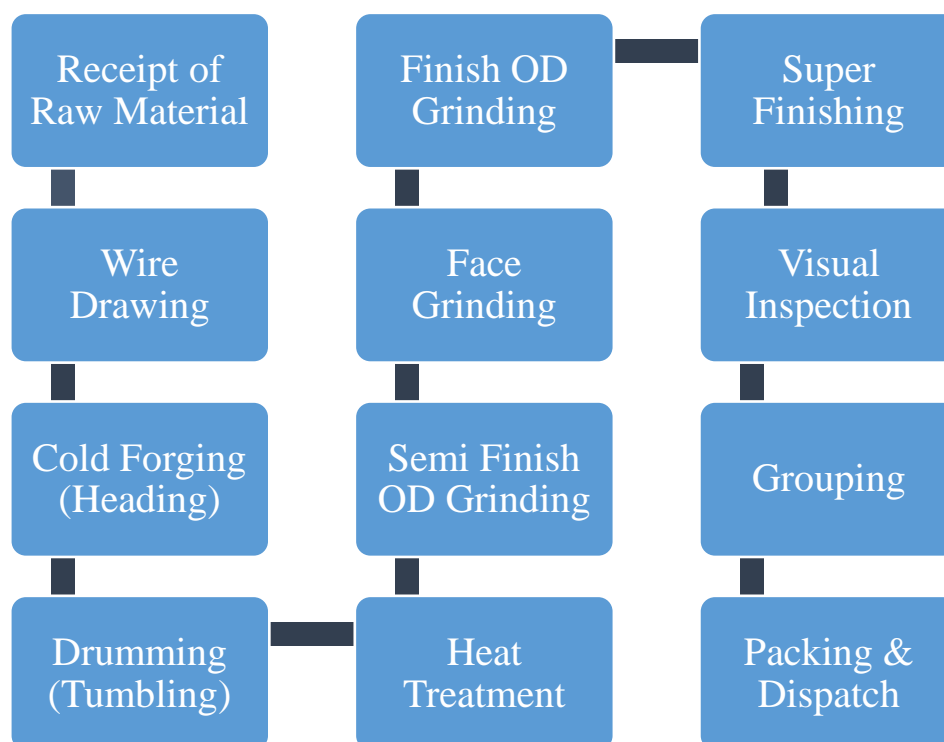
Market Segment	Product Portfolio
Trucks and Buses	Taper Roller bearings
Freight and Passenger rails	Taper roller bearings
Off-highway equipments, agricultural tractors	Taper roller bearings Spherical roller bearings
Process Industries	
Metals industries, mines, cement plants	Taper roller bearings Spherical roller bearings Cylindrical roller bearings Condition monitoring equipments and other accessories
Power generation plants, wind mills, oil and gas plants	Taper roller bearings Spherical roller bearings

#### Marketing and Selling Arrangements:

Our products are sold through the following channels: 1) Domestic sales 2) Institutional: includes OEMs; and 3) Exports. Our products are sold principally by our own internal sales organizations

#### Our Manufacturing Process



Typically, taper roller manufacturing consists of the processes of forging, heat treatment, grinding, and assembly. The production process may be diagrammatically explained in the following manner:



**Cold Forging (Heading):** The initial process is a cold forging process (called 'heading') used to produce a near net shape. This equipment has the ability of transforming a wire into an intricately shaped part with tight and repetitive tolerances using a tooling progression.



**Total Forging Capacity: 24 Pcs Million/Month (225 T / Month)**

<ol style="list-style-type: none"> <li>1. High Speed National Make Headers</li> <li>2. No of Headers</li> </ol>	<ol style="list-style-type: none"> <li>a. Indian Make</li> <li>b. Size Range : 6MM to 26MM</li> </ol>
	<ol style="list-style-type: none"> <li>a. National Make</li> <li>b. Size Range : 6MM to 21MM</li> </ol> 

#### **Drumming /Tumbling Process:**

<p>Tumbling process gives the smooth edge formation; it removes the sharp cutting edge of cold heading process and gives roller a smooth end. Tumbling process is must to avoid grinding variation due to sharp edges.</p>	
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#### **Heat Treatment:**

All the components of the rollers are heated to provide resistance to inner and outer races which are hardened as per international standard. The hardness of the races as well as the rolling elements is further checked and tested using a hardness tester.

<ul style="list-style-type: none"> <li>• State of the art Heat Treatment Facility</li> <li>• Rotary Furnaces (Through Hardening )</li> <li>• Tempering Furnaces (Continuous Screw Type)</li> </ul> <p><b>Capacity ( 150 T / Month )</b></p>	
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### Grinding:

The grinding process itself is divided into two progressive phases “Rough and Finish”. In the first phase, the feed rate of the grinding wheel is positioned high to perform a kind of rough grinding operation in which efficient material removal is the goal. In the second phase, feed rate of the grinding wheel is reduced for a precision-finish grinding operation of the Rollers.



The Grinding process undergoes four stages namely:

<b>Face Grinding:</b>	In the face grinding process, duplex machine is used. Components are checked for size variations, flatness, roughness, parallelism and burning
<b>OD Grinding:</b>	In this material is checked for 2 point ovality, 3 point ovality, roundness and roughness.
<b>Track Grinding:</b>	In this stage of the grinding process the size of the track is checked with curvatures, taper, eccentric, roughness, 2 point ovality and 3 point ovality.
<b>ID Grinding:</b>	In this stage, an electronic measuring system known as marposs system is used to control size variation. The system checks for size precision in terms of ovality, roughness, roundness and other errors.

### Taper Roller Grinding:

- 5 Lines for Roughing from WMW and Cincinnati, Foldage, and Solar.

**Capacity : 12 Million Pcs / Month**



### Taper Roller Finish Grinding:

- 2 Finishing Lines
- **Details of Machines**
  - ✓ 2 End Face Grinders from SEIBU Japan
  - ✓ 2 Centerless Grinding machines from KOYO Japan
  - ✓ 2 Super Finishing Machines from KOYO Japan

### Cylindrical Rollers Grinding:

Line System for Roughing and finishing Rollers with Auto Transfer System

**Capacity : 12 Million Pcs / Month**





### Super Finishing Section:

- Our Company makes 8 Machines



After the grinding process, we reduce Roughness Average (RA) value on track with the help of Track with the help of Honing & Lapping machine & maintain RA value which provides super finished roller components.

### Visual Inspection

*Camera Based Optical Visual Inspection system (200 Rollers / Min)*



### Cleaning and Assembly:

After the super finishing process and visual inspection, all the races and rolling elements are washed and cleaned ultrasonically to clear off all the remaining dirt and dust. Thereafter, based on the specific customer requirements, the components are assembled with precision and excellence using fully automatic assembly line.

### Infrastructure Facilities

#### Raw Materials and Components

The principal raw materials used by us to manufacture taper, cylindrical and spherical rollers are wire rods and alloy steel bars. We purchase most of our raw materials in required quantities from our supplier base. Our key suppliers are ASCOINDUSTRIES SAS France, Dongbu Special Steel Co. Limited and Overseas Alloy Steel etc.

**The main utilities required in our activity are:**

**Power:** The requirement of power for our operations is met through Paschim Gujarat Vij Company Limited where the plants.

Name Of Electric Supplying Company	Total Meter In Factory	Electricity		Sanctioned Electricity Load	
		Consumer No.	Meter No.	Unit Of Measurement (HP/KHh/Others)	Quantity
PGVCL	1	25855	904209	KWH	400.00

In addition to above we have a wind mill by installing wind turbine generator and commissioned 0.250MW capacity by Shri Ram EPC Limited (the manufacturer of Wind Electric Generator), a company permitted by Gujarat Energy Development Agency (GEDA) at KotdaPitha in Amreli, Gujarat where turbine generators are used for generating wind energy for our captive use.

**Fuel:** The requirement of fuel for operating the machinery/equipment is met by supplies from local market.

**Water:** Water required for the manufacturing and allied process is procured through the existing water supply network in the plant premises.

### **Effluent Treatment**

Our Company does not generate any industrial effluents which is hazardous to the environment.

### **Competition**

Our Industry is fragmented consisting of large established players and small niche players. We compete with organized as well as unorganized sector on the basis of availability of product, product quality and product range. Further, there are no entry barriers in this industry and any expansion in capacity of existing manufacturers would further intensify competition. Industry is very competitive and we expect competition to continue and likely to increase in the future. Our principal competitors are Indian manufacturers, including Kansara Modular Limited, Star Balls & Rollers Limited and Macwell auto engineering Limited etc.

### **Capacity and Capacity Utilizations:**

The installed capacity of the plant is 22,00,000 Kgs per annum i.e. Grinding Capacity for Cylindrical Rollers Grinding Capacity and Taper Rollers Grinding Capacity is 12 million Pcs/month each as certified by Chartered Engineer, J.R.Marvania, NO-M-145723-8 dated 15<sup>th</sup> June, 2015

The following table gives the capacity and capacity utilization figures:

Particulars	Unit	Existing		
		F.Y. 2012-13	F.Y.2013-14	F.Y.2014-15
Product : Bearing Rollers				
Total Production Capacity-	Pcs.	144000000	144000000	144000000
Actual Production - Taper Roller	Pcs.	17469823	11384776	41429941
Capacity Utilization (%)	%	12	8	29
Actual Production - Cylindrical Roller	Pcs.	75893305	87707932	93860244
Capacity Utilization (%)	%	53	61	65
Total Capacity Utilization (%)		65	69	94

(Source: Management estimates)

### **Plant & Machinery**

Sr. No.	Machine Name	Make	Equipment	G.Wheel size
<b>TAPER section</b>				
1	CENTERLESS GRINDING MACHINE	MICROMEAT	Od Grinding	500x200x304.8
2	CENTERLESS GRINDING MACHINE	Vishal	Od Grinding	500x200x304.8
3	CENTERLESS GRINDING MACHINE	CINCINATE	Od Grinding	500x200x304.8
4	CENTERLESS GRINDING MACHINE	SOLAR MACHINE TOLLS	Od Grinding	350 X 150 X 152.4
5	CENTERLESS GRINDING MACHINE	wmw	Od Grinding	500x200x304.8
6	CENTERLESS GRINDING MACHINE	wmw	Od Grinding	600x250x304.8
7	CENTERLESS GRINDING MACHINE	SCARLO	Od Grinding	600x250x304.8
8	CENTERLESS GRINDING MACHINE	KOYO	Od Grinding	610x200x304.8
9	FACE GRINDING MACHINE	DYNAMIC SYSTEM	Face Grinding	300x80x127
10	FACE GRINDING MACHINE	RAJAN	Face Grinding	300x80x127
11	FACE GRINDING MACHINE	RAJAN	Face Grinding	300x120x127
12	FACE GRINDING MACHINE	SEIBU(egl270-z)	Face Grinding/s.f	182x75x0
13	FACE GRINDING MACHINE	SEIBU(egl-180-b)	Face Grinding/s.f	102x75x0
14	FACE GRINDING MACHINE	CHINA	Face Grinding	510X120X305
15	super finish m\c	KOYO	od Super finish	50x40x5
16	super finish m\c	KOYO	od Super finish	50x40x6

Sr. No.	Machine Name	Make	Equipment	G.Wheel size
17	super finish m\c	Vishal	od Super finish	100x50x6
<b>Cylindrical section</b>				
1	CENTERLESS GRINDING MACHINE	wmw	Od Grinding	500x200x304.8
2	CENTERLESS GRINDING MACHINE	wmw	Od Grinding	600x250x304.8
3	CENTERLESS GRINDING MACHINE	malkesh jotesh	Od Grinding	500x200x304.8
4	CENTERLESS GRINDING MACHINE	CINCINATE	Od Grinding	500x200x304.8
5	FACE GRINDING MACHINE	RAJAN	face grinding	600x80x300
6	FACE GRINDING MACHINE	bhavani	face grinding	355x52x110
7	FACE GRINDING MACHINE	RAJAN	face grinding	355x52x110
8	super finish m\c	Vishal	od Super finish	100x50x4
9	super finish m\c	Vishal	od Super finish	70x50x4
10	super finish m\c	Vishal	od Super finish	100x50x4
11	super finish m\c	Vishal	od Super finish	60x50x4
<b>V.I MACHINE</b>				
1	V.I	VIZZITECH	TAPER	---
2	V.I	VIZZITECH	CYLINDRICAL	---
3	V.I	VIZZITECH	WASHING M\C	---
<b>L.D.M\C</b>				
1	LENGTH	Vishal	CYLINDRICAL	MIN-0.005MM
2	OD		CYLINDRICAL	MIN-0.002MM
3	ETC		HRC	

### **Export Obligation**

Our Company has identified certain key export markets for its products. As on the date, we do not have any export obligation.

### **Collaborations**

As on the date of Prospectus, we do not have entered into any technical or other collaboration.

### **Human Resource**

We believe that a well-trained, motivated and satisfied employee base is key to our competitive advantage. We believe that we have a qualified and experienced employee base, managed by middle and senior management personnel.

As on May 31, 2015, we had 170 employees (including workers) at our plant and office. The permanent employees at our plants include personnel in manufacturing activities such as machine operations, assembling and testing of products, quality assurance, and receipt and dispatch of materials.


The employee strength of our Company as on May 31, 2015 is as follows:

Category	No. of Employees
Directors /KMP	5
Managers/Executives	45
Semi-skilled and Unskilled Labour/Staff	120
<b>TOTAL</b>	<b>170</b>

Apart from the above employees, we also employ casual labourers on daily wages basis. For further details please refer section titled “*Our Management*” and “*Government & Other Approvals*” beginning on pages 83 and 187, respectively, of this Prospectus.

### **Our Properties**

### **Intellectual Property**

Our corporate name and logo has not been registered under the Trade Marks Act, 1999. However, we have applied for the registration of the trademark of our logo  vide an application no. 2995940 dated 29<sup>th</sup> June, 2015 under class 12 of the Trade Marks Act, 1999.

**Property:**

We have our properties located at following:

**Owned Properties:** The following properties are owned by our Company

Sr. No.	Property Description	Registration No.	Date and Nature of agreement	Parties		Consideration/ Lease/ Rental/ License Fees	Relation with any Promoter / Director of the Vendor	Stamp Duty	Purpose
				Vendor/ Lessor/ Licensor/ Transferor	Purchaser/ Lessee/ Licensee/ Transferee				
1.	Unit No. 1, Survey No. 22/1, Kotadasangani Taluka, Shapur Village Area admeasuring 3076.44 sq. meters	3886/1991	Sale Deed dated 24 <sup>th</sup> October, 1991	Hirjibhai Gordhanbhai Changela	Vishal Bearings Private Limited	Rs. 1,50,000.00	Yes	Rs. 16,200	Factory
2.	Plot No. 2 and 3, Survey No. 22/1, Kotda Sangani Taluka, Shapur Village Area admeasuring 2547.84 sq. meters	19157/2010	Sale Deed dated 26 <sup>th</sup> October, 2010	Virdeep Rollers Private Limited through its directors Divyeshkumar Changela and Vijaykumar Changela	Vishal Bearings Private Limited	Rs. 25,00,000.00	Yes	Rs. 1,22,500	Industrial use
<b>Lease Properties</b>									
3	Windmill at Survey No. 386/22, Village-Kotda pitha, Taluka Babra, District Amrely	271/2011	Lease Deed dated 19 <sup>th</sup> February 2011 valid till 18 <sup>th</sup> February 2031	Sriram EPC	Vishal bearings Private Limited	5000 per year	No	Rs. 700	Captive Power Generation

**Health safety and Environments**

Our activities in the state of Gujarat are subject to wide range of government rules and regulations regarding health, safety and environment protection. We are committed to protecting the health and safety of employees and contractors working in our factories, people who come in contact with our operations and the health and sustainability of the environment in which we operate.

We believe that ensuring the health and safety of our employees is critical to the successful conduct of our business and operations. We are therefore committed to complying with applicable health, safety and environmental regulations and other requirements in our operations. Our Company has subscribed to Workmen's Compensation Policy covering 170 workers at the factory.



### **Insurance:**

Our Company's operations are subject to hazards inherent in providing engineering and construction services, such as risk of equipment failure, land mine blasts and other work accidents, fire, earthquake, flood and other force major events, acts of terrorism and explosions including hazards that may cause injury and loss of life, destruction of property and equipment and environmental damage.

We obtain specialized insurance for construction risks, third party liabilities for projects, as required and specified by our clients, for the duration of the project and the defect liability period. We maintain comprehensive insurance covering our assets and operations.

We have taken following insurance policies as on March 31, 2015.

S. No.	Type of Policy	Policy No.	Particulars	Amount Insured	Period
1.	LIC Master Policy	EDLI 645641	Employees group insurance scheme	Rs. 19,22,000 <sup>1</sup>	16 <sup>th</sup> October, 2014 <sup>2</sup>
2.	IIFCO-TOKIO Industry Protector Policy	47361963	Fire and allied perils	Rs. 23,02,00,000	1 <sup>st</sup> April, 2015 till 31 <sup>st</sup> March, 2016
			Burglary	Rs. 97,00,000	
			Money	Rs. 60,00,000	
			Personal accident individual	Rs. 60,00,000	
3.	IIFCO – TOKIO Workmen's Compensation Policy	43096282	45 Workers Including up to 8000	Rs. 43,20,000	1 <sup>st</sup> April, 2015 till 31 <sup>st</sup> March, 2016
			Outdoor duty above 8000	Rs. 26,80,000	
4.	IIFCO – TOKIO Workmen's Compensation Policy	43096285	5 employees of daily wages	Rs. 4,80,000	1 <sup>st</sup> April, 2015 till on 31 <sup>st</sup> March, 2016
			8 clerical staff upto 8000	Rs. 5,76,000	
			Clerical staff above 8000	Rs. 2,04,000	
			6 clerical staff upto 8000	Rs. 6,72,000	
			Clerical staff above 800	Rs. 53,28,000	
			140 other workers upto 8000	Rs. 13,44,000	
			Other workers above 8000	Rs. 61,73,000	
5.	IIFCO – TOKIO Standard Fire and Special Perils Policy	11783833	Windmill situated at Location No. K-28, Survey No. 386/22, Village Kotda Pitha, Taluka Babra, District – Amreli	Rs. 1,32,00,000	1 <sup>st</sup> April, 2015 till 31 <sup>st</sup> March, 2016
6.	TATA AIG General Insurance Company Ltd.	010092380701	Vehicle Policy	Rs. 18,68,400	30 <sup>th</sup> June, 2015 till 29 <sup>th</sup> January, 2016

1. As on policy dated 1st September, 2001

2. We have paid the premium amount on 16<sup>th</sup> October, 2014 for the year of 2014 – 2015. However, we are yet to receive the updated policy document.

### **Awards and recognition**

Our manufacturing facility at SHAPAR Rajkot, Gujarat is BS OHSAS 18001:2007, ISO 14001: 2004, ISO 9001:2008 and ISO/TS 16949 certified, besides being recognised by URS Certification for meeting their quality assurance requirements. Further, we have, in the past been awarded for our operations including a special award by identifying us as “Direct Online Supplier” for cold headed components-Rollers by National Engineering Industries Limited, Jaipur (NBC Bearings Limited), a CK Birla Group Company where our products go directly for manufacturing of bearings without checking quality and specification.

## **KEY INDUSTRIAL REGULATIONS AND POLICIES**

*The regulations and policies set out below are not exhaustive and are only intended to provide general information to the investors and are neither designed nor intended to be a substitute for professional advice. The following description is a summary of the relevant regulations and policies as prescribed by the Government of India that are applicable to our Company. The statements below are based on the provisions of Indian law in force, and the judicial and administrative interpretations thereof, which are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions.*

### **Labour Legislation**

#### **The Factories Act, 1948**

The Factories Act, 1948 is a social legislation which has been enacted to regulate the occupational safety, health and welfare of workers at work places. This legislation is being enforced by the Government through officers appointed under the Act i.e. Inspectors of Factories, Deputy Chief Inspectors of Factories who work under the control of the Chief Inspector of Factories and overall control of the Labour Commissioner. The ambit of operation of this Act includes the approval of Factory Building Plans before construction/extension, investigation of complaints with regard to health, safety, welfare and working conditions of the workers employed in a factory, the maintenance of registers and the submission of yearly and half-yearly returns.

#### **Payment of Wages Act, 1936 ("Wages Act")**

Wages Act applies to the persons employed in the factories and to persons employed in industrial or other establishments where the monthly wages payable to such persons is less than Rs. 10,000/-. The Act confers on the person(s) responsible for payment of wages certain obligations with respect to the maintenance of registers and the display in such factory/establishment, of the abstracts of this Act and Rules made there under.

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

The provisions of the Payment of Bonus Act, 1965 ("the **PB Act**") ensure that a minimum annual bonus is payable to every employee regardless of whether the employer has made a profit or a loss in the accounting year in which the bonus is payable. The PB Act is applicable to all the establishments employing 20 or more employees. It provides for payments of annual bonus subject to a minimum of 8.33% of wages and maximum of 20% of wages to employees drawing Rs. 3500/- per month or less. An employee getting a salary or wage exceeding Rs. 10,000 per month is not entitled to get bonus under this act.

#### **The Workmen Compensation Act, 1923**

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

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

The Act is applicable to factories employing 20 or more employees and may also apply to such establishments and industrial undertakings as notified by the Government from time to time. All the establishments under the Act are required to be registered with the Provident Fund Commissioners of the State. Also, in accordance with the provisions of the Act the employers are required to contribute to the Employees' Provident Fund the prescribed percentage of the basic wages, dearness allowances and remaining allowance (if any) payable to the employees. The employee shall also be required to make the equal contribution to the fund. As per the provision of the Act, employers are to contribute 12% of the basic wages, dearness allowances and remaining allowances (if any) payable for the time being to the employees.

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

Under the Gratuity Act, an employee who has been in continuous service for a period of five years will be eligible for gratuity upon his retirement or resignation, superannuation or death or disablement due to accident or disease.

### **The Industrial Disputes Act, 1947**

The Industrial Disputes Act, 1947 makes provisions for investigation and settlement of industrial disputes and for providing certain safeguards to the workers.

### **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.

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

The legislation applies to every establishment in which twenty or more workmen are employed or were employed in the past twelve months as contract labour and to every contractor employing or having employed in the past twelve months twenty or more workmen. With the aim of regulating the employment of contract labour in certain establishments and to abolish it in certain circumstances the Government has appointed an authority to ensure adherence to the provision of this Act.

### **Tax Related Legislations**

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

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

#### **Central Sales Tax Act, 1956 (CST)**

The main object of this act is to formulate principles for determining (a) when a sale or purchase takes place in the course of trade or commerce (b) When a sale or purchase takes place outside a State (c) When a sale or purchase takes place in the course of imports into or export from India, to provide for levy, collection and distribution of taxes on sales of goods in the course of trade or commerce, to declare certain goods to be of special importance trade or commerce and specify the restrictions and conditions to which State laws imposing taxes on sale or purchase of such goods of special importance (called as declared goods) shall be subject. CST Act imposes the tax on interstate sales and states the principles and restrictions as per the powers conferred by Constitution.

#### **Value Added Tax ("VAT")**

VAT is a system of multi-point levy on each of the purchases in the supply chain with the facility of set-off input tax on sales whereby tax is paid at the stage of purchase of goods by a trader and on purchase of raw materials by a manufacturer. VAT is based on the value addition of goods, and the related VAT liability of the dealer is calculated by deducting input tax credit for tax collected on the sales during a particular period. VAT is a consumption tax applicable to all commercial activities involving the production and distribution of goods and the provisions of services, and each state that has introduced VAT has its own VAT Act, under which, persons liable to pay VAT must register and obtain a registration number from Sales Tax Officer of the respective State.

#### **Customs Act, 1962 ("the Customs Act")**

The provisions of the Customs Act and rules made there under are applicable at the time of import of goods i.e. bringing

into India from a place outside India or at the time of export of goods i.e. taken out of India to a place outside India. Any company that wishes to import or export any goods is first required to get itself registered and obtain an IEC (Importer Exporter Code).

### **Service Tax**

Service tax is charged on taxable services in Chapter V of Finance Act, 1994, which required a service provider of taxable services to collect service tax from a service recipient and pay such tax to the Government. In accordance with Rule 6 of Service Tax Rules the assessee is required to pay Service Tax in TR 6 challan by fifth of the month immediately following the month to which it relates. Further under Rule 7 (1) of Service Tax Rules, the company is required to file half yearly return in Form ST 3 by twenty fifth of the month immediately following the half year to which the return relates.

### **The Central Excise Act, 1944**

The Central Excise Act, 1944 (“Central Excise Act”) consolidated and amends the law relating to Central Duties of Excise on goods manufactured or produced in India. Excisable goods under the Act means goods specified in the Schedule to the Central Excise Tariff Act, 1985 as being subject to duty of excise. Factory means any premises, including the precincts thereof, wherein or in any part of which excisable goods are manufactured, or wherein or in any part of which any manufacturing process connected with the production of these goods being carried on or is ordinarily carried out. Under the Act a duty of excise is levied on all excisable goods, which are produced or manufactured in India as and at the rates set forth in the First Schedule to the Central Excise Tariff Act, 1985.

### **Environmental Laws**

#### **Environment (Protection) Act, 1986**

The Environment (Protection) Act, 1986 was enacted as a general legislation to safeguard the environment from all sources of pollution by enabling coordination of the activities of the various regulatory agencies concerned, to enable creation of an authority with powers for environmental protection, regulation of discharge of environmental pollutants etc. The purpose of the Act is to act as an “umbrella” legislation designed to provide a framework for Central government for co-ordination of the activities of various central and state authorities.

#### **Air (Prevention and Control of Pollution) Act 1981 (“Air Act”)**

The Air Act has been enacted to provide for the prevention, control and abatement of air pollution. The statute was enacted with a view to protect the environment and surroundings from any adverse effects of the pollutants that may emanate from any factory or manufacturing operation or activity. It lays down the limits with regard to emissions and pollutants that are a direct result of any operation or activity. Periodic checks on the factories are mandated in the form of Yearly approvals and consents from the corresponding Pollution Control Boards in the state.

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

The Water Act was enacted in 1974 in order to provide for the prevention and control of water pollution by factories and manufacturing industries and for maintaining or restoring the wholesomeness of water. In respect to an Industrial Undertaking it applies to the (i) Occupier (the owner and management of the undertaking) (ii) Outlet (iii) Pollution and (iv) Trade effluents. The Act requires that approvals be obtained from the corresponding Pollution Control Boards in the state.

### **Regulation of Foreign Investment in India**

Foreign investment in India is primarily governed by the provisions of the Foreign Exchange Management Act, 1999 (“FEMA”) and the rules and regulations promulgated there under. The RBI, in exercise of its powers under FEMA, has notified the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000 (“FEMA Regulations”) which prohibit, restrict and regulate, transfer or issue of securities, to a person resident outside India. Pursuant to the FEMA Regulations, no prior consent or approval is required from the RBI for foreign direct investment under the “automatic route” within the specified sectorial caps prescribed for various industrial sectors. In respect of all industries not specified under the automatic route, and in respect of investments in excess of the specified sectorial limits under the automatic route, approval for such investment may be required from the FIPB and/or the RBI. In addition to the above, the Company is required to comply with the provisions of the Companies Act, FEMA, different state legislations, various tax related legislations and other applicable statutes for its day-to-day operations.

## HISTORY AND CERTAIN CORPORATE MATTERS

### Our History

Our Company was incorporated as “**Vishal Bearings Private Limited**” on 24<sup>th</sup> July, 1991 under the Companies Act, 1956, with the Registrar of Companies, Gujarat, Dadra and Nagar Haveli, bearing Registration Number 016005. Subsequently, our Company was converted into a public limited company and the name of our Company was changed from “**Vishal Bearings Private Limited**” to “**Vishal Bearings Limited**” by a special resolution passed on 11<sup>th</sup> May, 2015. A fresh Certificate of Incorporation consequent upon conversion into public limited company was granted to our Company on 5<sup>th</sup> June, 2015, by the Registrar of Companies, Ahmedabad. For further details, please refer to the section titled “**History and Certain Corporate Matters**” on page no. 99 of this Prospectus.

For further details of our Company’s activities, services and the growth of our Company, please refer to the chapters titled “**Our Business**” and “**Management’s Discussion and Analysis of Financial Conditions and Results of Operations**” beginning on pages 83 and 173 respectively of this Prospectus.

### **Change in the Registered Office**

At the time of incorporation, our registered office was situated at C/o. Satyavijay Transport, Opposite Bhadlawala Petrol Pump, Dhebar Road, Rajkot – 360 002. Subsequently, our registered office was shifted to Survey No. 22/1, Plot No. 1, Shapar Main Road, Shapar (Veraval), Rajkot – 360002, with effect from 7<sup>th</sup> September, 1998 for administrative convenience.

### **Key Events and Milestones**

<b>Year</b>	<b>Key Events, Milestones and Achievements</b>
1991	Incorporation of our Company on 24 <sup>th</sup> July, 1991
1991	Purchase of land bearing Unit No. 1, Survey No. 22/1, Kotda Sangani Taluka, Shapar Village for setting up of our factory
2006	Expansion of factory by setting up of new plant on Unit No. 2 & 3 Shapar, Veraval taken on lease basis by the Company from Virdeep Engineering Private Limited
2010	Purchase of Land bearing Plot No. 2 and 3 by the Company from Virdeep Engineering Private Limited
2011	Ventured into wind mill by installing wind turbine generator and commissioned 0.250MW capacity.
2014 (Originally issued in the Year of 2011)	Recognised for Environmental Management System with ISO 14001:2004 for manufacturing of Bearing Rollers by United Registrar of System (“URS”) Certification.
2015 (Originally issued in the Year of 2011)	Recognized for Health and Safety Management System with OHSAS 18001:2007 by United Registrar of System (“URS”) Certification.
2015 (Originally issued in the Year of 2009)	Recognised for its quality Management System with ISO/TS 9001:2008 for manufacturing of Bearing Rollers by United Registrar of System (“URS”) Certification.
2015	Recognised for its quality Management System with ISO/TS 16949:2009 for manufacturing of Bearing Rollers by United Registrar of System (“URS”) Certification.
2015	Identified as direct online supplier by NBC Bearings Limited
5 <sup>th</sup> June, 2015	Conversion into Public Limited Company

For details on technology competence, market competence and capacity built up, please refer to section titled “**Our Business**” and “**Industry Overview**” on page no. 83 and 76 respectively.

### Main Objects of our Company

The main objects of our Company as stated in our MOA, is set forth below

1. To carry on the business of manufacturers, buyers, sellers, importers, exporters and dealers in all kinds of automobile and engineering bearing parts such as cons, balls, rollers and needles.
2. To carry on the business of manufacturers, buyers, sellers, importers, exporters and dealers in bearings of all types such as Tapper, Ball, Roller and Needle types bearings for automobile and engineering industries.

### **Amendments to our Memorandum of Association**

Since Incorporation, the following changes have been incorporated in Memorandum of Association of our Company, after approval of the members:

<b>Sr. No.</b>	<b>Particulars of changes in the Memorandum of Association of the Company</b>	<b>Date of Shareholder's meeting</b>	<b>AGM/ EGM</b>
1.	Increase in authorized Share Capital from Rs. 15,00,000/- divided into 15,000 Equity Shares of Rs. 100/- each to Rs. 25,00,000/- divided into 25,000 Equity Shares of Rs. 100/- each.	15.10.1991	EGM
2.	25,000 equity shares of Rs.100/- each sub-divided into 2,50,000 equity shares of Rs. 10 each	11.05.2015	EGM
3.	Increase in authorized Share Capital from Rs. 25,00,000/- divided into 2,50,000 Equity Shares of Rs. 10/- each to Rs. 50,00,000/- divided into 50,00,000 Equity Shares of Rs. 10/- each.	11.05.2015	EGM
4.	Conversion of Company from Private Limited to Public Limited and consequent change in name from Vishal Bearings Private Limited to Vishal Bearings Limited	11.05.2015	EGM
5.	Amendment to Clause IIIB, IIIC and Clause IV of the Memorandum of Association	11.05.2015	EGM

### **Acquisition of Business/ Undertakings**

Our Company has not acquired any business or undertakings in the past.

### **Details of Merger/Amalgamation**

There has been no merger/ amalgamation pertaining to our Company

### **Funds raising through equity or debt:**

For details in relation to our funds raising activities through equity and debt, please refer to the chapters titled “*Capital Structure*” and “*Statement of Financial Indebtedness*” beginning on pages no. 42 and 169 respectively, of this Prospectus.

### **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.

### **Strikes or Labour Unrest in the Company**

There have been no strikes or labour unrest since incorporation of our Company.

### **Changes in the activities of the Company during the last five years**

There has been no change in the activities of our Company during the last five years.

### **Number of Shareholders/ Members**

As on the date of this Prospectus, the total number of holders of our Equity Shares is 24.

### **Revaluation of assets:**

Our Company has not revalued its assets since its incorporation.



**Managerial competence**

For details on managerial competence, please refer to the section titled "*Our Management*" on page 102 of this Prospectus.

**Defaults or rescheduling of borrowing**

The Company has not defaulted or rescheduled its borrowing.

**Injunctions or restraining orders**

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

**Strategic Partners and Financial Partners**

We do not have any strategic partners or financial partners.

**Subsidiaries**

We do not have any subsidiaries, as on the date of filing of this Prospectus.

**Shareholder's Agreements**

There are no shareholder's Agreements, as on date of filing of this Prospectus.

**Material Agreements**

There are no material agreements, apart from those entered into in the ordinary course of business carried on or intended to be carried on by us and there are no material agreements entered into more than two years before the date of this Prospectus.

**Non-Compete Agreement**

Our Company has not entered into any Non - Compete Agreement as on the date of filing of this Prospectus.

## OUR MANAGEMENT

### Board of Directors

Under our Articles of Association we are required to have not less than 3 directors and not more than 15 directors. We currently have 6 directors on our Board out of which 3 are Independent Directors. We confirm that the composition of our Board of Directors complies with Clause 52 of the SME Listing Agreement of BSE.

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

Sr. No.	Name, Designation, Father's Name, Occupation, Term, Nationality, Age and DIN No.	Date of Appointment as Director	No. of Equity Shares held & % of Share Holding (Pre Issue)	Other Directorships
1	<b>Name:</b> Mr. Dilipkumar Changela <b>S/o:-</b> Mr. Gordhandas Changela <b>Age:</b> 52 years <b>Designation:</b> Chairman & Managing Director <b>Address:</b> 5-Parnakutir Society, Nana Mava Main Road, Rajkot-360004, Gujarat. <b>Experience:</b> More than 20 years <b>Occupation:</b> Business <b>Qualification:</b> Intermediate <b>Term:</b> 3 years <b>DIN:</b> 00247302 <b>Nationality:</b> Indian	Appointed as Director since Incorporation i.e. 24 <sup>th</sup> July, 1991  Subsequently Appointed as Managing Director vide EGM Resolution dated 11 <sup>th</sup> May, 2015.	5,18,000 Shares (14.80%)	None
2	<b>Name:</b> Mr. Hiralal Changela <b>S/o:-</b> Mr. Gordhandas Changela <b>Age:</b> 65 years <b>Designation:</b> Whole time Director <b>Address:</b> Sahajanand Block No.45-A, 5-Parnakutir Society, Nana Mava Main Road, Rajkot-360004, Gujarat. <b>Experience:</b> More than 20 years <b>Occupation:</b> Business <b>Qualification:</b> Bachelor of Commerce (B.Com) <b>Term:</b> 3 years subject to liable to retire by rotation <b>DIN:</b> 00247292 <b>Nationality:</b> Indian	Appointed as Director since Incorporation i.e. 24 <sup>th</sup> July, 1991.  Subsequently Appointed as Whole Time Director vide EGM Resolution dated 11 <sup>th</sup> May, 2015.	5,18,000 Shares (14.80%)	Vijay Fasteners Private Limited
3	<b>Name:</b> Mr. Vrajilal Changela <b>S/o:-</b> Mr. Gordhandas Changela <b>Age:</b> 62 years <b>Designation:</b> Whole time Director <b>Address:</b> Sahajanand Block No.45-A, 5-Purnakutir Society, Nana Mava Main Road, Rajkot-360004, Gujarat. <b>Experience:</b> More than 20 years <b>Occupation:</b> Business <b>Qualification:</b> Bachelor of Arts (B.A.) <b>Term:</b> 3 years subject to liable to retire by rotation <b>DIN:</b> 00247295 <b>Nationality:</b> Indian	Appointed as Director on 16 <sup>th</sup> October, 1991.  Subsequently Appointed as Whole Time Director vide EGM Resolution dated 11 <sup>th</sup> May, 2015.	5,18,000 Shares (14.80%)	Virdeep Engineering Private Limited
4	<b>Name:</b> Mr. Rakesh Savani <b>S/o-</b> Mr. Kanjibhai Savani <b>Age:</b> 30 Years <b>Designation:</b> Non-Executive	Appointed as Independent Director vide EGM Resolution dated 28 <sup>th</sup> May, 2015.	Nil	Nil

Sr. No.	Name, Designation, Father's Name, Occupation, Term, Nationality, Age and DIN No.	Date of Appointment as Director	No. of Equity Shares held & % of Share Holding (Pre Issue)	Other Directorships
	Independent Director <u>Address:</u> Hari Krupa Street No.3, Raval Nagar 150ft Ring Road, Rajkot-360007, Gujarat. <u>Experience:</u> 5 Years <u>Occupation:</u> Professional (Chartered Accountant) <u>Qualification:</u> B.Com, Chartered Accountant from ICAI <u>Term:</u> 5 Years <u>DIN:</u> 07191075 <u>Nationality:</u> Indian			
5	<u>Name:</u> Mr. Nitesh Kumar Patel <u>S/o:-</u> Mr. Jamnadas Patel <u>Age:</u> 43 Years <u>Designation:</u> Non Executive Independent Director <u>Address:</u> Block No.78, Vrindavan Madhuvan Park, Sadhu Vasvani Road, Rajkot-360007, Gujarat. <u>Experience:</u> 15 Years <u>Occupation:</u> Business <u>Qualification:</u> Bachelor of Science (B.Sc.) <u>Term:</u> 5 Years <u>DIN:</u> 01854443 <u>Nationality:</u> Indian	Appointed as Independent Director vide EGM Resolution dated 28 <sup>th</sup> May, 2015.	Nil	Right-Fit Fasteners Private Limited
6	<u>Name:</u> Ms. Urja Ghetiya <u>D/o:</u> Mr. Bhupendra Ghetiya <u>Age:</u> 23 Years <u>Designation:</u> Non Executive Independent Director <u>Address:</u> 522, Prayagraj, Shaktinagar Main Road, Rajkot-360004, Gujarat <u>Experience:</u> 3 Years <u>Occupation:</u> Professional (Chartered Accountant) <u>Qualification:</u> B.Com, Chartered Accountant from ICAI <u>Term:</u> 5 Years <u>DIN:</u> 07191068 <u>Nationality:</u> Indian	Appointed as Independent Director vide EGM Resolution dated 28 <sup>th</sup> May, 2015.	Nil	Nil

#### Brief Biographies of our Directors

##### Mr. Dilipkumar Changela, Chairman & Managing Director, Age 52 Years

Mr. Dilipkumar Changela, aged 52 years, residing 5- Parnakutir Society, Nana Mava Main Road, Rajkot- 360004, Gujarat is the Chairman & Managing Director of our Company with more than 20 years of experience in the bearing Roller industry. He is an intermediate passed. He is responsible for the development and implementation of Company's growth strategy and expansion in India and overseas. His leadership abilities have been instrumental in growth and development of our Company.

##### Mr. Hiralal Changela, Whole- time Director, Age 65 Years

Mr. Hiralal Changela, aged 65 years, residing at Sahajanand Block No.45-A, 5-Parnakutir Society, Nana Mava Main Road, Rajkot- 360004, Gujarat is the founder Promoter of our Company and a Whole Time Director of our Company and with more than 20 years of experience in the Roller bearing industry. He completed his Bachelor of Commerce (B.Com) from

Saurashtra University in the year 1974. He is providing his learned guidance and mentoring the senior management of our Company to execute and implement future growth strategy.

**Mr. Vrajlal Changela, Whole- time Director, Age 62 Years**

Mr. Vrajlal Changela, aged 62 years, residing at Sahajanand Block No.45A, 5-Parnukutir Society, Nana Mava Main Road, Rajkot- 360004, Gujarat is the Whole Time Director of our Company with more than 20 years of experience in roller bearing industry. He completed his Bachelor of Arts (B.A.) from Saurashtra University in year 1980. He is responsible for looking after the business administration and is instrumental for growth of our Company.

**Mr. Rakesh Savani, Non Executive Independent Director, Age 30 Years**

Mr. Rakesh Savani, aged 30 years, residing at Hari Krupa Street No.3, Raval Nagar, 150ft Ring Road, Rajkot-360007, Gujarat is the Non-Executive Independent Director of our Company with overall 5 years of experience in the field of accounting, audit and taxation. He has completed his course of Chartered Accountancy in the year, 2010.

**Mr. Nitesh kumar Patel, Non Executive Independent Director, Age 43 Years**

Mr. Nitesh kumar Patel, aged 43 years, residing at 78, Madhuvan Park, Street No. 2, Sadhu Vasvani Road, Rajkot – 360007, Gujarat is the Non-Executive Independent Director of our Company. He is having experience of 15 years in the field of business. He holds a degree of Bachelor of Science (B.Sc.) with special subject Chemistry from Gujarat University in year 1993.

**Ms. Urja Ghetiva, Non Executive Independent Director, Age 23 Years**

Ms. Urja Ghetiya, aged 23 years, residing at 522, Prayagraj, Shaktinagar Main Road, Rajkot – 360004, Gujarat, is the Non-Executive Independent Director of our Company with 3 years of experience in the field of accounting as an article trainee. She has completed her Bachelors in Commerce (B.Com) from Saurashtra University in the year 2011. She also holds a Master degree in Commerce from Saurashtra University and is a Chartered Accountant.

**Note:**

- All of our directors are Indian nationals Mr. Dilipkumar Changela, Mr. Hiralal Changela and Mr. Vrajlal Changela are related as siblings.
- Save and except the above, none of our directors is related to each other.
- None of the above mentioned Directors is on the RBI List of willful defaulters as on the date of this Prospectus.
- None of our directors is or has been a director in any of the listed companies which have been/ were delisted from the stock exchange(s).
- None of our Promoters, Promoter Group or Directors or persons in control of the issuer are debarred from accessing the capital market by the SEBI.
- None of our Promoters, 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 the SEBI.
- There is no arrangement or understanding with major shareholders, customers, suppliers or others, pursuant to which any of the above mentioned Directors was selected as director or member of senior management.
- Except for the terms set forth in the Service Agreement dated 29<sup>th</sup> May, 2015, there is no service contract entered into by the Directors with the Company providing for benefits upon termination of employment.

**Details of Borrowing Powers of Our Directors**

Our Articles, subject to the provisions of Section 180 of the Companies Act, 2013 authorizes our Board, to raise or borrow or secure the payment of any sum or sums of money for the purposes of the Company. The shareholders of the Company, through a resolution passed at the EGM dated 10<sup>th</sup> September, 2014, authorised our Board to borrow monies together with monies already borrowed by us, in excess of the aggregate of the paid up capital of the Company and its free reserves, not exceeding Rs. 5,000.00 Lacs at any time.

**Compensation to Managing Director and Whole-time Director**

The compensation payable to our Managing Director and Whole-time Directors will be governed as per the terms of their appointment and shall be subject to the provisions of Sections 2 (54), 2(94), 188, 196, 197, 198 and 203 and any other applicable provisions of the Companies Act, 2013 read with Schedule V to the Companies Act, 2013 and the rules made

thereunder (including any statutory modification(s) or re-enactment thereof or any of the provisions of the Companies Act, 1956, for the time being in force).

The following compensation has been approved for Managing Director and Whole Time Directors:

Particulars	Mr. Dilipkumar Changela	Mr. Hiralal Changela	Mr. Vrajlal Changela
	Chairman & Managing Director	Whole- time Director	Whole- time Director
Consolidated Salary and Performance Bonus	Rs.15.00 Lacs p.a.	Rs.15.00 Lacs p.a.	Rs.15.00 Lacs p.a.
Perquisites and Facilities	Encashment of leave at the end of tenure.		
	Provision of car for use on Company's business.		
	Free landline telephone facility at residence along with free mobile telephone facility.		
	Also be entitled to reimbursement of entertainment expenses actually and properly incurred in the course of business of the Company.		
Amount of compensation paid during the financial year ended 2015	Rs.12.00 Lacs p.a.	Rs.12.00 Lacs p.a.	Rs.12.00 Lacs p.a.
Benefits in kind granted during the financial year ended 2015	Nil	Nil	Nil
Contingent or deferred compensation accrued for financial year ended 2015	Nil	Nil	Nil

No portion of the compensation as mentioned above for Managing Director and Whole time Directors was paid pursuant to a bonus or profit sharing plan.

#### **Payment or benefit to Non-Executive Directors of our Company**

Apart from the remuneration of our Executive Directors as stipulated under the heading ***"Compensation to Managing Director and Whole Time Director"*** above, our Non-Executive Directors are entitled to be paid a sitting fee up to the limits prescribed by the Companies Act and the rules made there under 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.

#### **Corporate Governance**

We have complied with the SEBI (ICDR) Regulations with respect to corporate governance especially constituting committees such as Audit Committee, Stakeholder/ Investor Relationship Committee, and Nomination and Remuneration Committee. Further, the provisions of the Listing Agreement to be entered into with the Stock Exchange with respect to corporate governance will be applicable to us immediately upon the listing of our Equity Shares on the Stock Exchange. We have complied with such provisions, including with respect to the appointment of Independent Directors to our Board and the constitution of the Stakeholder Investor Grievances Committee. We have also adopted the Corporate Governance Code in accordance with Clause 52 of the SME Listing Agreement to be entered into with the Stock Exchange prior to listing. Our Company undertakes to take all necessary steps to comply with all the requirements of Clause 52 of the SME Listing Agreement to be entered into with the Stock Exchange.

Currently our board has six Directors, of which the Chairman of the Board is an Executive Director, and in compliance with the requirements of Clause 52 of the SME Listing Agreement, we have 3 executive Directors, 3 Independent Directors on our Board. Accordingly not less than 50% of the Board of Directors comprises of Non-Executive as well as Independent Directors.

## **Committees of the Board in accordance with the Listing Agreement**

### **1. Audit Committee**

To comply with the provisions of Companies Act, 2013 and the related rules and Clause 52 of the Listing Agreement, Audit Committee was constituted by our Directors at their Board Meeting held on 30<sup>th</sup> May, 2015. In terms of Clause 52 of the Listing Agreement, the Audit Committee shall meet at least four times a year with maximum interval of four months between two of its meetings. The scope and functions of the Audit Committee are in accordance with section 177 of the Companies Act, 2013 and Clause 52 of the Listing Agreement. The Audit Committee consists of

<b>Name of Director</b>	<b>Status in Committee</b>	<b>Nature of Directorship</b>
Mr. Rakesh Savani	Chairman	Non-Executive Independent Director
Ms. Urja Ghetiya	Member	Non-Executive Independent Director
Mr. Vrajlal Changela	Member	Whole-Time Director

The Company Secretary of our Company shall act as a Secretary to the Audit Committee. An independent director shall always be the Chairman of the Audit Committee. The Chairman of the Audit Committee shall attend the Annual General Meeting of our Company to furnish clarifications to the shareholders in any matter relating to accounts. The terms of reference of Audit Committee complies with requirements of both clause 52 of SME Listing Agreement and section 177 of The Companies Act, 2013. The scope and function of the Audit Committee and its terms of reference shall include the following:

- A. Tenure:** The Audit Committee shall continue to be in function as a committee of the Board until otherwise resolved by the Board, to carry out the functions of the Audit Committee as approved by the Board.
- B. Meetings of the Committee:** The committee shall meet at least four times in a year and not more than 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 days' notice in advance.
- C. Role and Powers:** The Role of Audit Committee together with its powers shall be as under:
- Oversight of the Issuer's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
  - Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
  - Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
  - Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to:
    - Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013;
    - Changes, if any, in accounting policies and practices and reasons for the same;
    - Major accounting entries involving estimates based on the exercise of judgment by management;
    - Significant adjustments made in the financial statements arising out of audit findings;
    - Compliance with listing and other legal requirements relating to financial statements;
    - Disclosure of any related party transactions;
    - Qualifications in this Draft audit report.
  - Reviewing, with the management, the half yearly financial statements before submission to the board for approval.
  - Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
  - Review and monitor the auditor's independence and performance, and effectiveness of audit process;
  - Approval or any subsequent modification of transactions of the company with related parties;
  - Scrutiny of inter-corporate loans and investments;
  - Valuation of undertakings or assets of the company, wherever it is necessary;
  - Evaluation of internal financial controls and risk management systems;
  - Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.



13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit
14. Discussion with internal auditors any significant findings and follow up there on.
15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post audit discussion to ascertain any area of concern.
17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
18. To review the functioning of the Whistle Blower mechanism,
19. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate.
20. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.  
 Explanation (i): The term "related party transactions" shall have the same meaning as contained in the Accounting Standard 18, Related Party Transactions, issued by The Institute of Chartered Accountants of India.  
 Explanation (ii): If the Issuer has set up an audit committee pursuant to provision of the Companies Act, the said audit committee shall have such additional functions / features as is contained in this clause.

**The Audit Committee enjoys following powers:**

- 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.
- e. The audit committee may invite such of the executives, as it considers appropriate (and particularly the head of the finance function) to be present at the meetings of the committee, but on occasions it may also meet without the presence of any executives of the Issuer. The finance director, head of internal audit and a representative of the statutory auditor may be present as invitees for the meetings of the audit committee.

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

- a. Management discussion and analysis of financial condition and results of operations;
- b. Statement of significant related party transactions (as defined by the audit committee), submitted by management;
- c. Management letters / letters of internal control weaknesses issued by the statutory auditors;
- d. Internal audit reports relating to internal control weaknesses; and
- e. The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee.

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

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

**Meeting of Audit Committee**

The audit committee shall meet at least four times in a year and not more than four months shall elapse between two meetings. The quorum shall be either two members or one third of the members of the audit committee whichever is greater, but there shall be a minimum of two independent members present.

## 2. Stakeholder / Investor Relationship Committee:

The Stakeholder/ Investor Relationship Committee of our Board was constituted by our Board of Directors pursuant to section 178(5) of the Companies Act, 2013 by a resolution passed at the Board Meeting dated 30<sup>th</sup> May, 2015. The Stakeholder Relationship Committee comprises of:

Name of the Director	Status in Committee	Nature of Directorship
Ms. Urja Ghetiya	Chairman	Non-Executive Independent Director
Mr. Rakesh Savani	Member	Non-Executive Independent Director
Mr. Dilipkumar Changela	Member	Chairman & Managing Director

The Company Secretary of our Company shall act as a Secretary to the Shareholders'/ Investors' Relationship Committee.

The scope and function of the Stakeholders'/ Investors 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. Quorum and Meetings:** The Stakeholder/ Investor Relationship Committee shall meet at least four times a year with maximum interval of four months between two meetings and shall report to the Board on a quarterly basis regarding the status of redressal of complaints received from the shareholders of the Company. The quorum shall be two members present
- C. Terms of Reference:** Redressal of stakeholders' and investors' complaints, including and in respect of:
  1. Allotment and listing of our shares in future
  2. Redressing of shareholders and investor complaints such as non-receipt of declared dividend, annual report, transfer of Equity Shares and issue of duplicate/split/consolidated share certificates;
  3. Monitoring transfers, transmissions, dematerialization, re-materialization, splitting and consolidation of Equity Shares and other securities issued by our Company, including review of cases for refusal of transfer/ transmission of shares and debentures;
  4. Reference to statutory and regulatory authorities regarding investor grievances;
  5. To otherwise ensure proper and timely attendance and redressal of investor queries and grievances;
  6. And to do all such acts, things or deeds as may be necessary or incidental to the exercise of the above powers.

## 3. Nomination and Remuneration Committee:-

To comply with the provisions of Section 178 of the Companies Act, 2013 and the related rules, the Nomination and Remuneration/Compensation Committee was constituted by our Board of Directors by a resolution passed at the Board meeting on 30th May, 2015.

Name of the Director	Status in Committee	Nature of Directorship
Mr. Rakesh Savani	Chairman	Non-Executive Independent Director
Ms. Urja Ghetiya	Member	Non-Executive Independent Director
Mr. Niteshkumar Patel	Member	Non-Executive Independent Director

The Company Secretary of our Company shall act as a Secretary to the 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 Remuneration Committee shall be called by at least seven days' notice in advance.
- C. Terms of Reference:**
  1. Identify persons who are qualified to become Directors and Key Managerial Personnel and may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and

- shall carry out evaluations of every director's performance.
2. Formulate the criteria for determining the qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for directors, Key Managerial Personnel and other employees.
  3. Devising a policy on Board Diversity.
  4. Decide the salary, allowances, perquisites, bonuses, notice period, severance fees and increment of Executive Directors.
  5. Define and implement the Performance Linked Incentive Scheme (including ESOP of the Company) and evaluate the performance and determine the amount of incentive of the Executive Directors for that purpose.
  6. Decide the amount of Commission payable to the Whole time Directors.
  7. Review and suggest revision of the total remuneration package of the Executive Directors keeping in view the performance of the Company, standards prevailing in the industry, statutory guidelines etc.
  8. To formulate and administer the Employee Stock Option Scheme.
  9. To retain, motivate and promote talent and to ensure the long term sustainability of talented managerial personnel.
  10. To develop a succession plan for the Board and to regularly view the plan.
  11. To implement and monitor policies and processes regarding principles of corporate governance.
  12. To carry out any other function as is mandated by the Board from time to time and/or enforced by any statutory notification, amendment or modification, as may be applicable.

Ms. Dimpi Sampat, Company Secretary and Compliance Officer will be responsible for setting forth policies, procedures, monitoring and adherence to the rules for the preservation of price sensitive information and the implementation of the Code of Conduct under the overall supervision of the Board.

#### **Policy on disclosure and internal procedure for prevention of Insider Trading**

Our Company undertakes to comply with the provisions of SEBI (Prohibition of Insider Trading) Regulations, 2015 after listing of our Company's shares on the stock exchange

#### **Shareholding of our Directors in the Company**

Our Articles of Association do not require our Directors to hold any qualification shares. Except as provided hereunder, no other Director holds any shares in the share capital of our Company.

Sr. No.	Name of the Shareholder	No. of Equity Shares	Pre-Issue Percentage Shareholding (%)	Post-Issue percentage Shareholding (%)
1	Mr. Dilipkumar Changela	5,18,000	14.80	10.80
2	Mr. Hiralal Changela	5,18,000	14.80	10.80
3	Mr. Vrajilal Changela	5,18,000	14.80	10.80
	<b>Total</b>	<b>15,54,000</b>	<b>44.40</b>	<b>32.40</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.

Except as stated under the paragraph titled ***“Related Party Transaction”*** in ***Annexure X*** under the Section titled ***“Financial Information of the Company”*** beginning on page no. 125 of this Prospectus, and to the extent of shareholding in our Company, if any, our Directors do not have any other interest in our business. Further, please refer to the paragraph titled ***“Full Particulars of the nature and extent of the Interest, if any, of our Promoters”*** and ***“Common Pursuits”*** under Section titled ***“Our Promoter and Promoter Group Companies / Entities”*** on page 122 and 115 of this Prospectus for details of interest of our Promoter Director.

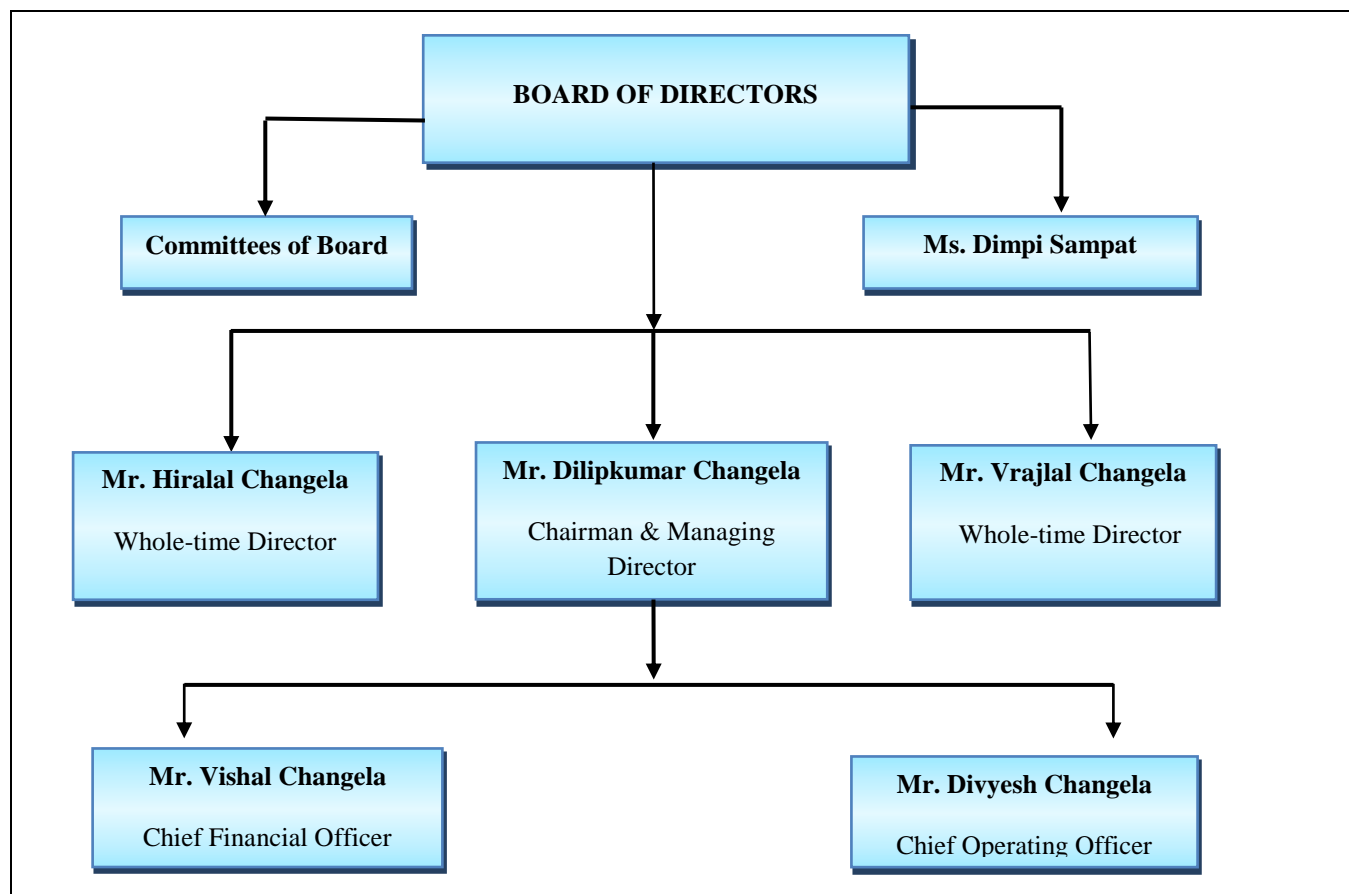
### Interest of Directors in the Property

Except as stated in the section Property in the Chapter **“Our Business”** on page 83, our Directors have no interest in any property acquired by our Company two years prior to the date of this Prospectus and our Company has not entered into any contracts or arrangements during the preceding the two years in which the Directors are interested directly or indirectly or no payments have been made to them in respect of these contracts or arrangements. For details, please refer to the section Property in the Chapter **“Our Business”** on page 83 of this Prospectus.

### Changes in Our Board of Directors during the last three years

Name	Date for Appointment/ Reappointment/ Nature of Change	Date of Change/ Cessation	Reason
Mr. Dilipkumar Changela	Appointed as Managing Director on 11 <sup>th</sup> May, 2015	-	Change in designation
Mr. Hiralal Changela	Appointed as Whole- time Director on 11 <sup>th</sup> May, 2015	-	Change in designation
Mr. Vrajlal Changela	Appointed as Whole- time Director on 11 <sup>th</sup> May, 2015	-	Change in designation
Mr. Niteshkumar Patel	Appointed as Non-Executive Independent Director 28th May, 2015	-	Appointment
Mr. Rakesh Savani	Appointed as Non-Executive Independent Director 28th May, 2015	-	Appointment
Ms.Urja Ghetiya	Appointed as Non-Executive Independent Director 28th May, 2015	-	Appointment
Mr. Girishkumar Changela	16th October, 1991	2 <sup>nd</sup> May, 2015	Resignation

### ORGANISATION STRUCTURE



### **Our Key Managerial Personnel**

Our Company is supported by a professionals having good exposure to various operational aspects of our line of business. A brief about the Key Managerial Personnel of our Company is given below:

<b>Name, Designation &amp; Educational Qualification</b>	<b>Age (Years)</b>	<b>Date of joining</b>	<b>Compensation paid for the F.Y ended 2015 (Rs in Lacs)</b>	<b>Over all experience (in years)</b>	<b>Previous employment</b>
<b>Name:</b> Mr.Vishal Changela <b>Designation:</b> Chief Financial Officer <b>Qualification:</b> MBA, Post Graduate Diploma in Planning and Management	29 years	10 <sup>th</sup> June, 2010	6.50 Lacs	5 years	Nil
<b>Name:</b> Mr.Divyesh Changela <b>Designation:</b> Chief Operating Officer <b>Qualification:</b> Diploma in Mechanical Engineering	39 years	1 <sup>st</sup> April, 1999	6.50 Lacs	16 years	Nil
<b>Name:</b> Ms. Dimpi Sampat <b>Designation:</b> Company Secretary & Compliance Officer. <b>Qualification:</b> B.Com, Company Secretary	24 years	4 <sup>th</sup> June, 2015	Nil (Current: 1.08 Lacs)	Nil	Nil
<b>Name:</b> Mr.Dilipkumar Changela <b>Designation:</b> Chairman & Managing Director	For Further details, please refer the section title <b><i>“Our Management”</i></b> on page no. 102 of this Prospectus				
<b>Name:</b> Mr.Hiralal Changela <b>Designation:</b> Whole-time Director	For Further details, please refer the section title <b><i>“Our Management”</i></b> on page no. 102 of this Prospectus				
<b>Name:</b> Mr.Vrajlal Changela <b>Designation:</b> Whole-time Director	For Further details, please refer the section title <b><i>“Our Management”</i></b> on page no. 102 of this Prospectus				

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

**Mr. Vishal Changela**, aged 29 years, residing at “Shree”, Parimal Society Main Road, Opposite Snk School, University Road, Rajkot 360005, Gujarat is appointed as Chief Financial Officer vide EGM resolution dated 11<sup>th</sup> May, 2015 of our Company. He has working with us since 10<sup>th</sup> June, 2010. Mr. Vishal has completed his Bachelors in Business Administration (Honours) from Sardar Patel University in the year 2010. He has also completed his Post Graduate Degree in Management from International Management Institute in the year 2010 (Brussels University). He has Post Graduate Diploma in Planning and Management from Indian Institute of Planning and Management (IIPM) and an Advance Diploma in Taxation Laws from Symbiosis International University. He is responsible for formulation of Company’s business strategy and financial planning. He was paid a gross remuneration of Rs.6.5 Lakhs in previous F.Y.

**Mr. Divyesh Changela**, aged 39 years, residing at B-702, Billipatra Apartment, Near Dholakiya School, Balaji Hall Street, 150 Ft Ring Road, Rajkot 360004, Gujarat, is appointed as Chief Operating Officer vide Board Resolution dated 2nd May, 2015 of our Company. He has working with us since 1<sup>st</sup> April, 1999. Mr. Divyesh holds a Diploma in Mechanical Engineering and has overall experience of 16 years in the bearing roller industry. He is responsible for day to day operation and look after the overall administration of the Company He was paid a gross remuneration of Rs.6.5 Lakhs in previous F.Y.

**Ms. Dimpi Sampat**, aged 24 years, residing at Dwarkesh, 10, Subhashnagar, B/H Amrapali Cinema, Rajkot-360004, Gujarat is the Company Secretary and Compliance Officer of our Company. She is a Bachelor of Commerce from H. L. Institute of Commerce Ahmedabad University and has completed her Company Secretary from the Institute of Company Secretaries of India in the year 2013. As Company Secretary and Compliance Officer of our Company, she is responsible for ensuring Compliance and secretarial work. She joined our Company on 30<sup>th</sup> May, 2015. She will be paid a gross remuneration of Rs.1.08 Lakhs p.a.

We confirm that:

- All the persons named as our Key Managerial Personnel above are the permanent employees of our Company.
- There is no understanding with major shareholders, customers, suppliers or any others pursuant to which any of the above mentioned Key Managerial Personnel have been recruited.

- In respect of all above mentioned Key Managerial Personnel there has been no contingent or deferred compensation accrued for the year ended March 2015.
- Except for the terms set forth in the Service Agreements and MoUs entered for Unsecured loans dated 1<sup>st</sup> April, 2009, the Key Managerial Personnel have not entered into any other contractual arrangements or service contracts (including retirement and termination benefits) with the Issuer.
- Our Company does not have any bonus/profit sharing plan for any of the Key Managerial Personnel.
- None of the Key Managerial Personnel in our Company hold any shares of our Company as on the date of filing of this Prospectus except as follows:-

Sr. No.	Name of Key Managerial Person	Number of shares
1.	Mr. Dilipkumar Changela	5,18,000
2.	Mr. Hiralal Changela	5,18,000
3.	Mr. Vrajlal Changela	5,18,000
4.	Mr. Vishal Changela	1,62,400
5.	Mr. Divyesh Changela	1,08,920

- Presently, we do not have ESOP/ESPS scheme for our employees.
- The turnover of KMPs is not high, compared to the Industry to which we belong.
- none of our Directors and our key managerial personnel are related to each other except as stated below and otherwise in this document:
  - Mr. Dilipkumar Changela, Mr. Hiralal Changela & Mr. Vrajlal Changela are Siblings.
  - Divyesh Changela is the son of Mr. Hiralal Changela.
  - Mr. Vishal Changela is the son of Mr. Vrajlal Changela.

#### **Changes in the Key Managerial Personnel in Last Three Years:**

There have been no changes in the Key Managerial Personnel of our Company during the last three years except as stated below:-

Sr. No.	Name	Designation	Date of Appointment / Cessation/ Promotion	Reasons
1.	Mr. Dilipkumar Changela	Managing Director	11 <sup>th</sup> May, 2015	Appointed as Managing Director
2.	Mr. Hiralal Changela	Whole-time Director	11 <sup>th</sup> May, 2015	Change in Designation
3.	Mr. Vrajlal Changela	Whole-time Director	11 <sup>th</sup> May, 2015	Change in Designation
4.	Mr. Vishal Changela	Chief Financial Officer	11 <sup>th</sup> May, 2015	Change in Designation(Promotion)
5.	Mr. Divyesh Changela	Chief Operating Officer	2 <sup>nd</sup> May, 2015	Change in Designation (Promotion)
6.	Ms. Dimpri Sampat	Company Secretary & Compliance Officer	30 <sup>th</sup> May, 2015	Appointment

**Bonus or profit sharing plan of the Key Managerial Personnel:-** There is no bonus or profit sharing plan for our Key Managerial Personnel.

#### **Interest of Key Managerial Personnel**

The Key Managerial Personnel of our Company do not have any interest in our Company other than to the extent of the remuneration or benefits to which they are entitled to as per their terms of appointment and reimbursement of expenses incurred by them during the ordinary course of business and to the extent of Equity Shares held by them in the Company, if any. Save and except as stated in the section Interest of Directors above, none of our Key Managerial Personnel has been paid any consideration of any nature from the Company, other than their remuneration.

#### **Payment of Benefit to Officers of the Company**

Our Company provides free of cost accommodation facilities at its factory to its employees working in the factory. Presently, several members of the staff have availed of such accommodation facilities. Save and except for the payment of salaries, yearly bonus and accommodation arrangements we do not provide any other benefits to our employees.

**Employees:** The total numbers of permanent employees as of 31<sup>st</sup> May, 2015 in the Company are 170.



### OUR PROMOTERS


**Mr. Dilipkumar Changela**

Mr. Dilipkumar Changela, aged 52 years, residing 5- Parnakutir Society, Nana Mava Main Road, Rajkot- 360004, Gujarat is the Chairman & Managing Director of our Company with more than 20 years of experience in the Bearing roller industry. He is an intermediate passed. He is responsible for the development and implementation of Company's growth strategy and expansion in India and overseas. His leadership abilities have been instrumental in growth and development of our Company. For further details, please refer to the chapter "***Our Management***" on page no. 102 of this Prospectus.

Identification	Details
PAN	ACCPC2437M
Passport Number	B0032243
Driving Licence Number	GJ03 19800356716
Voter's Identification no	GNC1481449
Qualification	Intermediate
Name of Bank & Bank Account No.	S.B. 44003800000432 of Rajkot Nagrik Sahakari Bank, Upleta Branch
No. of Equity Shares held in Vishal Bearings Limited (% of Shareholding-Pre Issue)	5,18,000 Equity Shares (14.80%)
Directorships in other Companies	Nil
Interest in other ventures (Partnership Firms)	Virdeep Bearing Rollers LLP (17%) Gordhandas Kanjibhai & co. (25%) Bhagyalaxmi Industries (5%) Dilip & Co (33.33%)


**Mr. Hiralal Changela**

Mr. Hiralal Changela, aged 65 years, residing at Sahajanand Block No.45A, 5-Parnukuti Society, Nana Mava Main Road, Rajkot- 360004, Gujarat is the founder Promoter of our Company and a Whole Time Director of our Company and with more than 20 years of experience in the Roller bearing industry. For further details, please refer to the chapter "***Our Management***" on page no. 102 of this Prospectus.

Identification	Details
PAN	ACIPC8544R
Passport Number	G2938606
Voter Identification Card Number	GNC1475672
Qualification	Bachelor of Commerce (BCOM)
Name of Bank & Bank Account No.	S.B. 44003800000434 of Rajkot Nagrik Sahakari Bank, Upleta Branch
No. of Equity Shares held in Vishal Bearings Limited (% of Shareholding-Pre Issue)	5,18,000 Equity Shares (14.80%)
Directorships in other Companies	Vijay Fastners Private Limited
Interest in other ventures (Partnership Firms)	Vijay Petroleum Co. (25%) Bhagyalaxmi Industries (5%) Dilip & Co (33.33%)

**Mr. Vrajlal Changela**

Mr. Vrajlal Changela, aged 62 years, residing at Sahajanand Block No.45A, 5-Parnukuti Society, Nana Mava Main Road, Rajkot- 360004, Gujarat is the Whole Time Director of our Company with more than 20 years of experience in Roller bearing industry. For further details, please refer to the chapter “**Our Management**” on page no. 102 of this Prospectus.

Identification	Details
PAN	ACIPC8543J
Passpor Number	F9765010
Voter Identification Card Number	GJ/05/023/327011
Driving Licence Number	GJ03 20050089412
Qualification	Bachelor of Arts
Name of Bank & Bank Account No.	S.B. 44003800000430 of Rajkot Nagrik Sahakari Bank
No. of Equity Shares held in Vishal Bearings Limited (% of Shareholding-Pre Issue)	5,18,000 Equity Shares (14.80%)
Directorships in other Companies	Virdeep Engineering Private Limited
Interest in other ventures (Partnership Firms)	Gordhandas Kanjibhai & Co. (25%) Bhagyalaxmi Industries (5%) Dilip & Co (33.33%)

*We confirm that the permanent account number, bank account details and passport number of our promoters have been submitted to BSE at the time of filing the Draft Prospectus with them.*

**Confirmations from our Promoters**

Our Promoters have confirmed that they have not been declared as willful defaulter by RBI or any other government authority and there are no violations of securities laws committed by our Promoters in the past, nor any such proceedings are pending against our Promoters. Our Promoters has further confirmed that they have not been prohibited or debarred from accessing or operating in the capital markets for any reasons, or restrained from buying, selling or dealing in securities, under any order or directions made by SEBI or any other authorities and that no action has been taken against them or any entity promoted or controlled by them by any regulatory authorities. Currently, our Promoters hold 44.40% of our pre-issue equity share capital. For details of the build-up of our Promoters’ shareholding in our Company, see “**Capital Structure**” on page no. 42 of this Prospectus.

Currently, our Promoters hold 44.40% of our pre-issue equity share capital. For details of the build-up of our Promoters’ shareholding in our Company, see “**Capital Structure**” on page no. 42 of this Prospectus.

**Change in Management**

There was no change in management of our Company since the time of incorporation till the date of filing Prospectus.

### OUR PROMOTER GROUP AND GROUP COMPANIES / ENTITIES

In addition to the Promoters named above, the following natural persons are part of our Promoter Group:

#### 1. Natural Persons who are part of the Promoter Group

As per Regulation 2(zb)(ii) of the SEBI (ICDR) Regulations, 2009, the Natural persons who are part of the Promoter Group (due to their relationship with the Promoters), other than the Promoters, are as follows:

Relationship	Mr. Dilipkumar Changela	Mr. Hiralal Changela	Mr. Vrajlal Changela
<b>Father</b>	Gordhandas Kanjibhai Changela	Gordhandas Kanjibhai Changela	Gordhandas Kanjibhai Changela
<b>Mother</b>	Rambhaben Gordhandas Changela	Rambhaben Gordhandas Changela	Rambhaben Gordhandas Changela
<b>Spouse</b>	Rasilaben Dilipkumar Changela	Jayshreeben Hiralal Changela	Jyotiben Vrajlal Changela
<b>Brother</b>	Hiralal Changela	Dilpkumar Changela	Dilpkumar Changela
	Vrajlal Changela	Vrajlal Changela	Hiralal Changela
	Girish Changela	Girish Changela	Girish Changela
<b>Sister</b>	Hansaben Patel	Hansaben Patel	Hansaben Patel
	Manjulaben Jentilal Marvaniya	Manjulaben Jentilal Marvaniya	Manjulaben Jentilal Marvaniya
<b>Daughter</b>	Bhumi Dilipkumar Changela	Sonal Saileshbhai Zalavadiya	-
		Chandni Brijesh Alondra	-
		Nirju Vinit Padaliya	-
<b>Son</b>	Darshit Changela	Divyesh Changela	Vijay Changela
	-	-	Vishal Changela
<b>Spouse's Father</b>	Haribhai Ramjibhai Dadhaniya	Dayabhai Rudabhai Kalariya	Savjibhai Ratnabhai Kasundra
<b>Spouse's Mother</b>	Muktaben Haribhai Dadhaniya	Vijayaben Dayabhai Kalariya	Paniben Savjibhai Kasundra
<b>Spouse's Brother</b>	Ramnikbhai Haribhai Dadhaniya	Bharatbhai Dayabhai Kalariya	Maganbhai Savjibhai Kasundra
	Bharatbhai Haribhai Dadhaniya	-	Vallabhbhai Savjibhai Kasundra
	Girendrabhai Haribhai Dadhaniya	-	Vinodrai Savjibhai Kasundra
<b>Spouse's Sister</b>	-	Vanitaben Ramnikbhai Tilva	Dhiriben Kaltlal Zalavadiya
	-	Shantabhen Shanitlal Makvana	Pravinaben Kantilal Ladani
	-	Lilavantiben Mohanlal Tilva	-

#### 2. Corporate Entities or Firms forming part of the Promoter Group

As per Regulation 2(zb) of the SEBI (ICDR) Regulations, 2009, the following entities would form part of our Promoter Group:

Nature of Relationship	Entity
Any Body corporate in which ten percent or more of the equity share capital is held by the promoters or an immediate relative of the promoters or a firm or HUF in which the promoter or any one or more of his immediate relative is a member.	1. Virdeep Engineering Private Limited 2. Virdeep Rollers Private Limited 3. Vinit Engimech Private Limited 4. Vijay Fastners Private Limited
Any Body corporate in which a body corporate as provided above holds ten percent or more of the equity share capital	-

Nature of Relationship	Entity
Any HUF or firm in which the aggregate shareholding of the promoter and his immediate relatives is equal to or more than ten percent of the total	<ol style="list-style-type: none"> <li>1. Dilip &amp; Co (Satyavijay Transport)</li> <li>2. Vijay Petroleum Co.</li> <li>3. Govardhandas Kanjibhai &amp; Co.</li> <li>4. Bhagyalaxmi Industries</li> <li>5. Hiralal Gordhandas Changela HUF</li> <li>6. Vrajilal Gordhandas Changela HUF</li> <li>7. Dilipkumar Gordhandas Changela HUF</li> <li>8. Shree Stamping India</li> <li>9. Precimax Rollers</li> <li>10. Precision Sintered Products</li> <li>11. Sadguru Pack Printers</li> <li>12. Sadguru Machine Tools</li> <li>13. Virdeep Bearings Rollers LLP</li> </ol>

### Interest of Promoters

Our Promoters who are also the Directors of our Company may be deemed to be interested to the extent of fees, if any payable to them for attending meeting of the Board or a committee thereof as well as to the extent of remuneration and reimbursement of expenses payable to them as per the terms of our Articles and relevant provisions of Companies Act. Our Promoter-Directors may also be deemed to be interested to the extent of Equity Shares held by them and also to the extent of any dividend payable to them and other distributions in respect of the said Equity Shares. For further information, please refer to the details under the heading ***“Interest of Directors”*** beginning on page no. 109 of this Prospectus.

Except as stated under the heading ***“Related Party Transaction”*** in Annexure X under the Section titled ***“Financial Information of the Company”*** beginning on page 156 of this Prospectus, we have not entered into any contract, agreements or arrangements during the preceding two years from the date of this Prospectus in which the Directors are directly or indirectly interested and no payments have been made to them in respect of the contracts, agreements or arrangements which are proposed to be made with them including the properties purchased by our Company.

Further, our Promoters are also directors on the boards of certain Promoter Group entities and they may be deemed to be interested to the extent of the payments made by our Company, if any, to/from these Promoter Group entities. *For the payments that are made by our Company to certain Promoter Group entities, see “Related Party Transaction” in Annexure X* under the Section titled ***“Financial Information of the Company”*** beginning on page 156 of this Prospectus.

### Related Party Transactions

For details on related party transactions please refer to ***“Related Party Disclosures”*** in Annexure X under the Section titled ***“Financial Information of the Company”*** beginning on page 156 of this Prospectus.

### Payment of Amount or Benefits to our Promoter and Promoter Group during the last two years

Except as mentioned in this Prospectus and ***“Related Party Disclosures”*** in Annexure X under the Section titled ***“Financial Information of the Company”*** beginning on page 156 of this Prospectus, no amount or benefits were paid or were intended to be paid to our Promoter and Promoter Group during the last two years from the date of filing of this Prospectus.

### GROUP COMPANIES

Save and except as stated in this section of this Prospectus, there are no companies, firms, ventures, etc. promoted by our Promoters.

#### A. Companies

1. Virdeep Engineerings Private Limited
2. Virdeep Rollers Private Limited

#### B. Other entities

1. Dilip & Co. (Satyavijay Transport)
2. Vijay Petroleum

3. Gordhandas Kanjibhai & Co.
4. Bhagyalaxmi Industries
5. Virdeep Bearing Rollers LLP
6. Hiralal Gordhandas Changela HUF
7. Vrajlal Gordhandas Changela HUF
8. Dilip Gordhandas Changela HUF

The following are the details of the group companies:

#### A. Companies

##### 1. Virdeep Engineering Private Limited

<b>Business Description :</b>	It is in the business of manufacturing, processing, refining, smelting, converting, fabricating, repairing, finishing, importing, exporting, agents, buying, selling, and dealing in all kinds and forms of fasteners by forging, casting, rolling, re-rolling, welding, extruding, stretching, reducing, pressing, drawing, annealing, threading, machining, grinding, processing, working or finishing in any manner of all kinds of metals and alloy steel.		
<b>Date of Incorporation</b>	10 <sup>th</sup> February, 1997		
<b>PAN</b>	AAACV 7113 N		
<b>CIN</b>	U28991GJ1997PTC031679		
<b>Registered Office Address</b>	Survey No. 24/1 Plot No. 3-4, Shapar, Veraval, Gujarat – 360 002		
<b>Board of Directors</b>	1. Mr. Vrajlal Changela 2. Mr. Divyesh Changela		
<b>Audited Financial Information</b>	For The Year Ended (Rs. in Lacs, except per share data)		
<b>Particulars</b>	<b>31<sup>st</sup> March, 2014</b>	<b>31<sup>st</sup> March, 2013</b>	<b>31<sup>st</sup> March, 2012</b>
<b>Authorised Capital</b>	15.00	15.00	15.00
<b>Paid-up Equity Capital</b>	5.00	5.00	5.00
<b>Reserves &amp; Surplus</b>	(16.78)	(6.15)	10.49
<b>Sales/Income</b>	284.72	218.47	354.11
<b>Profit/(Loss) after tax</b>	(10.62)	(17.82)	5.57
<b>Earnings per share ( Basic &amp; Diluted)</b>	(21.24)	(35.65)	11.14
<b>Net Asset Value per equity share</b>	(23.55)	(2.31)	30.97

#### Nature and extent of interest of our Promoters

<b>Name</b>	<b>No. of Shares held</b>	<b>% of Shareholding</b>
Mr. Dilipkumar Changela	3,500	7.00
Mr. Hiralal Changela	3,500	7.00
Mr. Vrajlal Changela	3,500	7.00

#### Following is the shareholding pattern as on the date of Prospectus:-

<b>Sr. No.</b>	<b>Name of Shareholder</b>	<b>No. of Shares held</b>	<b>% of Shareholding</b>
1.	Vrajlal Changela	3,500	7.00
2.	Jyotiben Changela	3,500	7.00
3.	Hiralal Changela	3,500	7.00
4.	Jayshriben Changela	3,500	7.00
5.	Divyeshkumar Changela	1,500	3.00
6.	Dilipkumar Changela	3,500	7.00
7.	Rasilaben Changela	3,500	7.00
8.	Bhagavatibhai Faldu	6,125	12.25
9.	Vijaykumar Faldu	6,125	12.25
10.	Bharatbhai Faldu	6,125	12.25
11.	Kamlesh Faldu	6,125	12.25
12.	Vijay Changela	750	1.50
13.	Darshit Changela	1,500	3.00

Sr. No.	Name of Shareholder	No. of Shares held	% of Shareholding
14.	Vishal Changela	750	1.50
	<b>TOTAL</b>	<b>50,000</b>	<b>100.00</b>

## 2. Virdeep Rollers Private Limited

<b>Business Description :</b>	It is in the business of manufacturers, buyers, sellers, importers, exporters, and dealers in all kinds of automobile and engineering bearing parts such as cons, balls, rollers and needles and of dealers in bearings of all types such as taper, ball, roller and needle bearing for automobile and engineering industries		
<b>Date of Incorporation</b>	14th July, 1995		
<b>PAN</b>	AAACV 7112 P		
<b>CIN</b>	U35117GJ1995PTC026724		
<b>Registered Office Address</b>	Survey No. 22/1 Plot No. 2/3, Shapar Main Road, Shapar (Veraval), Rajkot – 360 002 Gujarat		
<b>Board of Directors</b>	1. Mr. Vijay Changela 2. Mr. Divyesh Changela		
<b>Audited Financial Information</b>	For The Year Ended (Rs. in Lacs, except per share data)		
<b>Particulars</b>	<b>31<sup>st</sup> March, 2014</b>	<b>31<sup>st</sup> March, 2013</b>	<b>31<sup>st</sup> March, 2012</b>
<b>Authorised Capital</b>	25.00	25.00	25.00
<b>Paid-up Equity Capital</b>	16.35	16.35	16.35
<b>Reserves &amp; Surplus</b>	16.52	13.62	14.41
<b>Sales/Income</b>	4.70	2.49	8.33
<b>Profit/(Loss) after tax</b>	2.91	(0.79)	4.61
<b>Earnings per share ( Basic &amp; Diluted)</b>	17.79	(4.84)	28.58
<b>Net Asset Value per equity share</b>	201.07	183.28	188.13

### Nature and extent of interest of our Promoters

Name	No. of Shares held	% of Shareholding
Mr. Dilipkumar Changela	1,950	11.93
Mr. Hiralal Changela	1,200	7.34
Mr. Vrajlal Changela	1,200	7.34

### Following is the shareholding pattern as on the date of Prospectus:-

Sr. No.	Name of Shareholder	No. of Shares held	% of Shareholding
1.	Divyesh Changela	900	5.5
2.	Hiralal Changela	1200	7.3
3.	Jayshriben Changela	750	4.6
4.	Rambhaben Changela	1083	6.6
5.	Vrajlal Changela	1200	7.3
6.	Jyotiben Changela	1500	9.2
7.	Dilipkumar Changela	1950	11.9
8.	Rasilaben Changela	750	4.6
9.	Girishkumar Changela	250	1.5
10.	Jaynaben Changela	1000	6.1
11.	Harsukhbhai Changela	225	1.4
12.	Atulkumar Changela	225	1.4
13.	Dineshkumar Panchani	225	1.4
14.	Nileshkumar Panchani	225	1.4
15.	Hansaben Patel	152	0.9
16.	Manjulaben Marvania	152	0.9
17.	Jitendrakumar Trambadia	150	0.9
18.	Jayendra Trambadia	150	0.9
19.	Jayeshkumar Trambadia	150	0.9
20.	Vijaykumar Changela	938	5.7



Sr. No.	Name of Shareholder	No. of Shares held	% of Shareholding
21.	Rinkuben Changela	937	5.7
22.	Darshitkumar Changela	1088	6.7
23.	Prashantkumar Changela	500	3.1
24.	Rajankumar Changela	500	3.1
25.	Vishal Changela	150	0.9
	<b>TOTAL</b>	<b>16350</b>	<b>100</b>

## B. Other Entities

### 1. Dilip & Co. (Satyavijay Transport)

<b>Date of Formation</b>	28 <sup>th</sup> October, 1976		
<b>Date of Reconstitution of Partnership (Date of our Promoters becoming Partners.)</b>	1 <sup>st</sup> April 2011 (Admission of Vrajlal Changela as a Partner)		
<b>Nature of Business</b>	Transport & Logistics Business		
<b>PAN Card no.</b>	AACFD 7093 G		
<b>Registered Address</b>	Satyavijay Transport, Opp. Bhadlawala Petrol Pump, Dhebar Road, Rajkot.		
<b>Financial Information</b>	<b>For The Year Ended</b>		
	<b>(Rs. in Lacs, except per share data)</b>		
<b>Particulars</b>	<b>31.03.2014</b>	<b>31.03.2013</b>	<b>31.03.2012</b>
<b>Income as per Sec. 44 AE of Income Tax Act 1962*</b>	2.40	2.40	2.40

\* Income calculated on presumptive basis.

### Partnership Ratio of Partners

Sr. No.	Name of Partner	Profit Sharing Ratio(%)
1	Mr. Dilipkumar Changela	33.33
2	Mr. Hiralal Changela	33.34
3.	Mr. Vrajlal Changela	33.33
	<b>Total</b>	<b>100.00</b>

### 2. Vijay Petroleum Co.

<b>Date of Formation</b>	25 <sup>th</sup> October, 1979		
<b>Date of Reconstitution of Partnership (Date of our Promoters becoming Partners)</b>	27 <sup>th</sup> October, 2004		
<b>Nature of Business</b>	Petrol & Diesel Distribution Pump		
<b>PAN Card no.</b>	AACFV2693J		
<b>Registered Address</b>	Nagnath Chowk, Dhoraji Road, Ta:- Upleta, Dist:-Rajkot		
<b>Audited Financial Information</b>	<b>For The Year Ended</b>		
	<b>(Rs. in Lacs, except per share data)</b>		
<b>Partner's Capital Account</b>	<b>31.03.2014</b>	<b>31.03.2013</b>	<b>31.03.2012</b>
	13.97	1,27.07	1,13.11
<b>Sales/Direct Income</b>	2142.90	2423.52	2280.29
<b>Net Profit</b>	11.13	19.55	15.28

**Partnership Ratio of Partners**

Sr. No.	Name of Partner	Profit Sharing Ratio(%)
1	Mr. Hiralal Changela	25.00
2	Mr. Girishkumar Changela	25.00
3.	Mrs. Jyotiben V. Changela	25.00
4.	Mrs. Rasilaben D. Changela	25.00
	<b>Total</b>	<b>100.00</b>

**3. Govardhan Kanjibhai & Co.**

<b>Date of Formation</b>	26th November, 1976		
<b>Date of Reconstitution of Partnership (Date of our Promoters becoming Partners)</b>	7 <sup>th</sup> October, 2010		
<b>Nature of Business</b>	Wholesale Trader of Oil, Kerosene & other Petroleum Products		
<b>PAN Card no.</b>	AACFG 5590 M		
<b>Registered Address</b>	Gandhi Chowk, Bhadar Road, Ta:- Upleta, Dist:- Rajkot		
<b>Audited Financial Information</b>	For The Year Ended (Rs. in Lacs, except per share data)		
<b>Partner's Capital Account</b>	<b>31.03.2014</b>	<b>31.03.2013</b>	<b>31.03.2012</b>
	25.12	23.08	19.49
<b>Sales/Direct Income</b>	102.99	104.90	103.13
<b>Net Profit</b>	2.62	1.25	1.69

**Partnership Ratio of Partners**

Sr. No.	Name of Partner	Profit Sharing Ratio(%)
1	Mr. Hiralal Changela	25.00
2	Mr. Girishkumar Changela	25.00
3.	Mrs. Jyotiben V. Changela	25.00
4.	Mrs. Rasilaben D. Changela	25.00
	<b>Total</b>	<b>100.00</b>

**4. Bhagyalaxmi Industries**

<b>Date of Formation</b>	5 <sup>th</sup> November, 1997		
<b>Date of Reconstitution of Partnership (Date of our Promoters becoming Partners)</b>	1 <sup>st</sup> April, 2014		
<b>Nature of Business</b>	Extracting oil from various agricultural products and run an oil mill for the same purpose		
<b>PAN Card no.</b>	AACFB 0170 E		
<b>Registered Address</b>	Village:- Vanthali(Sorath), Tal:- Vanthali, Dist:-Junagadh		
<b>Audited Financial Information</b>	For The Year Ended (Rs. in Lacs, except per share data)		
<b>Particulars</b>	<b>31.03.2014</b>	<b>31.03.2013</b>	<b>31.03.2012</b>
	76.30	84.47	85.98
<b>Sales/Direct Income</b>	552.21	651.81	774.09
<b>Net Profit before Tax</b>	0.08	0.04	0.11

**Partnership Ratio of Partners**

Sr. No.	Name of Partner	Profit Sharing Ratio(%)
1	Mr. Shantilal Makavana	20.00
2	Mr. Ramniklal Trambdiya	10.00
3.	Mrs. Rambhaben G. Changela	4.00
4.	Mr. Dharmendrakumar Trambdiya	5.00

Sr. No.	Name of Partner	Profit Sharing Ratio(%)
5.	Mr. Vivekkumar Makavana	10.00
6.	Mr. Dilipkumar Changela	5.00
7.	Mr. Hiralal Changela	5.00
8.	Mr. Vrajlal Changela	5.00
9.	Mrs. Dinaben B. Changela	26.00
10.	Mr. Divyesh H. Changela	10.00
	<b>Total</b>	<b>100.00</b>

#### 5. Virdeep Bearing Rollers LLP

Virdeep Rollers LLP, a partnership firm formed under the Limited Liability Partnership Act, 2008, was formed having LLP Identification No. AAD-6523 on 27<sup>th</sup> March, 2015 with its registered office being at S. No. 21/1, Plot No. 3-4, Shapar Main Road, Veraval (Shapar), Taluka Kotda Sangani, Rajkot, Gujarat – 360 027. It carries on the business as manufacturers, processors, refiners, smelters, convetors, fabricators, repairers, finishers, importers, exporters, agents, buyers, sellers and dealers in all kinds and forms of bearing rollers by forging, casting, rolling, re-rolling, welding, extruding, stretching, reducing, pressing, drawing, annealing, threading, machining, grinding, processing, working or finishing in any manner of all kinds of metal and alloy steel.

Sr. No.	Name of Partner	Profit Sharing Ratio(%)
1.	Dilipkumar Changela	17%
2.	Divyeshkumar Changela	17%
3.	Vijay Changela	17%
4.	Vijay Faldu	12.25%
5.	Bhagwatibhai Faldu	12.25%
6.	Bharatbhai Faldu	12.25%
7.	Kamleshbhai Faldu	12.25%
	<b>TOTAL</b>	<b>100%</b>

#### 6. Dilipkumar Gordhandas Changela HUF

Dilipkumar Gordhandas Changela HUF was formed as a Hindu Undivided Family on 1<sup>st</sup> January, 2001. Mr. Dilipkumar Changela is the Karta of Dilipkumar Changela HUF. Save and except income from interest received by Dilipkumar Changela HUF, the said HUF does not carry on any business.

#### 7. Hiralal Gordhandas Changela HUF

Hiralal Gordhandas Changela HUF was formed as a Hindu Undivided Family on 1<sup>st</sup> January, 2001. Mr. Hiralal Changela is the Karta of Hiralal Changela HUF. Save and except income from interest received by Hiralal Changela HUF, the said HUF does not carry on any business.

#### 8. Vrajlal Gordhandas Changela HUF

Vrajlal Gordhandas Changela HUF was formed as a Hindu Undivided Family on 1<sup>st</sup> January, 2001. Mr. Vrajlal Changela is the Karta of Vrajlal Changela HUF. Save and except income from interest received by Vrajlal Changela HUF, the said HUF does not carry on any business.

#### Other disclosures:

The equity shares of our Group Companies are not listed on any of the Stock Exchanges and they have not made any public/rights issue in last five years. Further, no action has been taken against these companies by any Stock Exchange or SEBI.

None of our group companies is a sick company within the meaning of Sick Industrial Companies (Special Provisions) Act, 1985 and is not under the Board for Industrial and Financial Reconstruction or under winding up.

There are no defaults in meeting any statutory/bank/institutional dues. No proceedings have been initiated for economic offences against our Group Companies.

**Companies with negative net worth****(Rs. In Lacs)**

<b>Name of the Company</b>	<b>FY 2015</b>	<b>FY 2014</b>	<b>FY 2013</b>
Virdeep Engineering Private Limited	(11.78)	(1.15)	15.49

Save and except as mentioned above, none of our Group Companies has negative Net Worth on date of end of the respective financial years audited and mentioned herein.

**Declaration**

We confirm that the Permanent Account Numbers, Bank Account Numbers and Passport Numbers of our Promoters have been submitted to the BSE Ltd. at the time of filing the Draft Prospectus with them. Further our Promoters have not been identified as wilful defaulter by RBI or any other Government authority and there are no violations of Securities Law committed by or Promoters in past or pending against them. None of the Promoters has been prohibited from accessing the capital markets and no order or direction has been passed by SEBI or any other authority.

**Full Particulars of the nature and extent of the Interest, if any, of our Promoters**

Our Promoters who are also the Directors of our Company may be deemed to be interested to the extent of fees, if any payable to them for attending meeting of the Board or a committee thereof as well as to the extent of remuneration and reimbursement of expenses payable to them as per the terms of our Articles and relevant provisions of Companies Act. All our Promoter Directors may also be deemed to be interested to the extent of Equity Shares held by their relatives in our Company, or that may be subscribed for and allotted to them, out of the present Issue in terms of this Prospectus and also to the extent of any dividend payable to them and other distributions in respect of the said Equity Shares. Further, our Company's registered office is owned by the Promoters.

Except as stated otherwise in this Prospectus, we have not entered into any contract, agreements or arrangements during the preceding two years from the date of this Prospectus in which the Promoters are directly or indirectly interested and no payments have been made to them in respect of the contracts, agreements or arrangements which are proposed to be made with them including the properties purchased by the Company other than in the normal course of business.

Further, our individual Promoters are also directors on the board of a Promoter Group entity and they may be deemed to be interested to the extent of the payments made by our Company, if any, to/from these Promoter Group entities. For the payments that are made by our Company to certain Promoter Group entities, see "**Related Party Disclosures**" in **Annexure X** under the Section titled "**Financial Information of the Company**" beginning on page 156 of this Prospectus.

**Common Pursuits**

The Promoters/ any member of Promoter Group do not have interest in any venture that is involved in any activities similar to those conducted by our Company. However, some of our Promoter Group/Group Companies i.e. Virdeep Engineering Private Limited and Virdeep Bearing Rollers LLP have some of the objects similar to that of our Company's business. As on the date of filing this Prospectus, the aforesaid entities are not carrying any business competing with that of our Company. Currently, we do not have any non-compete agreement/arrangement with any of our Promoter Group Entities and absence of such non-compete agreement/arrangement may result in the situation of potential conflict of interest in future.

**Payment of benefits to our Promoters**

For details of payment or benefit paid to our Promoter please refer Para "**Remuneration of Executive Directors**" under the chapter titled "**Our Management**". Also refer to "**Related Party Transaction**" in **Annexure X** under the Section titled "**Financial Information of the Company**" beginning on page 156 of this Prospectus.

**Companies with which the Promoters have disassociated in the last three years**

Our Promoters have not disassociated with any Promoter Group Company in the last three years.

**1. Nature and Extent of Interest of Group Companies*****(a) In the promotion of our Company***

None of our Group Companies has any interest in the promotion of our Company.

***(b) In the properties acquired or proposed to be acquired by our Company in the past 2 years before filing this Prospectus with BSE***

Our Group Companies do not have any interest in the properties acquired or proposed to be acquired by our Company in the past 2 years before filing this Prospectus with BSE.

## **2. Payment of Amount or Benefits to our Group Companies during the Last Two Years**

Except as mentioned in “***Related Party Disclosures***” in Annexure X under the Section titled “***Financial Information of the Company***” beginning on page 156 of this Prospectus, no amount or benefits were paid or were intended to be paid to our Group Companies during the last two years from the date of filing of this Prospectus.

## **3. Related Party Transaction**

Please refer to “***Related Party Transaction***” in Annexure X under the Section titled “***Financial Information of the Company***” beginning on page 156 of this Prospectus.

## **4. Sale or purchase between our Company and our Promoter Group Companies**

Except as mentioned in “***Related Party Transaction***” in Annexure X under the Section titled “***Financial Information of the Company***” beginning on page 156 of this Prospectus, there are no sale or purchase between our Company and our Promoter Group Companies exceeding in value of 10% of our total sales or purchases.

## **Change in Accounting Policies in the last three years**

There has been no change in accounting policies in the last three years except as stated in the chapter titled “***Financial Information of the Company***” beginning on page 125 of this Prospectus.

### DIVIDEND POLICY

Under the Companies Act, the Company can pay dividends upon a recommendation by the Board of Directors and subject to approval by a majority of the Shareholders at the General Meeting. The Shareholders of the Company have the right to approve a decrease but not an increase in the amount of dividend recommended by the Board of Directors. The dividends may be paid out of profits of the Company in the year in which the dividend is declared or out of the undistributed profits or reserves of previous fiscal years or out of both. The Articles of Association of the Company also gives the discretion to the Board of Directors to declare and pay interim dividends.

Our Company does not have a formal dividend policy. The declaration and payment of dividend will 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.

The interim dividend declared by our Company during the last five Fiscals as per the audited restated financial statement are set out in the following table:-

Particulars	Fiscal 2015	Fiscal 2014	Fiscal 2013	Fiscal 2012	Fiscal 2011
Face value per share (in Rs.)	100.00	100.00	100.00	100.00	100.00
Interim Dividend (Rs. In Lacs)	No interim Dividend declared	100.00	No interim Dividend declared	132.00	60.00
Dividend tax (Rs. in Lacs)		17.00		21.92	9.97
Equity Share Capital (Rs. In Lacs)	25.00	25.00	25.00	25.00	24.00
Rate of dividend (%)	Nil	400%	-	528%	250%



**SECTION VII: FINANCIAL INFORMATION OF THE COMPANY**

**RESTATED FINANCIAL STATEMENTS**

**INDEPENDENT AUDITOR'S REPORT ON RESTATED FINANCIAL STATEMENTS OF "VISHAL BEARINGS LTD." (PREVIOUSLY KNOWN AS "VISHAL BEARINGS PVT. LTD.")**

(As required by Part I of Chapter III to the Companies Act, 2013)

To,  
The Board of Directors,  
**VISHAL BEARINGS LTD.**  
Survey No. 22/1, Plot No. 1,  
Shapar Main Road, Shapar (Veraval)  
Rajkot 360002  
Gujarat – India.

Dear Sirs,

**Report on Restated Financial Statements**

1. We have examined the attached restated financial statements of VISHAL BEARINGS LTD. (Previously known as "VISHAL BEARINGS PVT. LTD.") (hereinafter referred as "the Company") as at 31<sup>st</sup> March, 2015, 31<sup>st</sup> March, 2014, 31<sup>st</sup> March, 2013, 31<sup>st</sup> March, 2012 and 31<sup>st</sup> March, 2011 and the related Restated Statement of Profit & Loss for the financial year ended on 31<sup>st</sup> March, 2015, 31<sup>st</sup> March, 2014, 31<sup>st</sup> March, 2013, 31<sup>st</sup> March, 2012 and 31<sup>st</sup> March, 2011 and Restated Statement of Cash Flow for the financial year ended 31<sup>st</sup> March, 2015, 31<sup>st</sup> March, 2014, 31<sup>st</sup> March, 2013, 31<sup>st</sup> March, 2012 and 31<sup>st</sup> March, 2011 (collectively "Restated Summary Statements" or "Restated 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 Initial Public Offering (IPO) in SME Platform of Bombay Stock Exchange.
2. These Restated Summary Statements have been prepared in accordance with the requirements of:
  - i) Section 26 read with the applicable provisions within Rule - 4 to 6 of Companies (Prospectus and Allotment of Securities) Rules, 2014 of Companies Act, 2013, As amended (hereinafter referred to as the "Act");
  - ii) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 ("SEBI Regulations") ("SEBI ICDR Regulations") issued by the Securities and Exchange Board of India (SEBI) in pursuance of Section 11 of the Securities and Exchange Board of India Act, 1992 and related amendments / clarifications made thereto from time to time;
  - iii) The terms of reference to our engagements with the Company, requesting us to examine the financial information referred to above and proposed to be included in this Draft offer Document / offer Document of the Company in connection with its proposed initial public offer of equity shares in SME Platform of Bombay Stock Exchange ("IPO" or "SME IPO") and
  - iv) The Guidance Note on Reports in Company Prospectus (Revised) issued by the Institute of Chartered Accountants of India ('ICAI') ("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 years ended 31<sup>st</sup> March, 2015, 31<sup>st</sup> March, 2014, 31<sup>st</sup> March, 2013, 31<sup>st</sup> March, 2012 and 31<sup>st</sup> March, 2011 which have been approved by the Board of Directors.
4. Audit of the financial statements for years ended March 31, 2015, 2014, 2013, 2012 & 2011 has been conducted by Company's Statutory Auditor, M/s P. Ghanshyam & Co., Chartered Accountants. Further, financial statements for the year ended March 31, 2015 have been re-audited by us as required under the SEBI ICDR Regulations. This report, in so far as it relates to the amounts included for the financial years ended March 31, 2014, 2013, 2012 and 2011 is based on the audited financial statements of the Company which were audited by the Statutory Auditor, M/s P. Ghanshyam & Co., Chartered Accountants and whose Auditor's Report has been relied upon by us for the said periods.

5. 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 Statement of Assets and Liabilities” as set out in Annexure I to this report, of the Company as at 31<sup>st</sup> March, 2015, 31<sup>st</sup> March, 2014, 31<sup>st</sup> March, 2013, 31<sup>st</sup> March, 2012 and 31<sup>st</sup> March, 2011 are prepared by the Company and approved by the Board of Directors. These Statement of Assets & Liabilities, as restated have been arrived at after making such adjustments and regroupings to the individual financial statements of the Company, as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes to the Restated Summary Statements as set out in Annexure IV to this Report.
  - (ii) The “Restated Statement of Profit & Loss” as set out in Annexure II to this report, of the Company for the financial years ended 31<sup>st</sup> March, 2015, 31<sup>st</sup> March, 2014, 31<sup>st</sup> March, 2013, 31<sup>st</sup> March, 2012 and 31<sup>st</sup> March, 2011 are prepared by the Company and approved by the Board of Directors. These Statement of Profit & Loss, as restated have been arrived at after making such adjustments and regroupings to the individual financial statements of the Company, as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes to the Restated Summary Statements as set out in Annexure IV to this Report.
  - (iii) The “Restated Statement of Cash Flow” as set out in Annexure III to this report, of the Company for the financial years ended 31<sup>st</sup> March, 2015, 31<sup>st</sup> March, 2014, 31<sup>st</sup> March, 2013, 31<sup>st</sup> March, 2012 and 31<sup>st</sup> March, 2011 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 the Restated Summary Statements as set out in Annexure IV to this Report.
6. Based on the above, we are of the opinion that the Restated Financial Statements have been made after incorporating:
  - a) Adjustments if any, for the changes in accounting policies retrospectively in respective financial years to reflect the same accounting treatment as per the changed accounting policy for all the reporting periods.
  - b) Adjustments for prior period and other material amounts in the respective financial years to which they relate and there are not qualifications which require adjustments.
  - c) There are no exceptional and extra-ordinary items that need to be disclosed separately in the accounts and qualifications requiring adjustments.
  - d) These Profits / (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 Significant Accounting Policies and Notes to the Restated Summary Statements as set out in Annexure IV to this Report.
7. We have examined the following regrouped/ rearranged financial information relating to the Company, proposed to be included in this Draft offer Document / offer Document (“Offer Document”), as approved by the Board of Directors of the Company and attached to this report for the financial years ended on 31<sup>st</sup> March, 2015, 31<sup>st</sup> March, 2014, 31<sup>st</sup> March, 2013, 31<sup>st</sup> March, 2012 and 31<sup>st</sup> March, 2011
  - (i) Statement of Share Capital enclosed as **Annexure A**
  - (ii) Statement of Reserves & Surplus enclosed as **Annexure B**
  - (iii) Statement of Long Term Borrowings enclosed as **Annexure C**
  - (iv) Statement of Principal Terms of Secured Loans And Assets Charged As Security (**Annexure CF1**)
  - (v) Statement of Terms & Conditions of Unsecured Loans (**Annexure CF2**)
  - (vi) Statement of Deferred Tax (Assets) / Liabilities enclosed as **Annexure D**
  - (vii) Statement of Long Term Provisions enclosed as **Annexure E**
  - (viii) Statement of Short Term Borrowings enclosed as **Annexure F**
  - (ix) Statement of Trade Payables enclosed as **Annexure G**
  - (x) Statement of Other Current Liabilities enclosed as **Annexure H**
  - (xi) Statement of Short Term Provisions enclosed as **Annexure I**
  - (xii) Statement of Fixed Assets enclosed as **Annexure J**
  - (xiii) Statement of Non-Current Investments enclosed as **Annexure K**
  - (xiv) Statement of Long Term Loans & Advances enclosed as **Annexure L**
  - (xv) Statement of Trade Receivables enclosed as **Annexure M**
  - (xvi) Statement of Cash & Cash Equivalents enclosed as **Annexure N**
  - (xvii) Statement of Short Term Loans & Advances enclosed as **Annexure O**
  - (xviii) Statement of Other Current Assets enclosed as **Annexure P**

- (xix) Statement of Revenue from Operations and Other Income enclosed as **Annexure Q**
  - (xx) Statement of Raw Materials & Components enclosed as **Annexure R**
  - (xxi) Statement of Changes in Inventories of Finished Goods, Work-In-Progress And Stock-In-Trade enclosed as **Annexure S**
  - (xxii) Statement of Employee Benefit Expenses enclosed as **Annexure T**
  - (xxiii) Statement of Other Expenses enclosed as **Annexure U**
  - (xxiv) Statement of Finance Costs enclosed as **Annexure V**
  - (xxv) Statement of Contingent Liabilities enclosed as **Annexure W**
  - (xxvi) Statement of Related Party Transactions enclosed as **Annexure X**
  - (xxvii) Statement of Capitalization as at March 31, 2015 (pre-issue) and as adjusted for this issue (post issue) subject to reliance being placed on management representation in respect of post issue figures contained in the Statement of Capitalization enclosed as **Annexure Y**
  - (xxviii) Summary of Mandatory accounting ratios based on adjusted profits/losses, relating to earnings per share, net assets value per share and return on net worth enclosed as **Annexure Z**
  - (xxix) Statement of Segment Reporting enclosed as **Annexure AA**
  - (xxx) Statement of Tax Shelter enclosed as **Annexure AB**
  - (xxxi) Statement of Dividend Declared enclosed as **Annexure AC**
8. We, M/s. SVK & ASSOCIATES, Chartered Accountants, 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 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 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 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 the events and circumstances occurring after the date of our report.
  12. In our opinion, the above financial information contained in Annexure I to Annexure AC read with respective Significant Accounting Policies and Notes to Restated Summary Statements as set out in Annexure IV are prepared after making adjustments and regroupings as considered appropriate and have been prepared in accordance with the Act, ICDR Regulations, Engagement Letter and Guidance Note.
  13. This report is intended solely for the use of Management and for the inclusion in the offer Document in connection with the proposed initial public offer of the Company and is not to be used, referred to or distributed for any other purpose without our prior written consent.

#### 14. Opinion

In our opinion and to the best of our information and according to the explanations given to us, the restated financial statements read together with the notes thereon, give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, to the extent applicable;

- a. In the case of Restated Statement of Assets and Liabilities of the Company as at March 31, 2015, March 31, 2014, March 31, 2013, March 31, 2012 and March 31 2011;
- b. In the case of the Restated Statement of Profit and Loss, of the profit of the Company for the Years ended on that date; and
- c. In the case of the Restated Cash Flow Statement, of the cash flows of the Company for the Years ended on that date.

#### For SVK & ASSOCIATES

##### Chartered Accountants

Firm No. – 118564W

**Shilpang V. Karia**

**Partner**

M. No.: 102114

Place: Rajkot

Date: 18<sup>th</sup> June, 2015

**ANNEXURE-I****STATEMENT OF ASSETS AND LIABILITIES (AS RESTATED)**

(Rs. In Lacs)

Particulars	Annexure	As At				
		31/03/15	31/03/14	31/03/13	31/03/12	31/03/11
<b>Equity &amp; Liabilities</b>						
Shareholders' Funds						
(a) Share Capital	<b>A</b>	25.00	25.00	25.00	25.00	24.00
(b) Reserves & Surplus	<b>B</b>	415.00	244.15	220.63	130.56	173.27
		<b>440.00</b>	<b>269.15</b>	<b>245.63</b>	<b>155.56</b>	<b>197.27</b>
<b>Non Current Liabilities</b>						
(a) Long-term borrowings	<b>C</b>	1,486.60	1,181.96	1,076.12	1,013.52	970.92
(b) Deferred tax liabilities (net)	<b>D</b>	75.46	53.84	44.06	28.68	23.55
(c) Long-term provisions	<b>E</b>	12.89	12.93	10.51	5.49	4.94
		<b>1,574.95</b>	<b>1,248.73</b>	<b>1,130.68</b>	<b>1,047.69</b>	<b>999.41</b>
<b>Current liabilities</b>						
(a) Short-term borrowings	<b>F</b>	348.29	202.05	197.45	20.97	0.00
(b) Trade payables	<b>G</b>	218.60	291.29	99.65	72.14	121.61
(c) Other current liabilities	<b>H</b>	349.94	50.11	118.66	111.35	112.87
(d) Short-term provisions	<b>I</b>	69.64	190.36	53.49	38.26	26.05
		<b>986.47</b>	<b>733.81</b>	<b>469.25</b>	<b>242.73</b>	<b>260.53</b>
<b>Total</b>		<b>3,001.42</b>	<b>2,251.70</b>	<b>1,845.57</b>	<b>1,445.98</b>	<b>1,457.22</b>
<b>Assets</b>						
<b>Non-current assets</b>						
(a) Fixed Assets	<b>J</b>	1,430.94	991.29	919.07	779.13	745.75
(b) Non-current investments	<b>K</b>	67.36	54.40	36.37	44.81	88.13
(c) Long-term loans and advances	<b>L</b>	92.36	18.66	23.66	27.26	9.18
(d) Other non-current assets		0.00	0.00	0.00	0.00	0.00
		<b>1,590.66</b>	<b>1,064.34</b>	<b>979.10</b>	<b>851.19</b>	<b>843.07</b>
<b>Current Assets</b>						
(a) Current Investments		0.00	0.00	0.00	0.00	0.00
(b) Inventories		745.63	559.48	471.82	183.30	236.32
(c) Trade Receivables	<b>M</b>	403.49	400.97	299.74	310.96	230.55
(d) Cash & Bank Balances	<b>N</b>	73.56	137.07	25.28	27.16	54.60
(e) Short Term Loans & Advances	<b>O</b>	183.52	85.65	66.95	41.02	91.99
(f) Other Current Assets	<b>P</b>	4.57	4.19	2.68	32.35	0.70
		<b>1,410.77</b>	<b>1,187.35</b>	<b>866.47</b>	<b>594.79</b>	<b>614.15</b>
<b>Total</b>		<b>3,001.42</b>	<b>2,251.70</b>	<b>1,845.57</b>	<b>1,445.98</b>	<b>1,457.22</b>

Note: The above statement should be read with the restated statement of profit and loss, cash flow statement, significant accounting policies and notes to restated summary statements as appearing in Annexures II, III and IV respectively

**ANNEXURE-II****STATEMENT OF PROFIT AND LOSS (AS RESTATED)**

(Rs. In Lacs)

Particulars	Annexure	For the Year ended				
		31/03/15	31/03/14	31/03/13	31/03/12	31/03/11
Continuing Operations						
<b>Revenue from operations:</b>						
- Revenue From Sale of Products	<b>Q</b>	2,586.52	2,056.56	1,830.50	1,529.64	1,575.35
- Revenue From Sale of Services	<b>Q</b>	115.92	52.84	30.44	77.58	19.93
- Other Operating Income	<b>Q</b>	17.56	13.89	18.84	14.52	0.15
<b>Net Revenue from operations</b>		<b>2,720.00</b>	<b>2,123.29</b>	<b>1,879.78</b>	<b>1,621.74</b>	<b>1,595.43</b>
Other income	<b>Q</b>	96.42	(6.59)	20.58	12.97	12.77
<b>Total Revenue (A)</b>		<b>2,816.43</b>	<b>2,116.70</b>	<b>1,900.36</b>	<b>1,634.71</b>	<b>1,608.20</b>
<b>Expenses:</b>						
Cost of Materials & Stores Consumed	<b>R</b>	1,420.26	1,095.19	964.53	833.12	754.90
Purchase of Stock-in-trade		0.00	0.00	0.00	0.00	5.71
Changes in inventories of finished goods, WIP and Stock-in-Trade	<b>S</b>	34.37	(28.81)	(4.49)	(1.07)	88.33
Employee benefits expense	<b>T</b>	358.27	284.16	267.77	213.64	190.58
Other expenses	<b>U</b>	361.13	239.75	234.80	178.70	296.23
<b>Total Expenses (B)</b>		<b>2,174.03</b>	<b>1,590.29</b>	<b>1,462.61</b>	<b>1,224.39</b>	<b>1,335.76</b>
<b>Earnings Before Interest, Taxes, Depreciation &amp; Amortization</b>		<b>642.40</b>	<b>526.42</b>	<b>437.75</b>	<b>410.33</b>	<b>272.44</b>
Finance costs	<b>V</b>	225.86	182.57	168.25	144.92	108.72
Depreciation and amortization expenses		165.84	127.70	114.88	112.68	40.84
<b>Profit before exceptional items, extraordinary items and tax (C=A-B)</b>		<b>250.70</b>	<b>216.15</b>	<b>154.62</b>	<b>152.72</b>	<b>122.87</b>
Exceptional items (D)		0.00	0.00	0.00	0.00	0.00
<b>Profit before extraordinary items and tax (E=C-D)</b>		<b>250.70</b>	<b>216.15</b>	<b>154.62</b>	<b>152.72</b>	<b>122.87</b>
Extraordinary items (F)		0.00	0.00	0.00	0.00	0.00
<b>Profit before tax (G=E-F)</b>		<b>250.70</b>	<b>216.15</b>	<b>154.62</b>	<b>152.72</b>	<b>122.87</b>
<b>Provision for Tax</b>						
- Current Tax		59.94	65.44	48.22	32.34	22.46
- Tax adjustment of prior years		(1.08 )	(1.14 )	0.95	4.04	0.27
- Deferred Tax Liability / (Asset)		21.62	9.79	15.38	5.12	15.17
- MAT Credit Entitlement		0.00	1.56	0.00	0.00	(-5.06)
<b>Tax Expense For The Year (H)</b>		<b>80.47</b>	<b>75.64</b>	<b>64.55</b>	<b>41.51</b>	<b>32.84</b>
<b>Restated profit after tax from Continuing Operations (I=G-H)</b>		<b>170.23</b>	<b>140.51</b>	<b>90.07</b>	<b>111.21</b>	<b>90.03</b>
<b>Profit from Discontinuing Operations (J)</b>		0.00	0.00	0.00	0.00	0.00
<b>Restated profit for the year from total operations (K=I+J)</b>		<b>170.23</b>	<b>140.51</b>	<b>90.07</b>	<b>111.21</b>	<b>90.03</b>

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

**ANNEXURE-III****CASH FLOW STATEMENT (AS RESTATED)**

(Rs. In Lacs)

Particulars	For the Year ended				
	31/03/15	31/03/14	31/03/13	31/03/12	31/03/11
<b>1. Cash Flow From Operating Activities:</b>					
Net Profit before tax and extraordinary item	250.70	216.15	154.62	152.72	122.87
Adjustments for:					
Depreciation and amortization expense	165.84	127.70	114.88	112.68	40.84
Interest & Other Charges	222.72	172.15	164.71	143.37	101.91
Dividend Received	(0.06)	(0.06)	(0.09)	(0.07)	(1.77)
Interest Received/ Other Non Operative Receipts	(96.36)	6.64	(20.49)	(12.90)	(11.00)
<b>Operating Profit before Working Capital Changes</b>	<b>542.83</b>	<b>522.58</b>	<b>413.64</b>	<b>395.80</b>	<b>252.85</b>
Adjustments for:					
Inventories	(186.16)	(87.66)	(288.52)	53.02	98.13
Trade Receivables	(2.53)	(101.22)	11.22	(80.41)	(26.10)
Short Term Loans & Advances	(89.15)	(14.95)	(7.44)	44.17	(36.23)
Other Current Assets	(0.38)	(1.51)	29.67	(31.65)	(0.53)
Trade Payables	(72.69)	191.64	27.51	(49.46)	11.73
Other Current Liabilities	299.83	(68.55)	7.31	(1.52)	101.09
Short term Provision	(115.23)	119.65	(0.64)	2.32	(58.45)
<b>Cash Generated from Operation</b>	<b>376.54</b>	<b>559.99</b>	<b>192.75</b>	<b>332.27</b>	<b>342.49</b>
Taxes Paid	73.07	52.39	51.79	19.71	29.34
<b>Net Cash from Operating Activities</b>	<b>303.47</b>	<b>507.60</b>	<b>140.95</b>	<b>312.57</b>	<b>313.16</b>
<b>2. Cash Flow From Investing Activities:</b>					
Fixed Assets Purchased (Net)	(604.87)	(199.91)	(254.83)	(146.06)	(585.98)
Dividend Received	0.06	0.06	0.09	0.07	1.77
Interest Received/ Other Non Operative Receipts	96.36	(6.64)	20.49	12.90	11.00
Adjustments for:					
Long Term Loans & Advances	(73.71)	5.00	3.60	(18.07)	(0.96)
Non Current Investments	(12.96)	(18.03)	8.44	43.32	(84.06)
Long term Provision	(0.04)	2.42	5.02	0.55	4.94
<b>Net Cash from Investing Activities</b>	<b>(595.14)</b>	<b>(217.10)</b>	<b>(217.20)</b>	<b>(107.29)</b>	<b>(653.29)</b>
<b>3. Cash Flow From Financing Activities:</b>					
Proceeds from issue of shares	0.00	0.00	0.00	1.00	0.00
Proceeds from Short term borrowings	146.24	4.60	176.48	20.97	0.00
Proceeds from Long term borrowings	304.64	105.84	62.60	42.61	457.06
Payment of Interim Dividend and tax on it	0.00	(117.00)	0.00	(153.92)	(69.97)
Interest & Other Charges paid	(222.72)	(172.15)	(164.71)	(143.37)	(101.91)
<b>Net Cash from Financing Activities</b>	<b>228.16</b>	<b>(178.70)</b>	<b>74.36</b>	<b>(232.71)</b>	<b>285.19</b>
<b>Net Increase/ (Decrease) in Cash &amp; Cash Equivalents</b>	<b>(63.51)</b>	<b>111.79</b>	<b>(1.88)</b>	<b>(27.44)</b>	<b>(54.94)</b>
<b>Cash &amp; Cash Equivalents at the beginning of the year</b>	<b>137.07</b>	<b>25.28</b>	<b>27.16</b>	<b>54.60</b>	<b>109.54</b>
<b>Cash &amp; Cash Equivalents at the end of the year</b>	<b>73.56</b>	<b>137.07</b>	<b>25.28</b>	<b>27.16</b>	<b>54.60</b>

Notes:

<b>1. Components of Cash &amp; Cash Equivalents:</b>					
Particulars	31/03/15	31/03/14	31/03/13	31/03/12	31/03/11
Cash on Hand	2.83	5.81	3.38	4.62	3.85
Balances with Scheduled Banks					
In Current Accounts	0.26	100.75	0.51	9.12	17.98
In Deposit Accounts	70.47	30.51	21.39	13.42	32.76
<b>Total Cash &amp; Cash Equivalents</b>	<b>73.56</b>	<b>137.07</b>	<b>25.28</b>	<b>27.16</b>	<b>54.60</b>

2. The Cash Flow Statement has been prepared under the 'Indirect Method' as set out in Accounting Standard - 3 on Cash Flow Statements specified under the Companies Act, 1956 (which are deemed to be applicable as Section 133 of the Companies Act, 2013 ("the Act") read with Rule 7 of Companies (Accounts) Rules, 2014).

3. Figures in Brackets represents outflow.

4. The above statement should be read with the restated statement of assets and liabilities, statement of profit & loss, significant accounting policies and notes to restated summary statements as appearing in Annexures I, II and IV respectively



**VISHAL BEARINGS LTD.**  
**SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS**

**The Company**

Vishal Bearings Ltd. (the Company) was originally incorporated on Twenty Fourth day of July Nineteen Hundred Ninety One under any previous company law as VISHAL BEARINGS PVT. LTD. and name of the company is being changed to "VISHAL BEARINGS LTD." upon an intimation made for conversion into Public limited by shares Company under Section 18 of the Companies Act, 2013 and approval of Central Government signified in writing having been accorded thereto by the Gujarat, Dadra and Nagar Haveli vide SRN C54791967 dated 05/06/2015.

**Events Occurring after the Balance Sheet Date****Increase in Authorized Capital**

The Company's Authorized Share Capital was Rs. 25,00,000/-. The Company has filed Resolution for increased its authorised capital from Rs. 2,500,000/- to 5,00,00,000/- in Extra – Ordinary general meeting held on 11.05.2015

**Sub-Division of Shares**

The Company's Authorized / Issued / Subscribed & Paid Up Share Capital was Rs. 25,00,000/- consisting of 25,000 Equity Shares of Rs. 100/- each. The Company has passed Resolution for sub-division of all shares of Rs. 100/- each into 10 Shares of Rs. 10/- each in Extra – Ordinary general meeting held on 11.05.2015. Effect of sub-division is accordingly given in calculation of EPS as per note no. 7 in Notes to Restated Summary Statement.

**Issue of Bonus Shares**

The Company's Share Capital was Rs. 25,00,000/- consisting of 2,50,000 equity shares of Rs. 10/- each. The company has filed Resolution for the issue of Bonus Shares amounting to Rs. 3,25,00,000/- in Extra-Ordinary General Meeting held on 28.05.2015. Effect of bonus issue is accordingly given in calculation of EPS as per note no. 7 in Notes to Restated Summary Statement.

**Nature of Operations**

The Company is having its manufacturing facilities at Shapar, Rajkot, is presently engaged in manufacturing of Bearing Rollers, earning Jobwork Income & Wind Power Generation.

**I - SIGNIFICANT ACCOUNTING POLICIES:****Basis of preparation of financial statements**

These financial statements as restated are prepared under the historical cost basis of accounting and evaluated on a going concern basis, with revenues and expenses accounted for on their accrual to comply in all material aspects with the applicable accounting principles and applicable Accounting Standards notified under section 211 (3C) of the Companies Act, 1956 and read with general circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act 2013 and the relevant provisions of the Companies Act, 1956 and Companies Act, 2013. The accounting policies have been consistently applied by the Company; and the accounting policies not referred to otherwise, are in conformity with Indian Generally Accepted Accounting Principles ('Indian GAAP').

The financial statements for the year ended 31st March, 2015 have been prepared in accordance with Schedule III of the Companies Act, 2013. Financial Statements for the year ended on 31 March 2014, 31 March 2013 and 31 March 2012 in accordance with Revised Schedule VI of the Companies Act, 1956 and for the year ended 31 March 2011 in accordance with pre-revised Schedule VI of the Companies Act, 1956. For the purpose of inclusion in the offer document, audited financial statements are prepared in accordance with Schedule III of the Companies Act, 2013. The adoption of Schedule III of the Companies Act, 2013 do not impact recognition and measurement principles followed for preparation of financial statements. However, for the financial year ended on 31 March 2011, adoption of Revised Schedule VI of the Companies Act, 1956 and then Schedule III of the Companies Act, 2013 has significant impact on presentation and disclosures made in the financial statements for these years.

The accounting policies have been consistently applied by the Company; and the accounting policies not referred to otherwise, are in conformity with Indian Generally Accepted Accounting Principles ('Indian GAAP'). The accounting policies adopted in the preparation of financial statements are consistent with those of previous year, except for the change in the accounting policy explained below:

### **Change in Accounting Policy**

1. The company had not provided for gratuity for the years ended prior to 01.04.2014. The same was provided as on 31.03.2015 including for period ended on such date, on the basis of actuarial valuation. For the purpose of Restatement the figures for earlier years have been adjusted in the respective years.
2. Foreign exchange gain / (loss) on current assets and current liabilities outstanding at the balance sheet date prior to 01.04.2014 was not accounted by the company, however in restated financials, the same has been translated at the exchange rate prevailing on that date and the net gain or loss is recognized in the profit and loss account.

### **Use of estimates**

The preparation of financial statements require estimates and assumptions to be made that affect the reported balances of assets as on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Accounting estimates could change from period to period. Actual results could differ from these estimates. Appropriate changes in estimates are made as and when the Management becomes aware of the changes in the circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which the changes are made and if material, their effects are disclosed in the notes to the financial statements.

### **Change in accounting estimate**

Pursuant to Companies Act, 2013 being effective from 1 April 2014, the Company has revised the depreciation rates on fixed assets as per the useful life specified in Part 'C' of Schedule II of the Act.

The following significant accounting policies are adopted in the preparation and presentation of these financial statements:

#### **1. Revenue recognition**

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured.

##### **Sales of Goods :**

Sales are recognised when significant risks and rewards of ownership of goods have been passed to the buyer.

##### **Power Generation Income :**

Power generation income is recognised on the basis of electrical units generated and eligible for captive consumption or captive consumed or sold as shown in the power generation reports issued by the concerned authorities. Power generation income was booked as the per unit electricity rate, being paid by the company / actually sold by the company.

##### **Interest :**

Revenue is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

##### **Jobwork Income:**

Revenue is recognised on the basis of completion of services being provided.

#### **2. Tangible Fixed Assets**

Gross fixed assets are stated at cost of acquisition including incidental expenses relating to acquisition and installation. Fixed Assets are stated at cost net of modvat / cenvat / other credits and includes amounts added on revaluation, less accumulated depreciation and impairment loss, if any. All pre-operative costs, including specific financing cost till commencement of commercial production, net charges on foreign exchange contracts and adjustment arising from foreign exchange rate variations attributable to the fixed assets are capitalised. Long-term leasehold assets are capitalized under fixed assets.

The carrying amounts of the assets belonging to each cash generating unit ('CGU') are reviewed at each balance sheet date to assess whether they are recorded in excess of their recoverable amounts and where carrying amounts exceed the recoverable amount of the asset's CGU, assets are written down to their recoverable amount. Recoverable amount is the greater of the asset's net selling price and value in use. In assessing 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 risks specific to the asset. After impairment, depreciation is provided on the revised carrying

amount of the asset over its remaining useful life. The impairment loss recognised in prior accounting periods is reversed if there has been a change in estimates of recoverable amount. The carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation if there was no impairment.

### 3. **Depreciation**

Depreciation on fixed assets is provided on Written Down Value (WDV) method at the rate and manner prescribed in schedule XIV of the Companies Act, 1956 up to the period ending on 31/03/2014. For the period 01/04/2014 to 31.12.2014, the depreciation on fixed assets is on Written Down Value (WDV) method at the rates arrived at on the basis of useful life / remaining useful life and in the manner as prescribed in, Part C, Schedule II of the Companies Act, 2013. In respect of assets whose useful life is already exhausted as on 1st April, 2014, Rs. 62151/- the carrying amount as on 1st April, 2014 after retaining the Scrap Value, has been adjusted in retained earnings under the head 'Reserves & Surplus'.

The details of useful life of an asset and its residual value estimated by the management are as follows:-

Type of Asset	Useful Life as per management's estimate from April 1, 2014	Rates Applied FY 10-11 to 13-14
Factory Building	30 Years	10.00%
Plant & Machinery *	20 Years	13.91%
Furnace	15 Years	13.91%
Ele. Attendance System	15 Years	13.91%
Electrification	15 Years	13.91%
Furniture & Fixtures	10 Years	18.10%
Computers	3 Years	40.00%
Computers Softwares	6 Years	40.00%
Refrigerator	15 Years	13.91%
EPBX System	15 Years	13.91%
Air Conditioner	15 Years	13.91%
Fax Machine	15 Years	13.91%
Water Filter	15 Years	13.91%
Mobile & Telephones	15 Years	13.91%
CCTV System	15 Years	13.91%
Weighing Scale Machine	15 Years	13.91%
Motor Cars	8 Years	25.89%
Motor Cycles	10 Years	25.89%
Windmill Plant & Machinery	22 Years	15.33%

In none of the case the residual value of an asset is more than five per cent of the original cost of the asset

\* For this class of asset, based on internal assessment and independent technical evaluation carried out by chartered engineer, the useful life is estimated to be 20 Years from the date of its put to use, whereas the useful life for the said class of asset as per Schedule II is 15 Years.

### 4. **Inventories**

Inventories of Raw Materials, Semi-Finished Goods, Finished Goods and Waste & Scrap are stated at cost or net realisable value, whichever is lower. Cost comprises all cost of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. The excise duty in respect of closing inventory of finished goods is included as part of finished goods. Cost formula used is 'Average cost'. Due allowance is estimated and made for defective and obsolete items, wherever necessary, based on the past experience of the Company.

### 5. **Retirement Benefits & Other Employee benefits**

#### *Defined Contribution Plans*

Defined contribution to provident fund is charged to the profit and loss account on accrual basis.

*Defined-benefit plans:*

Provision for gratuity liability is provided based on actuarial valuation made at the in the year 2014-15 covering all the period of five years. Leave encashment expenditure is charged to profit and loss account at the time of leave encashed and paid, if any. Bonus expenditure is charged to profit and loss account on accrual basis.

## **6. Foreign Exchange Transactions**

Transactions denominated in foreign currencies are recorded at the exchange rate prevailing on the date of transaction. Foreign currency current assets and current liabilities outstanding at the balance sheet date are translated at the exchange rate prevailing on that date and the net gain or loss is recognized in the profit and loss account.

Foreign currency translation differences relating to liabilities incurred for purchasing of fixed assets from foreign countries are recognized in the profit and loss account. All other foreign currency gain or losses are recognized in the profit and loss account.

## **7. Lease Accounting**

Operating Leases: Assets acquired on lease where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating lease. Lease rentals on assets taken on operating lease are recognised as an expense in the statement of statement of profit and loss. Initial direct cost in respect of the lease acquired are expensed out in the year in which such costs are incurred.

## **8. Borrowing Costs**

Borrowing costs that are directly attributable to the acquisition or construction of a qualifying asset are capitalised as part of the cost of that asset till such time the asset is ready for its intended use. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use. Costs incurred in raising funds are amortised equally over the period for which the funds are acquired. All other borrowing costs are charged to profit and loss account.

## **9. Taxes on Income**

Tax expenses comprise Current Tax / Minimum Alternate Tax (MAT) and deferred tax charge or credit.

Current tax -Provision for current tax / Minimum Alternate Tax (MAT) is made based on tax liability computed after considering tax allowances and exemptions, in accordance with the provisions of The Income Tax Act, 1961.

Deferred tax -Deferred tax assets and liability is recognized, on timing differences, being the differences between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets arising mainly on account of brought forward losses, unabsorbed depreciation and minimum alternate tax under tax laws, are recognised, only if there is a virtual certainty of its realisation, supported by convincing evidence. At each Balance Sheet date, the carrying amount of deferred tax assets are reviewed to reassure realisation. The deferred tax asset and deferred tax liability is calculated by applying tax rate and tax laws that have been enacted or substantively enacted by the Balance Sheet date.

## **10. Earnings Per Share**

Basic earnings/(loss) per share are calculated by dividing the net profit / (loss) for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period are adjusted for any bonus shares issued during the year and also after the balance sheet date but before the date the financial statements are approved by the board of directors.

## **11. Provisions and contingent liabilities**

A provision is recognised when the company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to their present value and are determined based on best estimates required to settle the

obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The company does not recognize a contingent liability but discloses its existence in the financial statements.

Contingent liabilities are disclosed by way of notes to the accounts.

Contingent assets are not recognized.

## **12. Investments**

Investments being Non-Current Investments consists investments made in equity oriented mutual funds (quoted) and shares in co-operative banks (non-quoted). Investments are stated at cost of acquisition. Provision for diminution in the value of long term investments is made only if such decline is other than temporary.

## **13. Cash and Cash Equivalents**

Cash and cash equivalents in the cash flow statement comprise cash at bank and in hand, cheques on hand and short-term investments with an original maturity of three months or less.

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.

## **14. Government Grants & Assistance:**

This includes cash subsidy being received from State Government and District Industries Center (DIC) for fixed assets being non-repayable is grouped under Capital Reserve.

## **15. Segment Reporting**

The company has identified two reportable segment viz. "Manufacturing of Bearing Rollers" & "Wind Power Generation". A Detailed disclosure has been made in these financial statements. (Annexure-AA)

## **II - NOTES TO RESTATED SUMMARY STATEMENT:**

The financial statements for the year ended March 31, 2011 were prepared as per the then-applicable pre-revised Schedule VI of the Companies Act 1956. Consequent to the notification of the revised schedule VI under the Companies Act, 1956, the financial statements for the year ended March 31, 2012, year ended March 31, 2013, year ended March 31, 2014 and the year ended March 31, 2015 are prepared as per the revised schedule VI. Accordingly, the figures of the previous years have also been re-classified to confirm to classification as per the revised schedule VI. The adoption of revised schedule VI for the figures of the previous years does not impact recognition and measurement principles followed for the preparation of these financial statements.

### **1. Contingent liabilities and commitments (to the extent not provided for)**

A disclosure for a contingent liability is also made when there is a possible obligation that may, require an outflow of the Company's resources.

### **2. Disclosure under Micro, Small and Medium Enterprises Development Act, 2006**

In the absence of information regarding outstanding dues of MICRO or Small Scale Industrial Enterprise(s) as per The Micro, Small & Medium Enterprise Development Act, the Company has not disclosed the same as required by Schedule VI to the Companies Act, 1956.

### **3. Related party transactions are already reported as per AS-18 of Companies (Accounting Standards) Rules, 2006, as amended, in the Annexure-X of the enclosed financial statements.**

4. Deferred Tax liability/Asset in view of Accounting Standard – 22: “Accounting for Taxes on Income” as at the end of the year is as under:

(Rs. in Lacs)

Particulars	For the Year				
	2014-15	2013-14	2012-13	2011-12	2010-11
(DTA) / DTL on Timing Difference in Depreciation as per Companies Act and Income Tax Act.	79.64	58.04	52.52	35.51	30.14
(DTA) on account of closing MAT Credit	0.00	0.00	(5.06)	(5.06)	(5.06)
(DTA) on account of closing MAT Credit	(4.18)	(4.19)	(3.41)	(1.78)	(1.53)
Net Deferred Tax (Asset)/Liability	<b>75.46</b>	<b>53.84</b>	<b>44.06</b>	<b>28.68</b>	<b>23.55</b>

#### 5. Directors’ Remuneration

(Rs. in Lacs)

Particulars	2014-15	2013-14	2012-13	2011-12	2010-11
Directors’ Salary	36.00	18.00	18.00	9.00	9.00

#### 6. Auditors’ Remuneration

(Rs. in Lacs)

Particulars	2014-15	2013-14	2012-13	2011-12	2010-11
As Auditors					
Statutory Audit Fees *	0.25	0.25	0.20	0.23	0.20
Tax Audit Fees *	0.05	0.05	0.05	0.05	0.05
<b>Total</b>	<b>0.30</b>	<b>0.30</b>	<b>0.25</b>	<b>0.28</b>	<b>0.25</b>

\* Excluding Service Tax

#### 7. Earnings Per Share

Earnings per Share have been calculated as under:

Particulars	For the Year				
	2014-15	2013-14	2012-13	2011-12	2010-11
A. Number of Shares at the beginning of the year (Considering Sub-Division)	250,000	250,000	250,000	240,000	240,000
Shares issued during the year:					
- Allotment (Considering Sub-Division)	0	0	0	10,000	0
B. Total Number of equity shares outstanding at the end of the year	250,000	250,000	250,000	250,000	240,000
C. Weighted average number of equity shares outstanding during the year (Considering Sub-Division and Bonus Issue)	3,500,000	3,500,000	3,500,000	3,490,710	3,360,000
D. Net profit after tax available for equity shareholders (as restated) (Rs. In Lacs)	170.23	140.51	90.07	111.21	90.03
E. Basic and Diluted earnings per share (Rs.) (D/C)	4.86	4.01	2.57	3.19	2.68

8. Figures have been rearranged and regrouped wherever practicable and considered necessary.
9. The management has confirmed that adequate provisions have been made for all the known and determined liabilities and the same is not in excess of the amounts reasonably required to be provided for.
10. The balances of trade payables, trade receivables, loans and advances are unsecured and considered as good are subject to confirmations of respective parties concerned.
11. 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. The disclosures as envisaged under the standard are as under:



**(a) Defined Benefit Plan (Gratuity)****(Rs. in Lacs)**

Particulars	For the Year				
	2014-15	2013-14	2012-13	2011-12	2010-11
1. The amounts recognised in the Balance Sheet are as follows:					
Present value of unfunded obligations recognized	12.89	12.93	10.51	5.49	4.94
Net Liability	12.89	12.93	10.51	5.49	4.94
2. The amounts recognised in the Profit & Loss A/c are as follows:					
Current Service Cost	2.92	3.29	3.33	1.10	1.14
Interest on Defined Benefit Obligation	1.03	0.95	0.46	0.44	0.33
Net Actuarial Losses / (Gains) Recognized in Year	(3.99)	(1.81)	1.23	(0.99)	(0.39)
Past Service Cost	0.00	0.00	0.00	0.00	0.00
Total, Included in "Salaries, allowances & welfare"	0.00	0.00	0.00	0.00	0.00
	(0.04)	2.42	5.02	0.55	1.08
3. Changes in the present value of defined benefit obligation:					
Defined benefit obligation as at the beginning of the year/period	12.93	10.51	5.49	4.94	3.86
Service cost	2.92	3.29	3.33	1.10	1.14
Interest cost	1.03	0.95	0.46	0.44	0.33
Actuarial Losses/(Gains)	(3.99)	(1.81)	1.23	(0.99)	(0.39)
Past Service Cost	0.00	0.00	0.00	0.00	0.00
Defined benefit obligation as at the end of the year	12.89	12.93	10.51	5.49	4.94
Benefit Description:					
Benefit type:					
Retirement Age:	60 Years	60 Years	60 Years	60 Years	60 Years
Vesting Period:	5 Years	5 Years	5 Years	5 Years	5 Years
The principal actuarial assumptions for the above are:					
Future Salary Rise:	7.00% p.a.	7.00% p.a.	7.00% p.a.	7.00% p.a.	7.00% p.a.
Discount rate per annum:	8.00% p.a.	9.00% p.a.	8.30% p.a.	8.85% p.a.	8.50% p.a.
Attrition Rate:	5% at younger ages and reducing to 1% at older ages according to graduated scale				
Mortality Rate:	Indian Assured Lives Mortality (2006-08) Ult.				

**(b) Defined Contribution Plans**

The Company is registered with the Regional Provident Fund Commissioner for the Employees' Provident Fund Scheme. Contributions to Provident Fund are included under head Salaries, allowances and welfare in the Statement of profit and loss.

**(Rs. In Lacs)**

Particulars	For the Year				
	2014-15	2013-14	2012-13	2011-12	2010-11
Provident Fund (including PF on labour contract)	18.76	14.69	16.27	15.79	16.26

**12. Realizations**

In the opinion of the Board and to the best of its knowledge and belief, the value on realisation of current assets and loans and advances are approximately of the same value as stated.

**13. Contractual liabilities**

All other contractual liabilities connected with business operations of the Company have been appropriately provided for.

**14. Amounts in Financial Statements**

Amounts in the financial statements are rounded off to nearest rupees. Figures in brackets indicate negative values

**15. Previous year's figures**

The Revised Schedule VI has become effective from 1 April, 2011 for the preparation of financial statements. This has significantly impacted the disclosure and presentation made in the financial statements. Figures for the year ended March 31, 2011 dealt in this statement have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure to the extent possible.

**16. Leases****Operating Lease**

Operating leases are mainly in the nature of lease of office premises and leasehold land where windmills are installed (Lease period 20 Years), with no restrictions and are renewable by mutual consent. Lease rental payments made by the Company are recognized in the statement of profit and loss.

Lease payments recognized in statement of profit & loss:

(Rs. in Lacs)

Particulars	For the Year				
	2014-15	2013-14	2012-13	2011-12	2010-11
Lease Rentals Paid / Provided for	0.05	0.17	0.05	0.05	8.03

**17. Material Adjustments**

Appropriate adjustments have been made in the restated financial statements, whenever required, by reclassification of the corresponding items of assets, liabilities and cash flow statement, in order to ensure consistency and compliance with requirement of Schedule VI and Accounting Standards.

**Statement of Adjustments in the financial statements:**

(Rs. In lacs)

Particulars	For the Year				
	2014-15	2013-14	2012-13	2011-12	2010-11
Net Profits after tax and extraordinary items as per audited accounts but before Adjustments: (A)	174.01	151.12	95.02	103.28	92.96
<b>Adjustment on Account of :</b>					
Less: Gratuity Provision not made in accounts	0.00	(2.42)	(5.02)	(0.55)	(4.94)
Interest Exps. of FY 10-11 booked in FY 12-13	0.00	0.00	8.82	0.00	(8.82)
Add (Less): Deferred Tax Created in books	11.21	(1.70)	5.13	16.79	22.58
Add (Less): Deferred Tax Created as per restatement	(21.62)	(9.79)	(15.38)	(5.12)	(15.17)
Add: Gratuity Provision of Earlier Years made in accounts in FY 14-15	12.93	0.00	0.00	0.00	0.00
Add/(Less): Foreign Exchange Rate Difference Income / (Expenses) for the year not booked in books of accounts.	0.00	11.85	3.17	(0.98)	2.10
Add/(Less): Foreign Exchange Rate Difference Income / Expenses for the previous year reversal	(11.85)	(3.17)	0.98	(2.10)	0.00
Add/(Less): Provision for Lease Expenses not made in books of accounts.	0.00	(0.05)	(0.05)	(0.05)	(0.05)
Add: Provision for Lease Expenses of Earlier Years made in accounts in FY 14-15	0.20	0.00	0.00	0.00	0.00
Add/(Less) : Excess Profit on Sale of Fixed Assets	0.00	(3.71)	0.00	0.00	0.00
Add/(Less) : Excess (Shortfall) in depreciation on windmill in books of accounts	0.01	0.01	0.01	0.01	(0.10)
Add/(Less) : Mat Credit utilized not reversed in Books of Accounts	0.00	(1.56)	0.00	0.00	0.00
Add/(Less) : Excess / (Shortfall) in IT Provision	4.06	(1.29)	(1.22)	1.41	1.48
Add/(Less) : Excess / (Shortfall) in IT Provision of earlier year	1.29	1.22	(1.41)	(1.48)	0.00
<b>Total (B)</b>	(3.78)	(10.60)	(4.95)	7.94	(2.93)
<b>Net Profit as Restated (A+B)</b>	<b>170.23</b>	<b>140.51</b>	<b>90.07</b>	<b>111.21</b>	<b>90.03</b>

**a. Provision for deferred tax (asset) / liability**

Deferred tax (assets) / liabilities are created in restated financial statements as per closing balance method whereas, the same have been created on current year method as per audited accounts.

**b. Provision of Gratuity**

The company had not provided for gratuity for the years ended prior to 01.04.2014. The same was provided as on 31.03.2015 including for period ended on such date, on the basis of actuarial valuation. For the purpose of Restatement the figures for earlier years have been adjusted in the respective years.

**c. Provision of Lease Exps.**

The company had not provided for lease expenses under windmill segment for the years ended prior to 01.04.2014. The same was provided as on 31.03.2015 including for period ended on such date. For the purpose of Restatement the figures for earlier years have been adjusted in the respective years.

The above statement should be read with the restated statement of assets and liabilities, statement of profit & loss and cash flow statement as appearing in Annexures I, II and III respectively

**ANNEXURE-A****SUMMARY STATEMENT OF ASSETS AND LIABILITIES (AS RESTATED)**

(Rs. In Lacs)

Particulars	As At				
	31/03/15	31/03/14	31/03/13	31/03/12	31/03/11
<b>Share Capital</b>					
<b>Authorised Share Capital</b>					
Equity shares of Rs.10 each	250,000	250,000	250,000	250,000	250,000
Share Capital (in Rs. Lacs)	25 .00	25 .00	25 .00	25 .00	25 .00
<b>Issued, Subscribed and Paid up Share Capital</b>					
Equity Shares of Rs. 10 each fully paid up	250,000	250,000	250,000	250,000	240,000
Share Capital (in Rs. Lacs)	25 .00	25 .00	25 .00	25 .00	24 .00
<b>Total</b>	<b>25 .00</b>	<b>25 .00</b>	<b>25 .00</b>	<b>25 .00</b>	<b>24 .00</b>

**Reconciliation of Number of Shares outstanding at the beginning and at the end of the reporting period**

Particulars	As At				
	31/03/15	31/03/14	31/03/13	31/03/12	31/03/11
<b>Equity Shares</b>					
Shares outstanding at the beginning of the year	250,000	250,000	250,000	240,000	240,000
Shares Issued during the year	0	0	0	10,000	0
Shares bought back during the year	0	0	0	0	0
<b>Shares outstanding at the end of the year</b>	<b>250,000</b>	<b>250,000</b>	<b>250,000</b>	<b>250,000</b>	<b>240,000</b>

**Shares in the Company held by each shareholder holding more than 5 percent shares.**

Name of Shareholder	31/03/15		31/03/14		31/03/13		31/03/12		31/03/11	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding	No. of Shares held	% of Holding	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Rambhoben Changela	18,000	7.20%	18,000	7.20%	18,000	7.20%	18,000	7.20%	18,000	7.50%
Vrajlal Changela	18,070	7.23%	18,070	7.23%	18,070	7.23%	18,070	7.23%	18,000	7.50%
Jyotiben Changela	18,000	7.20%	18,000	7.20%	18,000	7.20%	18,000	7.20%	18,000	7.50%
Dilipkumar Changela	18,000	7.20%	18,000	7.20%	18,000	7.20%	18,000	7.20%	18,000	7.50%
Rasilaben Changela	18,000	7.20%	18,000	7.20%	18,000	7.20%	18,000	7.20%	18,000	7.50%
Hiralal Changela	18,000	7.20%	18,000	7.20%	18,000	7.20%	18,000	7.20%	18,000	7.50%
Jayshriben Changela	18,000	7.20%	18,000	7.20%	18,000	7.20%	18,000	7.20%	18,000	7.50%
Vishal Changela	16,600	6.64%	16,600	6.64%	16,600	6.64%	16,600	6.64%	16,600	6.92%
Darshitkumar Changela	17,770	7.11%	17,770	7.11%	17,770	7.11%	17,770	7.11%	17,650	7.35%
Divyesh Changela	12,780	5.11%	12,780	5.11%	12,780	5.11%	12,780	5.11%	0	0.00%
	<b>173,220</b>		<b>173,220</b>		<b>173,220</b>		<b>1,73,220</b>		<b>160,250</b>	

**Shares issued other than cash, bonus issue and shares bought back**

Particulars	Year (Aggregate Number of Shares)				
	2014-15	2013-14	2012-13	2011-12	2010-11
<b>Equity Shares :</b>					
Fully paid up pursuant to contract(s) without payment being received in cash	Nil	Nil	Nil	Nil	Nil

Particulars	Year (Aggregate Number of Shares)				
	2014-15	2013-14	2012-13	2011-12	2010-11
Fully paid up by way of bonus shares	Nil	Nil	Nil	Nil	Nil
Shares bought back	Nil	Nil	Nil	Nil	Nil
<b>Unpaid Calls</b>	<b>2014-15</b>	<b>2013-14</b>	<b>2012-13</b>	<b>2011-12</b>	<b>2010-11</b>
By Directors	Nil	Nil	Nil	Nil	Nil
By others	Nil	Nil	Nil	Nil	Nil

**ANNEXURE-B****STATEMENT OF RESERVES AND SURPLUS**

(Rs. In Lacs)

Particulars	As At				
	31/03/15	31/03/14	31/03/13	31/03/12	31/03/11
<b>Capital Reserve : State Cash Subsidy (A)</b>	<b>14.30</b>	<b>14.30</b>	<b>14.30</b>	<b>14.30</b>	<b>14.30</b>
<b>Share Premium Account (B)</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>General Reserve</b>					
Balance as per last financial statements	54.55	39.44	39.44	26.24	15.03
Add : Amount Transferred from Statement of P & L	0.00	15.11	0.00	13.20	11.21
Less : Utilized for the issue of bonus shares	0.00	0.00	0.00	0.00	0.00
<b>Closing Balance (C)</b>	<b>54.55</b>	<b>54.55</b>	<b>39.44</b>	<b>39.44</b>	<b>26.24</b>
<b>Surplus in Statement of Profit &amp; Loss</b>					
Balance as per last financial statements	175.30	166.90	76.83	132.74	123.88
Add : Profit for the year	170.23	140.51	90.07	111.21	90.03
Less : Amount transferred to General Reserve	0.00	15.11	0.00	13.20	11.21
Less : Interim Dividend	0.00	100.00	0.00	132.00	60.00
Less : Tax on Interim Dividend	0.00	17.00	0.00	21.92	9.97
<b>Closing Balance (D)</b>	<b>345.53</b>	<b>175.30</b>	<b>166.90</b>	<b>76.83</b>	<b>132.74</b>
<b>Retained Earnings</b>	<b>0.62</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>Total</b>	<b>415.00</b>	<b>244.15</b>	<b>220.63</b>	<b>130.56</b>	<b>173.27</b>

**ANNEXURE-C****STATEMENT OF LONG TERM BORROWINGS**

(Rs. In Lacs)

Particulars	As At				
	31/03/15	31/03/14	31/03/13	31/03/12	31/03/11
<b>Long Term Borrowings</b>					
<b>Term Loans and Vehicle Loans</b>					
From Banks & Financial Institutions	36.23	29.62	38.24	117.44	211.99
<b>Loans and advances from related parties</b>					
From Promoters	561.14	411.68	351.78	279.68	222.27
From Promoter Group	889.24	721.38	669.19	596.63	467.33
<b>Inter Corporate Deposits</b>					
From Promoter Group Company	0.00	19.28	16.92	19.77	69.33
<b>TOTAL</b>	<b>1,486.60</b>	<b>1,181.96</b>	<b>1,076.12</b>	<b>1,013.52</b>	<b>970.92</b>
<b>Current portion of long-term borrowings, included under Other Current Liabilities</b>	<b>36.47</b>	<b>27.32</b>	<b>79.44</b>	<b>90.02</b>	<b>81.48</b>
<b>Interest accrued but not due, included under Other Current Liabilities</b>	<b>0.32</b>	<b>0.61</b>	<b>1.14</b>	<b>1.95</b>	<b>2.48</b>
<b>TOTAL LONG-TERM BORROWINGS</b>	<b>1,523.39</b>	<b>1,209.88</b>	<b>1,156.71</b>	<b>1,105.50</b>	<b>1,054.87</b>
<b>The above amount includes:</b>					
Secured Borrowings	73.01	57.55	118.83	209.41	295.94
Unsecured Borrowings	1,450.37	1,152.34	1,037.88	896.09	758.93
<b>TOTAL</b>	<b>1,523.39</b>	<b>1,209.88</b>	<b>1,156.71</b>	<b>1,105.50</b>	<b>1,054.87</b>

Notes

1. The terms and conditions and other information in respect of Unsecured Loans are given in Annexure-CF2
2. The terms and conditions and other information in respect of Secured Loans are given in Annexure-CF1

## STATEMENT OF PRINCIPAL TERMS OF SECURED LOANS AND ASSETS CHARGED AS SECURITY

(Amt. in Rs.)

A. Loan from Banks / Financial Institutions											
Name of Lender	Purpose	Sanction Amount	Rate of interest	Securities offered*	Re-payment	Moratorium	As At				
Secured Loan							31/03/15	31/03/14	31/03/13	31/03/12	31/03/11
Kotak Mahindra Bank Ltd.	Working Capital (Cash Credit)	500 Lacs	<u>10-11</u> Base Rate 8% + Applicable Interest Rate 3.50 %i.e. Effective Interest Rate 11.50% <u>11-12</u> Base Rate 8.25% + Applicable Interest Rate 3.50 %i.e. Effective Interest Rate 11.75% <u>12-13</u> Base Rate 10.00% + Applicable Interest Rate 3.50 %i.e. Effective Interest Rate 13.50% <u>13-14</u> Base Rate 9.75% + Applicable Interest Rate 3.50 %i.e. Effective Interest Rate 13.25% <u>14-15</u> Base Rate 10.00% + Applicable Interest Rate 3.00 %i.e. Effective Interest Rate 13.00%	Primary Security : CC : First & exclusive charge on all present and future current and movable assets including movable fixed assets	On Demand	NA	35,100,880	20,243,178	15,793,507	2,100,128	0
Kotak Mahindra Bank Ltd.	Working Capital (Buyer's Credit) (Sub Limit of Cash Credit)	(400 Lacs)	As per bank guidelines from time to time (approx 1.5% p.a.)			NA	0	0	4,098,155	0	0
Kotak Mahindra Bank Ltd.	Term Loan I (Machinery)	225 Lacs	<u>10-11</u> Base Rate 8% + Applicable Interest Rate 3.65 %i.e. Effective Interest Rate 11.65%	Primary Security : TL : First & exclusive charge	Repayable in 36 months starting from January 2011	Nil	0	0	6,413,963	14,069,963	21,345,782



**Vishal Bearings Limited**

			<u><b>11-12</b></u> Base Rate 8.25% + Applicable Interest Rate 3.65 %i.e. Effective Interest Rate 11.90% <u><b>12-13</b></u> Base Rate 10.00% + Applicable Interest Rate 3.65 %i.e. Effective Interest Rate 13.65% <u><b>13-14</b></u> Base Rate 9.75% + Applicable Interest Rate 3.65 %i.e. Effective Interest Rate 13.40%	on all present and future current and movable assets including movable fixed assets  Hypothecation of Windmill, New Machineries Purchased & Vehicles							
Kotak Mahindra Bank Ltd.	Term Loan II (Windmi ll I)	86 Lacs	<u><b>10-11</b></u> Base Rate 8.25% + Applicable Interest Rate 3.65 %i.e. Effective Interest Rate 11.90% <u><b>11-12</b></u> Base Rate 8.25% + Applicable Interest Rate 3.65 %i.e. Effective Interest Rate 11.90% <u><b>12-13</b></u> Base Rate 10.00% + Applicable Interest Rate 3.65 %i.e. Effective Interest Rate 13.65% <u><b>13-14</b></u> Base Rate 9.75% + Applicable Interest Rate 3.65 %i.e. Effective Interest Rate 13.40% <u><b>14-15</b></u> Base Rate 10.00% + Applicable Interest Rate 3.65 %i.e. Effective Interest Rate 13.65%		Repayable in 60 monthly installment starting from April 2011.	Nil	2,003,719	3,830,313	5,468,795	6,870,951	8,248,593
Kotak Mahindra Bank Ltd.	Term Loan III (Machin ery)	50 Lacs	<u><b>14-15</b></u> Base Rate 10.00% + Applicable Interest Rate 3.65 %i.e. Effective Interest Rate 13.65%		Repayable in 60 monthly installment starting from May 2015.	Nil	4,297,301	0	0	0	0

\* Please see Note 1 and Note 2 for the details of Collateral Security & Personal Guarantee respectively.

Note 1		
Collateral Security :		
Description	Land Area Sq. Yards	Construction / Carpet Area / Built up Area Sq. Ft.
1. Registered Equitable Mortgage of industrial plot & building located at Survey No. 22/1, Plot No. 1, Village Shapar (Veraval) Rajkot, Gujarat 360002 owned by "Vishal Bearings Ltd."	3679.39	17680.00
2. Registered Equitable Mortgage of industrial plot & building located at Survey No. 22/1, Plot No. 2 & 3, Village Shapar (Veraval) Rajkot, Gujarat 360002 owned by "Vishal Bearings Ltd."	3044.67	13884.00

Note 2

Personal Guarantee of :

1. Mr. Dilipkumar Changela (Director)

2. Mr. Hiralal Changela (Director)

3. Mr. Vrajlal Changela (Director)

4. Mr. Vishal Changela (Relative)

B. Machinery / Vehicle Loans From Banks & Financial Institutions

Name of Lender	Purpose	Sanction Amount	Rate of interest	Securities offered	Re-payment	Moratorium	As At				
							31/03/15	31/03/14	31/03/13	31/03/12	31/03/11
Kotak Mahindra Prime Ltd.	Rexton - Rx	2,000,000	10.60%	Hypo of Car	Repayable in 36 monthly installment starting from March 14.	1 Month i.e. Feb 14	1,000,415	1,924,420	-	-	-

**ANNEXURE - CF2****STATEMENT OF TERMS & CONDITIONS OF UNSECURED LOANS****1. Details Of Unsecured Loans outstanding as at the end of the respective periods from Directors/Promoters/Promoter Director/Promoter Group/Associates/Relatives of Directors/Group Companies**

Unsecured Loans from Directors/Promoters/Promoter Director/Promoter Group/Associates/Relatives Of Directors/Group Companies are generally at @ 15% p.a. interest rate, which can be reviewed as per mutually agreed terms from time to time.

Long Term in nature. Generally not repayable on demand. Repayable as per mutually agreed terms from time to time.

**Details of Unsecured Loans from Promoters / Promoter Directors****(Amt. in Rs.)**

<b>1 Name: Dilipkumar Changela</b>					
<b>Rate of Interest: 15%</b>					
<b>Particulars</b>	<b>31/03/15</b>	<b>31/03/14</b>	<b>31/03/13</b>	<b>31/03/12</b>	<b>31/03/11</b>
Opening Balance	13,158,359	11,251,492	9,147,192	6,879,665	4,216,703
Amount Received/credited	2,220,000	325,000	825,000	2,850,000	2,050,000
Interest	2,227,435	1,757,630	1,421,445	1,075,030	764,402
Amount repaid/adjusted	0	0	0	1,550,000	75,000
TDS	222,744	175,763	142,145	107,503	76,440
Outstanding Amount	17,383,051	13,158,359	11,251,492	9,147,192	6,879,665
A					
<b>2 Name: Girishkumar Changela *</b>					
<b>Rate of Interest: 15%</b>					
<b>Particulars</b>	<b>31/03/15</b>	<b>31/03/14</b>	<b>31/03/13</b>	<b>31/03/12</b>	<b>31/03/11</b>
Opening Balance	5,690,967	4,994,021	3,413,765	2,332,772	1,647,006
Amount Received/credited	960,000	0	1,025,000	720,000	540,000
Interest	1,028,367	774,385	616,951	401,103	273,073
Amount repaid/adjusted	0	0	0	0	100,000
TDS	102,837	77,439	61,695	40,110	27,307
Outstanding Amount	7,576,497	5,690,967	4,994,021	3,413,765	2,332,772
* ceased to be director w.e.f. 02.05.15					
<b>3 Name: Hiralal Changela</b>					
<b>Rate of Interest: 15%</b>					
<b>Particulars</b>	<b>31/03/15</b>	<b>31/03/14</b>	<b>31/03/13</b>	<b>31/03/12</b>	<b>31/03/11</b>
Opening Balance	10,270,587	8,717,373	7,564,747	5,870,106	3,203,263
Amount Received/credited	1,900,000	325,000	125,000	850,000	2,150,000
Interest	1,669,585	1,364,682	1,141,807	938,490	574,270
Amount repaid/adjusted	0	0	0	0	0
TDS	166,959	136,468	114,181	93,849	57,427
Outstanding Amount	13,673,213	10,270,587	8,717,373	7,564,747	5,870,106
A					
<b>4 Name: Vrajilalbhai Changela</b>					
<b>Rate of Interest: 15%</b>					
<b>Particulars</b>	<b>31/03/15</b>	<b>31/03/14</b>	<b>31/03/13</b>	<b>31/03/12</b>	<b>31/03/11</b>
Opening Balance	12,047,734	10,214,995	7,842,476	7,144,568	6,100,762
Amount Received/credited	3,590,000	400,000	1,335,000	900,000	2,450,000
Interest	2,125,625	1,603,044	1,291,688	1,053,231	659,785
Amount repaid/adjusted	70,000	10,000	125,000	1,150,000	2,000,000
TDS	212,563	160,305	129,169	105,323	65,979
Outstanding Amount	17,480,796	12,047,734	10,214,995	7,842,476	7,144,568
A					
<b>Details of Unsecured Loans from Promoters Group / Group Companies</b>					
<b>5 Name: Rambhaben Changela</b>					
<b>Rate of Interest: 15%</b>					

Particulars	31/03/15	31/03/14	31/03/13	31/03/12	31/03/11
Opening Balance	9,839,694	8,829,377	7,721,387	5,635,304	3,744,029
Amount Received/credited	720,000	0	935,000	1,250,000	1,450,000
Interest	1,634,540	1,350,353	1,181,100	928,981	666,528
Amount repaid/adjusted	15,000	205,000	890,000	0	158,600
TDS	163,454	135,036	118,110	92,898	66,653
Outstanding Amount	12,015,780	9,839,694	8,829,377	7,721,387	5,635,304
A					
<b>6 Name: Hansaben Patel</b>					
<b>Rate of Interest: 15%</b>					
Particulars	31/03/15	31/03/14	31/03/13	31/03/12	31/03/11
Opening Balance	2,360,675	2,071,573	1,775,032	1,507,808	1,214,210
Amount Received/credited	200,000	0	55,000	350,000	225,000
Interest	396,626	321,224	268,379	241,360	187,331
Amount repaid/adjusted	0	0	0	300,000	100,000
TDS	39,663	32,122	26,838	24,136	18,733
Outstanding Amount	2,917,638	2,360,675	2,071,573	1,775,032	1,507,808
A					
<b>7 Name: Manjulaben Marvania</b>					
<b>Rate of Interest: 15%</b>					
Particulars	31/03/15	31/03/14	31/03/13	31/03/12	31/03/11
Opening Balance	2,072,986	1,819,117	1,602,746	1,116,990	619,408
Amount Received/credited	200,000	0	0	300,480	400,000
Interest	352,016	282,077	240,412	205,862	108,424
Amount repaid/adjusted	0	0	0	0	0
TDS	35,202	28,208	24,041	20,586	10,842
Outstanding Amount	2,589,800	2,072,986	1,819,117	1,602,746	1,116,990
A					
<b>8 Name: Bhumiben Changela</b>					
<b>Rate of Interest: 15%</b>					
Particulars	31/03/15	31/03/14	31/03/13	31/03/12	31/03/11
Opening Balance	2,119,642	1,928,187	1,766,365	1,337,610	928,682
Amount Received/credited	200,000	0	0	275,000	265,000
Interest	359,241	296,061	263,136	220,839	159,920
Amount repaid/adjusted	20,000	75,000	75,000	45,000	0
TDS	35,924	29,606	26,314	22,084	15,992
Outstanding Amount	2,622,959	2,119,642	1,928,187	1,766,365	1,337,610
A					
<b>9 Name: Darshit Changela</b>					
<b>Rate of Interest: 15%</b>					
Particulars	31/03/15	31/03/14	31/03/13	31/03/12	31/03/11
Opening Balance	7,065,659	6,299,281	5,580,932	3,634,779	2,356,680
Amount Received/credited	700,000	0	0	1,450,000	1,000,000
Interest	1,202,626	973,753	837,054	634,615	431,221
Amount repaid/adjusted	0	110,000	35,000	75,000	110,000
TDS	120,263	97,375	83,705	63,462	43,122
Outstanding Amount	8,848,022	7,065,659	6,299,281	5,580,932	3,634,779
A					
<b>10 Name: Rasilaben Changela</b>					
<b>Rate of Interest: 15%</b>					
Particulars	31/03/15	31/03/14	31/03/13	31/03/12	31/03/11
Opening Balance	5,426,359	5,302,319	6,089,667	6,119,284	4,762,829
Amount Received/credited	720,000	1,000,000	135,000	675,000	1,100,000
Interest	907,854	787,822	802,947	823,037	779,395
Amount repaid/adjusted	540,000	1,585,000	1,645,000	1,445,350	445,000
TDS	90,785	78,782	80,295	82,304	77,940
Outstanding Amount	6,423,428	5,426,359	5,302,319	6,089,667	6,119,284
A					

<b>11 Name: Jayshreeben Changela</b>					
<b>Rate of Interest: 15%</b>					
<b>Particulars</b>	<b>31/03/15</b>	<b>31/03/14</b>	<b>31/03/13</b>	<b>31/03/12</b>	<b>31/03/11</b>
Opening Balance	6,729,688	6,208,907	5,661,560	4,611,031	3,481,733
Amount Received/credited	1,350,000	0	25,000	400,000	1,000,000
Interest	1,219,221	935,312	847,052	722,810	565,887
Amount repaid/adjusted	346,000	321,000	240,000	0	380,000
TDS	121,922	93,531	84,705	72,281	56,589
Outstanding Amount	8,830,987	6,729,688	6,208,907	5,661,560	4,611,031
A					A
<b>12 Name: Divyeshkumar Changela</b>					
<b>Rate of Interest: 15%</b>					
<b>Particulars</b>	<b>31/03/15</b>	<b>31/03/14</b>	<b>31/03/13</b>	<b>31/03/12</b>	<b>31/03/11</b>
Opening Balance	5,133,593	4,504,905	4,363,344	3,329,980	2,191,501
Amount Received/credited	0	0	0	550,000	791,000
Interest	796,027	698,542	601,735	537,071	386,088
Amount repaid/adjusted	0	0	400,000	0	0
TDS	79,603	69,854	60,174	53,707	38,609
Outstanding Amount	5,850,017	5,133,593	4,504,905	4,363,344	3,329,980
A					
<b>13 Name: Nirju Changela</b>					
<b>Rate of Interest: 15%</b>					
<b>Particulars</b>	<b>31/03/15</b>	<b>31/03/14</b>	<b>31/03/13</b>	<b>31/03/12</b>	<b>31/03/11</b>
Opening Balance	0	0	0	0	234,516
Amount Received/credited	0	0	0	0	0
Interest	0	0	0	0	1,831
Amount repaid/adjusted	0	0	0	0	236,347
TDS	0	0	0	0	0
Outstanding Amount	0	0	0	0	0
A					
<b>14 Name: Rinkuben Changela</b>					
<b>Rate of Interest: 15%</b>					
<b>Particulars</b>	<b>31/03/15</b>	<b>31/03/14</b>	<b>31/03/13</b>	<b>31/03/12</b>	<b>31/03/11</b>
Opening Balance	3,122,937	3,724,145	3,395,579	2,832,778	2,026,064
Amount Received/credited	1,000,000	0	500,000	250,000	500,000
Interest	616,382	455,324	500,629	437,557	340,793
Amount repaid/adjusted	246,000	1,011,000	622,000	81,000	0
TDS	61,638	45,532	50,063	43,756	34,079
Outstanding Amount	4,431,681	3,122,937	3,724,145	3,395,579	2,832,778
A					
<b>15 Name: Jayanaben Changela</b>					
<b>Rate of Interest: 15%</b>					
<b>Particulars</b>	<b>31/03/15</b>	<b>31/03/14</b>	<b>31/03/13</b>	<b>31/03/12</b>	<b>31/03/11</b>
Opening Balance	5,596,768	4,911,358	4,327,188	2,974,118	2,307,735
Amount Received/credited	0	0	0	900,000	540,000
Interest	867,849	761,567	649,078	503,411	362,648
Amount repaid/adjusted	0	0	0	0	200,000
TDS	86,785	76,157	64,908	50,341	36,265
Outstanding Amount	6,377,832	5,596,768	4,911,358	4,327,188	2,974,118
A					
<b>16 Name: Prashant Changela</b>					
<b>Rate of Interest: 15%</b>					
<b>Particulars</b>	<b>31/03/15</b>	<b>31/03/14</b>	<b>31/03/13</b>	<b>31/03/12</b>	<b>31/03/11</b>
Opening Balance	3,774,860	3,412,038	3,091,594	2,375,342	1,896,487
Amount Received/credited	241,000	0	0	450,000	270,000
Interest	617,259	525,068	463,739	385,314	302,251
Amount repaid/adjusted	0	0	0	0	0
TDS	190,733	162,246	143,295	119,062	93,396

Outstanding Amount	4,442,386	3,774,860	3,412,038	3,091,594	2,375,342
A					
<b>17 Name: Rajan Changela</b>					
<b>Rate of Interest: 15%</b>					
<b>Particulars</b>	<b>31/03/15</b>	<b>31/03/14</b>	<b>31/03/13</b>	<b>31/03/12</b>	<b>31/03/11</b>
Opening Balance	3,541,989	3,201,550	2,900,874	2,202,578	1,739,948
Amount Received/credited	241,000	0	0	450,000	270,000
Interest	581,423	492,676	435,131	359,328	278,770
Amount repaid/adjusted	0	0	0	0	0
TDS	179,660	152,237	134,455	111,032	86,140
Outstanding Amount	4,184,752	3,541,989	3,201,550	2,900,874	2,202,578
A					
<b>18 Name: Jyotiben Changela</b>					
<b>Rate of Interest: 15%</b>					
<b>Particulars</b>	<b>31/03/15</b>	<b>31/03/14</b>	<b>31/03/13</b>	<b>31/03/12</b>	<b>31/03/11</b>
Opening Balance	6,779,155	6,213,381	4,062,519	2,708,595	1,459,264
Amount Received/credited	720,000	0	1,645,000	1,000,000	1,050,000
Interest	1,160,490	945,305	700,958	472,493	221,479
Amount repaid/adjusted	170,000	285,000	125,000	71,320	0
TDS	116,049	94,531	70,096	47,249	22,148
Outstanding Amount	8,373,596	6,779,155	6,213,381	4,062,519	2,708,595
A					
<b>19 Name: Vijaykumar Changela</b>					
<b>Rate of Interest: 15%</b>					
<b>Particulars</b>	<b>31/03/15</b>	<b>31/03/14</b>	<b>31/03/13</b>	<b>31/03/12</b>	<b>31/03/11</b>
Opening Balance	3,465,595	3,379,261	3,203,237	3,077,471	2,512,750
Amount Received/credited	750,000	2,000,000	400,000	0	225,000
Interest	629,339	479,260	462,249	445,296	377,468
Amount repaid/adjusted	270,000	2,345,000	640,000	275,000	0
TDS	62,934	47,926	46,225	44,530	37,747
Outstanding Amount	4,512,000	3,465,595	3,379,261	3,203,237	3,077,471
A					
<b>20 Name: Vishal Changela</b>					
<b>Rate of Interest: 15%</b>					
<b>Particulars</b>	<b>31/03/15</b>	<b>31/03/14</b>	<b>31/03/13</b>	<b>31/03/12</b>	<b>31/03/11</b>
Opening Balance	4,121,048	4,544,141	4,121,170	3,268,845	2,328,157
Amount Received/credited	975,000	150,000	400,000	500,000	625,000
Interest	765,743	579,897	603,301	524,806	350,765
Amount repaid/adjusted	270,000	1,095,000	520,000	120,000	0
TDS	76,574	57,990	60,330	52,481	35,077
Outstanding Amount	5,515,217	4,121,048	4,544,141	4,121,170	3,268,845
A					
<b>21 Name: Jayendrakumar Trambadia</b>					
<b>Rate of Interest: 15%</b>					
<b>Particulars</b>	<b>31/03/15</b>	<b>31/03/14</b>	<b>31/03/13</b>	<b>31/03/12</b>	<b>31/03/11</b>
Opening Balance	205,656	180,501	0	0	0
Amount Received/credited	0	0	165,000	0	0
Interest	31,889	27,987	17,223	0	0
Amount repaid/adjusted	28,700	0	0	0	0
TDS	3,189	2,832	1,722	0	0
Outstanding Amount	205,656	205,656	180,501	0	0
A					
<b>22 Name: Jayeshkumar Trambadia</b>					
<b>Rate of Interest: 15%</b>					
<b>Particulars</b>	<b>31/03/15</b>	<b>31/03/14</b>	<b>31/03/13</b>	<b>31/03/12</b>	<b>31/03/11</b>
Opening Balance	396,959	55,425	0	0	0
Amount Received/credited	0	300,000	50,000	0	0
Interest	61,555	41,534	5,425	0	0



Amount repaid/adjusted	55,398	0	0	0	0
TDS	6,155	0	0	0	0
Outstanding Amount	396,961	396,959	55,425	0	0
A					
<b>23 Name: Jitendrakumar Trambadia</b>					
<b>Rate of Interest: 15%</b>					
<b>Particulars</b>	<b>31/03/15</b>	<b>31/03/14</b>	<b>31/03/13</b>	<b>31/03/12</b>	<b>31/03/11</b>
Opening Balance	384,873	333,042	0	0	0
Amount Received/credited	0	0	300,000	0	0
Interest	59,680	51,831	33,042	0	0
Amount repaid/adjusted	53,711	0	0	0	0
TDS	5,968	0	0	0	0
Outstanding Amount	384,874	384,873	333,042	0	0
A					
<b>24 Name: Virdeep Rollers Pvt. Ltd.</b>					
<b>Rate of Interest: 15%</b>					
<b>Particulars</b>	<b>31/03/15</b>	<b>31/03/14</b>	<b>31/03/13</b>	<b>31/03/12</b>	<b>31/03/11</b>
Opening Balance	1,927,943	1,691,837	1,977,245	6,933,046	2,413,751
Amount Received/credited	0	0	0	0	4,000,000
Interest	298,952	262,340	238,436	826,888	576,994
Amount repaid/adjusted	2,197,000	0	500,000	5,700,000	0
TDS	29,895	26,234	23,844	82,689	57,699
Outstanding Amount	0	1,927,943	1,691,837	1,977,245	6,933,046

**ANNEXURE-D****STATEMENT OF DEFERRED TAX (ASSETS) / LIABILITIES**

(Rs. In Lacs)

Particulars	As At				
	31/03/15	31/03/14	31/03/13	31/03/12	31/03/11
<b>Opening Balance (A)</b>					
Opening Balance of Deferred Tax (Asset) / Liability	53.84	44.06	28.68	23.55	8.38
<b>Closing Balances (B)</b>					
(DTA) / DTL on Timing Difference in Depreciation as per Companies Act and Income Tax Act.	79.64	58.04	52.52	35.51	30.14
(DTA) / DTL on account of MAT Credit FY 10-11	0.00	0.00	(5.06)	(5.06)	(5.06)
(DTA) / DTL on account of gratuity provision	(4.18)	(4.19)	(3.41)	(1.78)	(1.53)
<b>Closing Balance of Deferred Tax (Asset) / Liability (B)</b>	<b>75.46</b>	<b>53.84</b>	<b>44.06</b>	<b>28.68</b>	<b>23.55</b>
<b>Current Year Provision (B-A)</b>	<b>21.62</b>	<b>9.79</b>	<b>15.38</b>	<b>5.12</b>	<b>15.17</b>

**ANNEXURE-E****STATEMENT OF LONG-TERM PROVISIONS**

(Rs. In Lacs)

Particulars	As At				
	31/03/15	31/03/14	31/03/13	31/03/12	31/03/11
Provision for Gratuity (unfunded)	12.89	12.93	10.51	5.49	4.94
<b>TOTAL</b>	<b>12.89</b>	<b>12.93</b>	<b>10.51</b>	<b>5.49</b>	<b>4.94</b>

**ANNEXURE-F****STATEMENT OF SHORT TERM BORROWINGS**

(Rs. In Lacs)

Particulars	As At				
	31/03/15	31/03/14	31/03/13	31/03/12	31/03/11
<b>Short Term Borrowings</b>					
From Banks- Cash Credit	348.29	202.05	197.45	20.97	0.00
<b>TOTAL</b>	<b>348.29</b>	<b>202.05</b>	<b>197.45</b>	<b>20.97</b>	<b>0.00</b>
Interest accrued but not due, included under Other current liabilities (short-term borrowings)	2.72	0.38	1.47	0.03	0.00
<b>TOTAL SHORT-TERM</b>	<b>351.01</b>	<b>202.43</b>	<b>198.92</b>	<b>21.00</b>	<b>0.00</b>

Particulars	As At				
	31/03/15	31/03/14	31/03/13	31/03/12	31/03/11
<b>The above amount includes:</b>					
Secured Borrowings	351.01	202.43	198.92	21.00	0.00
Unsecured Borrowings	0.00	0.00	0.00	0.00	0.00
<b>TOTAL</b>	<b>351.01</b>	<b>202.43</b>	<b>198.92</b>	<b>21.00</b>	<b>0.00</b>

Notes:

- 1) The terms and conditions and other information in respect of Secured Loans are given in Annexure-CF1
- 2) The terms and conditions and other information in respect of Unsecured Loans are given in Annexure-CF2

**ANNEXURE-G****STATEMENT OF TRADE PAYABLES**

(Rs. In Lacs)

Particulars	As At				
	31/03/15	31/03/14	31/03/13	31/03/12	31/03/11
<b>Trade Payables</b>					
For Goods	184.25	279.80	99.11	70.39	113.49
For Expenses	34.35	11.50	0.55	1.75	8.12
<b>TOTAL</b>	<b>218.60</b>	<b>291.29</b>	<b>99.65</b>	<b>72.14</b>	<b>121.61</b>

**ANNEXURE-H****STATEMENT OF OTHER CURRENT LIABILITIES**

(Rs. In Lacs)

Particulars	As At				
	31/03/15	31/03/14	31/03/13	31/03/12	31/03/11
<b>Current maturities of long-term borrowings</b>					
From Banks & Financial Institutions	36.47	27.32	79.44	90.02	81.48
Duties & Taxes / Statutory Liabilities	15.00	15.73	20.63	17.27	14.72
Interest accrued but not due (Short Term Borrowings)	2.72	0.38	1.47	0.03	-
Interest accrued but not due (Long Term Borrowings)	0.32	0.61	1.14	1.95	2.48
Advance from customers	0.00	0.00	6.74	0.03	0.00
<b>Other Liabilities</b>					
Payables towards purchase of fixed assets	295.44	6.07	9.24	2.05	14.20
<b>TOTAL</b>	<b>349.94</b>	<b>50.11</b>	<b>118.66</b>	<b>111.35</b>	<b>112.87</b>

**ANNEXURE-I****STATEMENT OF SHORT-TERM PROVISIONS**

(Rs. in Lacs)

Particulars	As At				
	31/03/15	31/03/14	31/03/13	31/03/12	31/03/11
<b>Provisions :</b>					
For Income Tax	59.94	65.44	48.22	32.34	22.46
For Dividend Distribution Tax	0.00	17.00	0.00	0.00	0.00
For Interim Dividend	0.00	100.00	0.00	0.00	0.00
Provision for Employee Benefits (Salary Payable & PF Contribution)	3.20	1.84	2.44	2.32	2.61
Provision for Expenses	5.75	5.46	2.22	0.44	0.32
Excise Provision on finished goods	0.74	0.63	0.60	3.16	0.67
<b>TOTAL</b>	<b>69.64</b>	<b>190.36</b>	<b>53.49</b>	<b>38.26</b>	<b>26.05</b>

**ANNEXURE-J****STATEMENT OF FIXED ASSETS**

(Rs. in Lacs)

Particulars	As At				
	31/03/15	31/03/14	31/03/13	31/03/12	31/03/11
<b>Tangible Assets</b>					
Land	1.77	1.77	1.77	1.77	1.77
Factory Building	233.64	222.01	92.97	60.58	65.06
Plant & Machinery	1,035.77	605.84	541.76	508.12	529.11
Furnace	7.59	9.40	10.91	12.21	5.78
Ele. Attendance System	0.72	0.36	0.12	0.14	0.16
Electrification	20.20	24.79	25.68	18.84	2.13
Furniture	1.67	2.27	2.77	2.11	2.57
Computer	4.89	4.71	5.52	4.82	4.54
Refrigerator	0.04	0.05	0.06	0.07	0.08
EPBX	0.20	0.24	0.04	0.05	0.05
Air Conditioner	2.98	2.02	1.27	0.53	0.66
Fax Machine	0.01	0.01	0.01	0.02	0.02
Water Filter	0.44	0.55	0.64	0.75	0.13
Mobile Phone	0.75	0.93	0.86	0.60	0.67
CCTV System	3.60	3.09	2.25	2.62	3.04
Weighing Scale	0.39	0.21	0.25	0.15	0.17
<u>Vehicles</u>	0.00	0.00	0.00	0.00	0.00
Motor Car - GJ- 8367	0.00	0.00	0.00	0.00	0.00
Motor Car - GJ-3K-2153	0.02	0.02	0.02	0.03	0.05
Motor Car - GJ-3EC-7565	5.28	7.71	10.40	14.04	0.00
Motor Car - Rexton Rx	15.81	22.87	0.00	0.00	0.00
Scooters	0.00	0.00	0.00	0.00	0.01
Honda CD Delux	0.12	0.16	0.21	0.28	0.38
Honda Twister	0.14	0.18	0.25	0.33	0.45
Windmill Plant & Machinery	68.63	78.25	92.42	109.16	128.92
<b>Total Tangible Assets</b>	<b>1,404.65</b>	<b>987.44</b>	<b>790.21</b>	<b>737.21</b>	<b>745.75</b>
<b>Capital Work-in-Progress</b>					
Factory Building	25.66	3.84	128.87	41.92	0.00
Windmill Plant & Machinery	0.00	0.00	0.00	0.00	0.00
<b>Total Capital Work-in-Progress</b>	<b>25.66</b>	<b>3.84</b>	<b>128.87</b>	<b>41.92</b>	<b>0.00</b>
<b>Transferred to Retained Earnings</b>	<b>0.62</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>Grand Total</b>	<b>1,430.94</b>	<b>991.29</b>	<b>919.07</b>	<b>779.13</b>	<b>745.75</b>

**ANNEXURE - K****STATEMENT OF NON-CURRENT INVESTMENTS**

(Amt. in Rs.)

Particulars	Units	As at	Units	As at	Units	As at	Units	As at	Units	As at
	Nos.	31-03-15	Nos.	31-03-14	Nos.	31-03-13	Nos.	31-03-12	Nos.	31-03-11
<b>Non Current Investment</b>										
<b>(Other Than Trade, at Cost)</b>										
<b>Investment in equity, Unquoted</b>										
<b>Shares of Co-Operative Bank</b>										
Co-operative Bank of Rajkot Ltd. (share deposit)	0	100	0	100	0	100	0	100	0	100
Co-operative Bank of Rajkot Ltd.	1,504	37,600	1,504	37,600	1,504	37,600	1,504	37,600	1,504	37,600
<b>(Traded, at Cost)</b>										
<b>Investment in equity, unquoted</b>	0	0	0	0	0	0	0	0	0	0
<b>Investment in equity oriented mutual funds, quoted</b>										
- DSP Blackrock Equity Fund G SIP	95,251	16,47,000	81,955	13,23,000	62,325	9,99,000	42,414	6,75,000	21,710	3,51,000
- Franklin India prima plus (G)	1,830	5,67,000	960	2,43,000	0	0	0	0	0	0
- Franklin High Growth Co. Fund	0	0	0	0	0	0	5,654	79,225	5,654	79,225
- Franklin India Bluechip Fund(G)	646	1,40,334	646	1,40,334	646	1,40,334	303	63,633	0	0
- HDFC CMF Treasure Adv. Plan	0	0	0	0	0	0	4,942	1,10,091	0	0
- HDFC Equity Fund	770	1,94,291	770	1,94,291	770	1,94,291	306	70,321	306	70,321
- ICICI Prudential Balance Advantage Fund Reg (G)	29,942	5,85,066	29,942	5,85,066	0	0	0	0	0	0
- ICICI Floating Rate	0	0	0	0	0	0	0	0	0	11,808
- ICICI Prudential Infrastructure MF	63,991	17,78,711	55,317	14,54,711	42,035	11,30,711	23,997	6,75,000	11,741	3,51,000
- ICICI Prudential Dynamic C Plan	0	0	0	0	0	0	1,083	1,02,194	1,083	1,02,194
- IDFC Premier Equity Fund SIP	44,230	16,47,000	38,857	13,23,000	30,517	9,99,000	21,383	6,75,000	11,198	3,51,000
- Reliance Equity Fund	4,055	1,38,680	4,055	1,38,680	3,433	1,09,212	3,433	1,09,212	2,856	88,217
- Reliance Growth Fund	0	0	0	0	60	27,000	1,525	6,75,000	753	3,51,000
- Reliance Medium Term Plan	0	0	0	0	0	0	0	0	1,149	19,642
- Reliance Money Management	0	0	0	0	0	0	782	12,08,639	0	0
- Templeton India Treasury NGMT	0	0	0	0	0	0	0	0	2,913	70,00,000
<b>Total</b>	<b>2,42,218</b>	<b>67,35,782</b>	<b>2,14,007</b>	<b>54,39,782</b>	<b>1,41,290</b>	<b>36,37,248</b>	<b>1,07,327</b>	<b>44,81,015</b>	<b>60,868</b>	<b>88,13,107</b>
Aggregate Book Value of Quoted Investments	2,40,714	66,98,082	2,12,503	54,02,082	1,39,786	35,99,548	1,05,823	44,43,315	59,364	87,75,407
Aggregate Market Value of Quoted Investments	2,40,714	110,95,356.8	2,12,503	64,49,113	1,39,786	36,59,254	1,05,823	43,40,989	59,364	88,07,603

**ANNEXURE-I****STATEMENT OF LONG-TERM LOANS AND ADVANCES**

(Rs. In Lacs)

Particulars	As At				
	31/03/15	31/03/14	31/03/13	31/03/12	31/03/11
<b>Unsecured, Considered Good unless otherwise stated</b>					
Capital Advances	78.69	5.00	10.00	13.60	5.00
Security Deposit	13.67	13.66	13.66	13.66	4.18
<b>TOTAL</b>	<b>92.36</b>	<b>18.66</b>	<b>23.66</b>	<b>27.26</b>	<b>9.18</b>

None of the long term loans and advances as stated above are recoverable from Directors/ Promoters/ Promoter group /Associates/ Relatives of Directors/ Group company.

**ANNEXURE-M****STATEMENT OF TRADE RECEIVABLES**

(Rs. In Lacs)

Particulars	As At				
	31/03/15	31/03/14	31/03/13	31/03/12	31/03/11
Outstanding for a period exceeding six months ( <b>Unsecured and considered Good</b> )	0.00	0.00	0.00	0.00	0.00
From Directors/ Promoters/ Promoter group /Associates/ Relatives of Directors/Group Company	0.00	0.00	0.00	0.00	0.00
Others					
Outstanding for a period not exceeding 6 months ( <b>Unsecured and considered Good</b> )	2.47	0.00	0.00	0.00	0.00
From Directors/ Promoters/ Promoter group /Associates/ Relatives of Directors/Group Company	401.02	400.97	299.74	310.96	230.55
Others	<b>403.49</b>	<b>400.97</b>	<b>299.74</b>	<b>310.96</b>	<b>230.55</b>

**ANNEXURE-N****STATEMENT OF CASH & CASH EQUIVALENTS**

(Rs. In Lacs)

Particulars	As At				
	31/03/15	31/03/14	31/03/13	31/03/12	31/03/11
a. Cash on Hand	2.83	5.81	3.38	4.62	3.85
b. Balances with Banks					
- In Current Accounts	0.26	100.75	0.51	9.12	17.98
- In Earmarked Accounts	0.00	0.00	0.00	0.00	0.00
Balances held as margin money or security against borrowings, guarantees and other commitments	70.47	30.51	21.39	13.42	32.76
<b>TOTAL</b>	<b>73.56</b>	<b>137.07</b>	<b>25.28</b>	<b>27.16</b>	<b>54.60</b>

**ANNEXURE-O****STATEMENT OF SHORT-TERM LOANS AND ADVANCES**

(Rs. In Lacs)

Particulars	As At				
	31/03/15	31/03/14	31/03/13	31/03/12	31/03/11
<b>Unsecured, Considered Good unless otherwise stated</b>					
Advances Recoverable in cash or kind	10.17	2.17	8.59	0.86	6.14
Prepaid Expenses	5.68	0.19	0.21	-	-
Advance Payment Against Taxes	167.67	83.29	58.16	40.16	85.84
<b>TOTAL</b>	<b>183.52</b>	<b>85.65</b>	<b>66.95</b>	<b>41.02</b>	<b>91.99</b>
<b>Of Above, Advances Recoverable From</b>					
<b>Related Parties</b>					
<b>Directors &amp; Relatives</b>	0.00	0.00	2.51	0.00	0.00
<b>Group Companies</b>	0.00	0.00	0.00	0.00	0.98

**ANNEXURE-P****STATEMENT OF OTHER CURRENT ASSETS**

(Rs. In Lacs)

Particulars	As At				
	31/03/15	31/03/14	31/03/13	31/03/12	31/03/11
Interest Receivable on PGVCL Deposit	1.05	1.00	1.11	0.55	0.19
Interest Receivable on Bank FDs	1.21	0.63	0.53	0.35	0.36
Wind Power Generation Income Receivable	2.30	2.56	1.04	2.49	0.15
Receivables towards sale of investments	0.00	0.00	0.00	28.96	0.00
<b>TOTAL</b>	<b>4.57</b>	<b>4.19</b>	<b>2.68</b>	<b>32.35</b>	<b>0.70</b>

**ANNEXURE-Q****STATEMENT OF REVENUE FROM OPERATIONS****STATEMENT OF REVENUE FROM SALE OF PRODUCTS**

(Rs. In Lacs)

Particulars	As At				
	31/03/15	31/03/14	31/03/13	31/03/12	31/03/11
Sale of Manufactured & Processed Goods	2,586.52	2,056.56	1,830.50	1,529.64	1,565.17
<b>Net Sale of Manufactured &amp; Processed Goods</b>	<b>2,586.52</b>	<b>2,056.56</b>	<b>1,830.50</b>	<b>1,529.64</b>	<b>1,565.17</b>
Sale of Merchanting & Other Goods	0.00	0.00	0.00	0.00	10.18
<b>Total</b>	<b>2,586.52</b>	<b>2,056.56</b>	<b>1,830.50</b>	<b>1,529.64</b>	<b>1,575.35</b>

**STATEMENT OF REVENUE FROM SALE OF SERVICES AND OTHER OPERATING INCOME**

(Rs. In Lacs)

Particulars	As At				
	31/03/15	31/03/14	31/03/13	31/03/12	31/03/11
<b>Sales of Services</b>					
Jobwork Income	115.92	52.84	30.44	77.58	19.93
<b>Other Operating Income</b>					
Export Sales Packing Income	0.00	0.00	0.00	0.67	0.00
Wind Power Generation Income	17.56	13.89	18.84	13.86	0.15
<b>Total</b>	<b>133.48</b>	<b>66.73</b>	<b>49.29</b>	<b>92.10</b>	<b>20.08</b>

**STATEMENT OF OTHER INCOME**

(Rs. In Lacs)

Particulars	As At				
	31/03/15	31/03/14	31/03/13	31/03/12	31/03/11
<b>Recurring Income:</b>					
Interest Income	5.82	3.32	3.53	1.67	3.04
Exchange Rate Difference	90.54	(12.98)	15.00	8.19	7.93
<b>Non-Recurring Income:</b>					
Dividend Income	0.06	0.06	0.09	0.07	1.77
Profit on Sale of Fixed Assets	0.00	2.07	0.00	0.37	0.00
Gain on sale of Investments	0.00	0.88	1.88	2.66	0.00
Other Misc. Income	0.00	0.06	0.07	0.01	0.03
<b>Total</b>	<b>96.42</b>	<b>(6.59)</b>	<b>20.58</b>	<b>12.97</b>	<b>12.77</b>

**ANNEXURE-R****STATEMENT OF RAW MATERIALS & COMPONENTS CONSUMED**

(Rs. In Lacs)

Particulars	As At				
	31/03/15	31/03/14	31/03/13	31/03/12	31/03/11
Opening Stock	420.21	360.76	73.57	126.99	117.39
Add : Purchases (Net)	1,641.42	1,154.64	1,251.72	779.70	764.50
Less : Closing Stock	641.37	420.21	360.76	73.57	126.99
<b>Raw Materials &amp; Components Consumed</b>	<b>1,420.26</b>	<b>1,095.19</b>	<b>964.53</b>	<b>833.12</b>	<b>754.90</b>



**ANNEXURE-S**

**STATEMENT OF CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE**

(Rs. In Lacs)

Particulars	As At				
	31/03/15	31/03/14	31/03/13	31/03/12	31/03/11
<b>a. Stock-In-Trade (at close)</b>					
Finished Goods	5.37	1.37	0.30	13.29	11.79
Work-In-Progress	98.10	135.73	107.59	87.34	97.45
Stock-In-Trade	0.00	0.00	0.00	0.00	0.00
Scrap	0.80	2.17	3.17	9.10	0.09
<b>Total (a)</b>	<b>104.26</b>	<b>139.27</b>	<b>111.06</b>	<b>109.73</b>	<b>109.32</b>
<b>b. Stock-In-Trade (at commencement)</b>					
Finished Goods	1.37	0.30	13.29	11.79	5.84
Reversal of Excise Duty Provision on Opening Stock	(0.63)	(0.60)	(3.16)	(0.67)	0.00
Work-In-Progress	135.73	107.59	87.34	97.45	191.78
Stock-In-Trade	0.00	0.00	0.00	0.00	0.00
Scrap	2.17	3.17	9.10	0.09	0.03
<b>Total (b)</b>	<b>138.64</b>	<b>110.46</b>	<b>106.57</b>	<b>108.66</b>	<b>197.65</b>
<b>Total (b-a)</b>	<b>34.37</b>	<b>(28.81)</b>	<b>(4.49)</b>	<b>(1.07)</b>	<b>88.33</b>

**ANNEXURE-T****STATEMENT OF EMPLOYEE BENEFIT EXPENSES**

(Rs. In Lacs)

Particulars	As At				
	31/03/15	31/03/14	31/03/13	31/03/12	31/03/11
Salary, Wages and Bonus (including directors' remuneration)	325.04	255.72	235.38	186.84	163.39
Contribution to Provident Fund & Gratuity Fund Provision	18.72	17.11	21.29	16.34	21.20
Staff Welfare Expenses	14.50	11.33	11.10	10.46	5.99
<b>Total</b>	<b>358.27</b>	<b>284.16</b>	<b>267.77</b>	<b>213.64</b>	<b>190.58</b>

**ANNEXURE-U****STATEMENT OF OTHER EXPENSES**

(Rs. In Lacs)

Particulars	As At				
	31/03/15	31/03/14	31/03/13	31/03/12	31/03/11
<b>a. Manufacturing &amp; Operating Cost</b>					
Consumption of Stores & Spares	0.00	0.00	0.00	0.00	61.82
Consumption of Packing Materials	0.00	0.00	0.00	0.00	11.34
Consumption of Electric, Power and Fuel	134.51	101.28	85.66	81.32	114.30
Machinery Repairs & Maintenance	11.44	7.04	8.46	7.63	6.76
Building Repairs & Maintenance	10.90	5.64	2.48	2.34	2.69
Electric Repairs & Maintenance	4.98	5.03	8.09	5.18	5.62
Other Manufacturing & Operating Expenses	166.90	102.69	92.23	60.36	64.18
<b>Total (a)</b>	<b>328.73</b>	<b>221.69</b>	<b>196.92</b>	<b>156.84</b>	<b>266.70</b>
<b>b. Sales &amp; Distribution Expenses</b>					
Advertisement & Sales Promotion Expenses	0.83	0.50	0.32	0.57	1.37
Transportation & Loading Expenses	0.00	0.00	15.27	2.72	2.25
<b>Total (b)</b>	<b>0.83</b>	<b>0.50</b>	<b>15.59</b>	<b>3.29</b>	<b>3.62</b>
<b>c. General &amp; Administration Expenses</b>					
Rent	0.00	0.12	0.00	0.00	7.98
Rates & Taxes	2.82	0.50	0.03	0.26	0.02
Conveyance, Tour and Travelling Expenses	10.68	1.57	7.28	4.85	7.18
Legal & Professional Expenses	2.45	1.93	1.86	1.03	1.57
Insurance	1.99	1.59	1.50	1.01	1.41
Bad Debts Written Off	0.00	0.00	0.00	0.00	0.00
Loss on Disposal of Fixed Assets	0.00	0.00	0.00	0.00	0.00
General Administration Expenses	13.62	11.86	11.63	11.41	7.75

<b>Total (c)</b>	<b>31.57</b>	<b>17.56</b>	<b>22.29</b>	<b>18.57</b>	<b>25.91</b>
<b>Total (a+b+c)</b>	<b>361.13</b>	<b>239.75</b>	<b>234.80</b>	<b>178.70</b>	<b>296.23</b>

**ANNEXURE-V****STATEMENT OF FINANCE COSTS**

(Rs. In Lacs)

Particulars	As At				
	31/03/15	31/03/14	31/03/13	31/03/12	31/03/11
Interest on Term Loans	206.98	167.27	158.65	143.34	98.67
Interest on Cash Credit & Buyers Credit	12.90	4.86	5.94	0.00	3.22
Other Interest	2.84	0.02	0.13	0.03	0.02
Other Financial Charges	3.14	10.42	3.53	1.55	6.82
<b>Total</b>	<b>225.86</b>	<b>182.57</b>	<b>168.25</b>	<b>144.92</b>	<b>108.72</b>

**ANNEXURE-W****STATEMENT OF CONTINGENT LIABILITIES**

(Rs. In Lacs)

Particulars	As At				
	31/03/15	31/03/14	31/03/13	31/03/12	31/03/11
Letter of Credits issued by bank	488.39	290.34	74.17	130.05	0.00
<b>Total</b>	<b>488.39</b>	<b>290.34</b>	<b>74.17</b>	<b>130.05</b>	<b>0.00</b>

**ANNEXURE-X****STATEMENT OF RELATED PARTY TRANSACTION**

(Amt in Rs.)

a)	Names of the related parties with whom transactions were carried out during the years and description of relationship:				
1	Dilipkumar Changela	Director			
2	Girishkumar Changela	Director *			
3	Hiralal Changela	Director			
4	Vrajilal Changela	Director			
5	Rambhaben Changela	Relative of Director			
6	Hansaben Patel	Relative of Director			
7	Manjulaben Marvania	Relative of Director			
8	Bhumiben Changela	Relative of Director			
9	Darshit Changela	Relative of Director			
10	Rasilaben Changela	Relative of Director			
11	Jayshreeben Changela	Relative of Director			
12	Divyeshkumar Changela	Relative of Director			
13	Nirju Changela	Relative of Director			
14	Rinkuben Changela	Relative of Director			
15	Jayanaben Changela	Relative of Director			
16	Prashant Changela	Relative of Director			
17	Rajan Changela	Relative of Director			
18	Jyotiben Changela	Relative of Director			
19	Vijaykumar Changela	Relative of Director			
20	Vishal Changela	Relative of Director			
21	Jayendrakumar Trambadia	Relative of Director			
22	Jayeshkumar Trambadia	Relative of Director			
23	Jitendrakumar Trambadia	Relative of Director			
24	Atulbhai Changela	Relative of Director			
25	Harsukhbhai Changela	Relative of Director			
26	Satyavijay Transport Co. (Dilip & Co.)	Companies / Entities owned / significantly influenced by directors			
27	Virdeep Engineering Pvt. Ltd.	Companies/Entities owned/significantly influenced by directors & their relatives			
28	Gordhandas Kanjibhai & Co.	Companies / Entities owned / significantly influenced by directors & their relatives			
29	Vijay Petroleum Co.	Companies / Entities owned / significantly influenced by directors & their relatives			
30	Vijay Fasteners Pvt. Ltd.	Companies / Entities owned / significantly influenced by directors & their relatives			

31	Virdeep Bearing Rollers LLP	Companies / Entities owned / significantly influenced by directors & their relatives
32	Virdeep Rollers Pvt. Ltd.	Companies / Entities owned / significantly influenced by relatives of directors

\* ceased to be director w.e.f. 02.05.15

### 1. Transactions with Companies / Entities owned / significantly influenced by directors & their relatives

(Amt in Rs.)

Sr. No	Nature of Transactions	For The Year ended				
		31/03/15	31/03/14	31/03/13	31/03/12	31/03/11
<b>A</b>	<b>Transaction During the Year</b>					
	<b>Jobwork Expenses</b>					
	Virdeep Engineering Pvt. Ltd.	543,252	136,632	2,458,524	1,380,627	1,733,399
	<b>Diesel Expenses</b>					
	Vijay Petroleum Co.	45,346	48,167	18,784	23,948	6,504
	<b>Purchases (Incl. Taxes)</b>					
	Virdeep Engineering Pvt. Ltd.	0	0	0	107,989	0
	<b>Services (Jobwork Income)</b>					
	Virdeep Engineering Pvt. Ltd.	327,659	1,498,110	2,546,387	6,811,958	1,525,955
	<b>Sales (Incl. Taxes)</b>					
	Virdeep Engineering Pvt. Ltd.	1,082,964	4,292,042	718,969	503,141	1,140,482
	Vijay Fasteners Pvt. Ltd.	0	0	0	0	119,192
	<b>Sale of Fixed Assets</b>					
	Virdeep Engineering Pvt. Ltd.	0	735,000	0	237,421	0
	<b>Advances Received from Customers</b>					
	Virdeep Engineering Pvt. Ltd.	0	0	673,940	0	0
	<b>Advances Given</b>					
	Virdeep Engineering Pvt. Ltd.	0	0	0	0	97,941
<b>B</b>	<b>Closing Balance Dr/(Cr)</b>					
	<b>Trade Payables</b>					
	Virdeep Engineering Pvt Ltd (Purchase + Jobwork)	0	0	0	0	0
	Vijay Petroleum Co. (Diesel Exps.)	(6,470)	0	0	(510)	0
	<b>Trade Receivables</b>					
	Virdeep Engineering Pvt Ltd (Sales + Jobwork)	247,253		(673,940)		0
	Vijay Fasteners Pvt. Ltd.	0	0	0	0	0
	<b>Advances Given</b>					
	Virdeep Engineering Pvt. Ltd.	0	0	0	0	97,941

### 2. Companies / Entities owned / significantly influenced by relatives of directors

Sr. No	Nature of Transactions	Year ended				
		31/03/15	31/03/14	31/03/13	31/03/12	31/03/11
<b>A</b>	<b>Transaction During the Year</b>					
	<b>Loans and Advances received</b>					
	Virdeep Rollers Pvt. Ltd.	0	0	0	0	4,000,000
	<b>Loans and Advances repaid</b>					
	Virdeep Rollers Pvt. Ltd.	2,197,000	0	500,000	5,700,000	0
	<b>Interest Paid</b>					
	Virdeep Rollers Pvt. Ltd.	298,952	262,340	238,436	826,888	576,994
	<b>Purchases of Capital Goods</b>					
	Virdeep Rollers Pvt. Ltd. (Machinery)	0	0	0	0	1,575,000
	Virdeep Rollers Pvt. Ltd. (Land & Building)	0	0	0	0	2,500,000
	<b>Lease Expenses (Including Taxes)</b>					
	Virdeep Rollers Pvt. Ltd.	0	0	0	0	880,682
<b>B</b>	<b>Closing Balance Dr/(Cr)</b>					
	<b>For Loan Liability/Advance (including interest, if any)</b>					
	Virdeep Rollers Pvt. Ltd.	0	(1,927,943)	(1,691,837)	(1,977,245)	(6,933,046)

### 3. Transactions with key management personnel

Sr. No	Nature of Transactions	Year ended				
		31/03/15	31/03/14	31/03/13	31/03/12	31/03/11
<b>A</b>	<b>Transaction During the Year</b>					
	<b>Loans and Advances received</b>					
	Dilipkumar Changela	2,220,000	325,000	825,000	2,850,000	2,050,000
	Girishkumar Changela	0	0	1,025,000	720,000	540,000
	Hiralal Changela	1,900,000	325,000	125,000	850,000	2,150,000
	Vrajlal Changela	3,590,000	400,000	1,335,000	900,000	2,450,000
	<b>Loans and Advances repaid</b>					
	Dilipkumar Changela	0	0	0	1,550,000	75,000
	Girishkumar Changela	0	0	0	0	100,000
	Hiralal Changela	0	0	0	0	0
	Vrajlal Changela	70,000	10,000	125,000	1,150,000	2,000,000
	<b>Directors' Remuneration, Bonus &amp; Incentive</b>					
	Dilipkumar Changela	1,200,000	600,000	600,000	300,000	300,000
	Girishkumar Changela	0	0	0	0	0
	Hiralal Changela	1,200,000	600,000	600,000	300,000	300,000
	Vrajlal Changela	1,200,000	600,000	600,000	300,000	300,000
	<b>Interest Paid</b>					
	Dilipkumar Changela	2,227,435	1,757,630	1,421,445	1,075,030	764,402
	Girishkumar Changela	1,028,367	774,385	616,951	401,103	273,073
	Hiralal Changela	1,669,585	1,364,682	1,141,807	938,490	574,270
	Vrajlal Changela	2,125,625	1,603,044	1,291,688	1,053,231	659,785
<b>B</b>	<b>Closing Balance Dr/(Cr)</b>					
	<b>For Loan Liability/Advance (including interest, if any)</b>					
	Dilipkumar Changela	(17,383,051)	(13,158,359)	(11,251,492)	(9,147,192)	(6,879,665)
	Girishkumar Changela	(7,576,497)	(5,690,967)	(4,994,021)	(3,413,765)	(2,332,772)
	Hiralal Changela	(13,673,213)	(10,270,587)	(8,717,373)	(7,564,747)	(5,870,106)
	Vrajlal Changela	(17,480,796)	(12,047,734)	(10,214,995)	(7,842,476)	(7,144,568)
	<b>Salary Payable</b>					
	Dilipkumar Changela	0	0	4,423	0	(23,798)
	Girishkumar Changela	0	0	0	0	0
	Hiralal Changela	0	0	4,423	0	(23,619)
	Vrajlal Changela	0	0	4,423	0	(23,619)
<b>4. Transaction with Relative of KMP</b>						
Sr. No	Nature of Transactions	Year ended				
		31/03/15	31/03/14	31/03/13	31/03/12	31/03/11
<b>A</b>	<b>Transaction During the Year</b>					
	<b>Loans and Advances received</b>					
	Rambhaben Changela	720,000	0	935,000	1,250,000	1,450,000
	Hansaben Patel	200,000	0	55,000	350,000	225,000
	Manjulaben Marvania	200,000	0	0	300,480	400,000
	Bhumiben Changela	200,000	0	0	275,000	265,000
	Darshit Changela	700,000	0	0	1,450,000	1,000,000
	Rasilaben Changela	720,000	1,000,000	135,000	675,000	1,100,000
	Jayshreeben Changela	1,350,000	0	25,000	400,000	1,000,000
	Divyeshkumar Changela	0	0	0	550,000	791,000
	Nirjuben Changela	0	0	0	0	0
	Rinkuben Changela	1,000,000	0	500,000	250,000	500,000
	Jayanaben Changela	0	0	0	900,000	540,000
	Prashant Changela	241,000	0	0	450,000	270,000
	Rajan Changela	241,000	0	0	450,000	270,000
	Jyotiben Changela	720,000	0	1,645,000	1,000,000	1,050,000
	Vijaykumar Changela	750,000	2,000,000	400,000	0	225,000

	Vishal Changela	975,000	150,000	400,000	500,000	625,000
	Jayendrakumar Trambadia	0	0	165,000	0	0
	Jayeshkumar Trambadia	0	300,000	50,000	0	0
	Jitendrakumar Trambadia	0	0	300,000	0	0
	<b>Loans and Advances repaid</b>					
	Rambhaben Changela	15,000	205,000	890,000	0	158,600
	Hansaben Patel	0	0	0	300,000	100,000
	Manjulaben Marvania	0	0	0	0	0
	Bhumiben Changela	20,000	75,000	75,000	45,000	0
	Darshit Changela	0	110,000	35,000	75,000	110,000
	Rasilaben Changela	540,000	1,585,000	1,645,000	1,445,350	445,000
	Jayshreeben Changela	346,000	321,000	240,000	0	380,000
	Divyeshkumar Changela	0	0	400,000	0	0
	Nirjuben Changela					236,347
	Rinkuben Changela	246,000	1,011,000	622,000	81,000	0
	Jayanaben Changela	0	0	0	0	200,000
	Prashant Changela	0	0	0	0	0
	Rajan Changela	0	0	0	0	0
	Jyotiben Changela	170,000	285,000	125,000	71,320	0
	Vijaykumar Changela	270,000	2,345,000	640,000	275,000	0
	Vishal Changela	270,000	1,095,000	520,000	120,000	0
	Jayendrakumar Trambadia	28,700	0	0	0	0
	Jayeshkumar Trambadia	55,398	0	0	0	0
	Jitendrakumar Trambadia	53,711	0	0	0	0
	<b>Interest Paid</b>					
	Rambhaben Changela	1,634,540	1,350,353	1,181,100	928,981	666,528
	Hansaben Patel	396,626	321,224	268,379	241,360	187,331
	Manjulaben Marvania	352,016	282,077	240,412	205,862	108,424
	Bhumiben Changela	359,241	296,061	263,136	220,839	159,920
	Darshit Changela	1,202,626	973,753	837,054	634,615	431,221
	Rasilaben Changela	907,854	787,822	802,947	823,037	779,395
	Jayshreeben Changela	1,219,221	935,312	847,052	722,810	565,887
	Divyeshkumar Changela	796,027	698,542	601,735	537,071	386,088
	Nirjuben Changela	0	0	0	0	1,831
	Rinkuben Changela	616,382	455,324	500,629	437,557	340,793
	Jayanaben Changela	867,849	761,567	649,078	503,411	362,648
	Prashant Changela	617,259	525,068	463,739	385,314	302,251
	Rajan Changela	581,423	492,676	435,131	359,328	278,770
	Jyotiben Changela	1,160,490	945,305	700,958	472,493	221,479
	Vijaykumar Changela	629,339	479,260	462,249	445,296	377,468
	Vishal Changela	765,743	579,897	603,301	524,806	350,765
	Jayendrakumar Trambadia	31,889	27,987	17,223	0	0
	Jayeshkumar Trambadia	61,555	41,534	5,425	0	0
	Jitendrakumar Trambadia	59,680	51,831	33,042	0	0
	<b>Advances Given</b>					
	Rambhaben Changela	0	0	36,690	0	0
	Rasilaben Changela	0	0	97,870	0	0
	Jyotiben Changela	0	0	96,240	0	0
	Vishal Changela	0	0	5,130	0	0
	<b>Salary Paid</b>					
	Divyeshkumar Changela	600,000	180,000	180,000	120,000	120,000
	Vijaykumar Changela	600,000	300,000	300,000	180,000	180,000
	Vishal Changela	600,000	300,000	300,000	180,000	135,000
	Manjulaben Marvania	0	0	0	0	89,605
	Darshit Changela	600,000	0	0	0	0
	<b>Shares Issued</b>					

	Divyeshkumar Changela	0	0	0	1,300	0
	Darshit Changela	0	0	0	1,200	0
	Vijaykumar Changela	0	0	0	700	0
	Prashant Changela	0	0	0	300	0
	Rajanbhai Changela	0	0	0	300	0
	Jayeshkumar Trambadia	0	0	0	27,100	0
	Jitendrakumar Trambadia	0	0	0	10,500	0
	Jayendrakumar Trambadia	0	0	0	10,500	0
	Atulbhai Changela	0	0	0	24,000	0
	Harsukhbhai Changela	0	0	0	24,100	0
<b>B</b>	<b>Closing Balance Dr/(Cr)</b>					
	<b>For Loan Liability/Advance (including interest, if any)</b>					
	Rambhaben Changela	(12,015,780)	(9,839,694)	(8,829,377)	(7,721,387)	(5,635,304)
	Hansaben Patel	(2,917,638)	(2,360,675)	(2,071,573)	(1,775,032)	(1,507,808)
	Manjulaben Marvania	(2,589,800)	(2,072,986)	(1,819,117)	(1,602,746)	(1,116,990)
	Bhumiben Changela	(2,622,959)	(2,119,642)	(1,928,187)	(1,766,365)	(1,337,610)
	Darshit Changela	(8,848,022)	(7,065,659)	(6,299,281)	(5,580,932)	(3,634,779)
	Rasilaben Changela	(6,423,428)	(5,426,359)	(5,302,319)	(6,089,667)	(6,119,284)
	Jayshreeben Changela	(8,830,987)	(6,729,688)	(6,208,907)	(5,661,560)	(4,611,031)
	Divyeshkumar Changela	(5,850,017)	(5,133,593)	(4,504,905)	(4,363,344)	(3,329,980)
	Rinkuben Changela	(4,431,681)	(3,122,937)	(3,724,145)	(3,395,579)	(2,832,778)
	Jayanaben Changela	(6,377,832)	(5,596,768)	(4,911,358)	(4,327,188)	(2,974,118)
	Prashant Changela	(4,442,386)	(3,774,860)	(3,412,038)	(3,091,594)	(2,375,342)
	Rajan Changela	(4,184,752)	(3,541,989)	(3,201,550)	(2,900,874)	(2,202,578)
	Jyotiben Changela	(8,373,596)	(6,779,155)	(6,213,381)	(4,062,519)	(2,708,595)
	Vijaykumar Changela	(4,512,000)	(3,465,595)	(3,379,261)	(3,203,237)	(3,077,471)
	Vishal Changela	(5,515,217)	(4,121,048)	(4,544,141)	(4,121,170)	(3,268,845)
	Jayendrakumar Trambadia	(205,656)	(205,656)	(180,501)	0	0
	Jayeshkumar Trambadia	(396,961)	(396,959)	(55,425)	0	0
	Jitendrakumar Trambadia	(384,874)	(384,873)	(333,042)	0	0
	<b>Salary Payable</b>					
	Divyeshkumar Changela	0	0	0	0	0
	Vijaykumar Changela	0	0	1,009	0	0
	Vishal Changela	0	0	1,009	0	0
	Manjulaben Marvania	0	0	0	0	0
	Darshit Changela	0	0	0	0	0
	<b>Advances Given</b>					
	Rambhaben Changela	0	0	36,690	0	0
	Rasilaben Changela	0	0	97,870	0	0
	Jyotiben Changela	0	0	96,240	0	0
	Vishal Changela	0	0	5,130	0	0
	<b>Share Capital</b>					
	Divyeshkumar Changela	0	0	0	(1,300)	0
	Darshit Changela	0	0	0	(1,200)	0
	Vijaykumar Changela	0	0	0	(700)	0
	Prashant Changela	0	0	0	(300)	0
	Rajanbhai Changela	0	0	0	(300)	0
	Jayeshkumar Trambadia	0	0	0	(27,100)	0
	Jitendrakumar Trambadia	0	0	0	(10,500)	0
	Jayendrakumar Trambadia	0	0	0	(10,500)	0
	Atulbhai Changela	0	0	0	(24,000)	0
	Harsukhbhai Changela	0	0	0	(24,100)	0



**ANNEXURE-Y****CAPITALIZATION STATEMENT**

(Rs. In Lacs)

Particulars	Pre-Issue As on 31 March 2015	Post-Issue
Debt		
Short Term Debt	949.69	949.69
Long Term Debt	1,523.39	1,523.39
<b>Total Debt</b>	<b>2,473.07</b>	<b>2,473.07</b>
Shareholders' Fund (Equity)		
Share Capital	25.00	154.60
Reserves & Surplus	415.00	609.40
Less: Miscellaneous Expenses not w/off	0.00	0.00
<b>Total Shareholders' Fund (Equity)</b>	<b>440.00</b>	<b>764.00</b>
Long Term Debt/Equity (Ratio)	<b>3.46</b>	<b>1.99</b>
Total Debt/Equity (Ratio)	<b>5.62</b>	<b>3.24</b>

## Notes

1. Short term Debts represent which are expected to be paid/payable within 12 months and excludes installment of term loans repayable within 12 months.
2. Long term Debts represent debts other than Short term Debts as defined above but includes installment of term loans repayable within 12 months grouped under other current liabilities

**ANNEXURE-Z****MANDATORY ACCOUNTING RATIOS**

(Rs. In Lacs, except per share data)

Particulars	As At				
	31/03/15	31/03/14	31/03/13	31/03/12	31/03/11
Face Value per equity Share(Rs.)	10	10	10	10	10
(i) Earnings/ (losses) Per Share (in Rs.)					
- Basic and Diluted Earnings/ (losses) Per Share [a/b]	680.92	562.06	360.27	462.02	375.13
- Restated Basic and Diluted Earnings/ (losses) Per Share [a/b1]	4.86	4.01	2.57	3.19	2.68
(ii) Return on Net Worth (in %) [a/d]	38.69%	52.21%	36.67%	71.49%	45.64%
(iii) Net Assets Value per Share (in Rs.)					
- Net Assets Value per Share (in Rs.) [d/c]	1,760.01	1,076.61	982.53	622.26	821.98
- Restated Net Assets Value per Share (in Rs.) [d/c1]	12.57	7.69	7.02	4.44	5.87
(a) Net profit available for appropriation (as restated) (Rs. In Lacs)	170.23	140.51	90.07	111.21	90.03
(b) Weighted average numbers of equity shares for calculating Basic and diluted EPS.	25,000	25,000	25,000	24,071	24,000
(b1) Weighted average numbers of equity shares for calculating Basic and diluted EPS. (Adjusted for Sub-Division and issue of Bonus Shares)	3,500,000	3,500,000	3,500,000	3,490,710	3,360,000
(c) No. of equity shares outstanding at the end of the year.	25,000	25,000	25,000	25,000	24,000
(c1) No. of equity shares outstanding at the end of the year. (Adjusted for Sub-Division and issue of Bonus Shares)	3,500,000	3,500,000	3,500,000	3,500,000	3,360,000
(d) Net Worth as at the end of the period/year (as restated) (Rs. In Lacs)	440.00	269.15	245.63	155.56	197.27

## Notes

1. The above ratios are calculated as under:

a) Basic and Diluted Earnings per Share =  $\frac{\text{Net Profit available for appropriation (as restated)}}{\text{Weighted average number of equity shares outstanding during the year}}$

Weighted average number of equity shares outstanding during the year

b) Return on Net Worth (%) =  $\frac{\text{Net Profit available for appropriation (as restated)}}{\text{Net worth as at the year end}}$

c) Net Asset Value Per Equity Share =  $\frac{\text{Net Worth as at the end of the period/year}}{\text{Number of equity shares outstanding at the end of the Year}}$

2. Net Worth means 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;
3. Earnings Per Share (EPS) calculation are in accordance with the Accounting Standard 20 "Earnings Per Share" prescribed under the Companies (Accounting Standards) Rules, 2006.
4. The figures disclosed above are based on the restated financial information of the Company.

**ANNEXURE AA****Segment Information:-**

The company has identified two reportable segment viz. "Manufacturing of Bearing Rollers" & "Wind Power Generation".

Segment have been identified and reported taking into account nature of product and services and deferring risk and rewards from them. The accounting policies adopted for segment reporting are in line with the accounting policy of the company with following additional policies:

(a) Revenue and expenses have been identified to a segment on the basis of relationship to the corresponding segment. Revenue and expenses, which relate to enterprise as a whole and are not allocable to a segment on reasonable basis, have been deducted from total column.

(b) Segment assets and segment liabilities represents assets and liabilities in respective segments. Assets and liabilities that cannot be allocated to as segment on a reasonable basis have been disclosed as 'Un-allocable'.

(I) Primary Segment Information:

<b>FY 2010-2011</b>			
<b>Amount In Rs.</b>			
<b>Figures in brackets shows previous year figures</b>			
<b>Particulars</b>	<b>Bearing Rollers</b>	<b>Wind Power Generation</b>	<b>Total</b>
<b><u>Segment Revenue</u></b>	160,501,034	14,988	160,516,022
External Income	(115,157,832)	(Nil)	(115,157,832)
<b><u>Total Income</u></b>	160,501,034	14,988	160,516,022
	(115,157,832)	(Nil)	(115,157,832)
<b><u>Segment Result Before Interest and Taxes</u></b>	22,886,554	(30,618)	22,855,936
	(Nil)	(Nil)	(Nil)
Less: Interest & Finance Charges	10,638,126	234,092	10,872,218
	(Nil)	(Nil)	(Nil)
Add: Interest Income			303,759
			(173,375)
Profit Before Exceptional, Extraordinary Items & Tax			12,287,477
			(9,220,938)
Exceptional & Extraordinary Items			0
			(Nil)
Profit Before Tax & After Exceptional Items			12,287,477
			(9,220,938)
Less: Tax Expenditure			3,284,272
			(2,845,171)
Profit After Tax			9,003,205
			(6,375,767)
<b><u>Other Information</u></b>			
Segment Assets	124,001,778	12,907,196	136,908,974
	(90,532,432)	0	(90,532,432)
Unallocated Assets			8,813,107
			(407,263)
Segment Liabilities	110,897,061	9,642,684	120,539,745
	(116,327,702)	0	(116,327,702)
Unallocated Liabilities			5,454,884
			(9,666,927)
Capital Expenditure	45,668,172	12,930,220	58,598,392
	(5,480,606)	0	(5,480,606)
Depreciation	4,046,195	38,015	4,084,210
	(2,489,222)	0	(2,489,222)
Non cash expenses other than Depreciation			0

			(Nil)
<b>FY 2011-2012</b>			
<b>Particulars</b>	<b>Bearing Rollers</b>	<b>Wind Power Generation</b>	<b>Total</b>
<b>Segment Revenue</b>	161,918,189	1,385,633	163,303,822
External Income	(160,501,034)	(14,988)	(160,516,022)
<b>Total Income</b>	161,918,189	1,385,633	163,303,822
	(160,501,034)	(14,988)	(160,516,022)
<b>Segment Result Before Interest and Taxes</b>	30,595,632	(998,829)	29,596,803
	(22,886,554)	((30618))	(22,855,936)
Less: Interest & Finance Charges	13,673,579	818,357	14,491,936
	(10,638,126)	(234,092)	(10,872,218)
Add: Interest Income			167,258
			(303,759)
Profit Before Exceptional, Extraordinary Items & Tax			15,272,125
			(12,287,477)
Exceptional & Extraordinary Items			0
			0
Profit Before Tax & After Exceptional Items			15,272,125
			(12,287,477)
Less: Tax Expenditure			4,150,771
			(3,284,272)
Profit After Tax			11,121,354
			(9,003,205)
<b>Other Information</b>			
Segment Assets	128,952,209	11,164,844	140,117,053
	(124,001,778)	(12,907,196)	(136,908,974)
Unallocated Assets			4,481,015.00
			(8,813,107)
Segment Liabilities	114,896,250	6,902,945	121,799,195
	(110,897,061)	(9,642,684)	(120,539,745)
Unallocated Liabilities			7,242,422
			(5,454,884)
Capital Expenditure	14,774,292	0	14,774,292
	(45,668,172)	(12,930,220)	(58,598,392)
Depreciation	9,292,101	1,976,375	11,268,476
	(4,046,195)	(38,015)	(4,084,210)
Non cash expenses other than Depreciation			0
			(Nil)
<b>FY 2012-2013</b>			
<b>Particulars</b>	<b>Bearing Rollers</b>	<b>Wind Power Generation</b>	<b>Total</b>
<b>Segment Revenue</b>	187,799,064	1,884,302	189,683,366
External Income	(161,918,189)	(1,385,633)	(163,303,822)
<b>Total Income</b>	187,799,064	1,884,302	189,683,366
	(161,918,189)	(1,385,633)	(163,303,822)
<b>Segment Result Before Interest and Taxes</b>	32,049,976	(115,799)	31,934,177
	(30,595,632)	((998829))	(29,596,803)
Less: Interest & Finance Charges	16,012,994	811,592	16,824,586
	(13,673,579)	(818,357)	(14,491,936)
Add: Interest Income			352,654
			(167,258)
Profit Before Exceptional, Extraordinary Items & Tax			15,462,245
			(15,272,125)
Exceptional & Extraordinary Items			0
			(Nil)
Profit Before Tax & After Exceptional Items			15,462,245

			(15,272,125)
Less: Tax Expenditure			6,455,458
			(4,150,771)
Profit After Tax			9,006,787
			(11,121,354)
<b>Other Information</b>			
Segment Assets	171,573,559	9,346,283	180,919,842
	(128,952,209)	(11,164,844)	(140,117,053)
Unallocated Assets			3,637,248.00
			(4,481,015)
Segment Liabilities	143,680,385	5,508,317	149,188,702
	(114,896,250)	(6,902,945)	(121,799,195)
Unallocated Liabilities			10,805,150
			(7,242,422)
Capital Expenditure	25,482,941	0	25,482,941
	(14,774,292)	0	(14,774,292)
Depreciation	9,814,868	1,673,397	11,488,265
	(9,292,101)	(1,976,375)	(11,268,476)
Non cash expenses other than Depreciation			0
			(Nil)
<b>FY 2013-2014</b>			
<b>Particulars</b>	<b>Bearing Rollers</b>	<b>Wind Power Generation</b>	<b>Total</b>
<b>Segment Revenue</b>	209,948,589	1,389,170	211,337,759
External Income	(187,799,064)	(1,884,302)	(189,683,366)
<b>Total Income</b>	209,948,589	1,389,170	211,337,759
	(187,799,064)	(1,884,302)	(189,683,366)
<b>Segment Result Before Interest and Taxes</b>	39,872,118	(332,544)	39,539,574
	(32,140,934)	((117060))	(31,934,177)
Less: Interest & Finance Charges	17,681,550	575,266	18,256,816
	(16,012,994)	(811,592)	(16,824,586)
Add: Interest Income			332,429
			(352,654)
Profit Before Exceptional, Extraordinary Items & Tax			21,615,187
			(15,462,245)
Exceptional & Extraordinary Items			0
			(Nil)
Profit Before Tax & After Exceptional Items			21,615,187
			(15,462,245)
Less: Tax Expenditure			7,563,713
			(6,455,458)
Profit After Tax As Restated			14,051,474
			(9,006,787)
<b>Other Information</b>			
Segment Assets	211,648,047	8,081,743	219,729,790
	(171,573,559)	(9,346,283)	(180,919,842)
Unallocated Assets			5,439,782
			(3,637,248)
Segment Liabilities	168,667,312	3,874,191	172,541,503
	(143,680,385)	(5,508,317)	(149,188,702)
Unallocated Liabilities			25,712,857
			(10,805,150)
Capital Expenditure	34,474,280	0	34,474,280
	(25,482,941)	0	(25,482,941)
Depreciation	11,352,667	1,416,865	12,769,532
	(9,814,868)	(1,673,397)	(11,488,265)
Non cash expenses other than Depreciation			0
			(Nil)

<b>FY 2014-2015</b>			
<b>Particulars</b>	<b>Bearing Rollers</b>	<b>Wind Power Generation</b>	<b>Total</b>
<b>Segment Revenue</b>	279,304,638	1,755,810	281,060,448
External Income	(209,948,589)	(1,389,170)	(211,337,759)
<b>Total Income</b>	279,304,638	1,755,810	281,060,448
	(209,948,589)	(1,389,170)	(211,337,759)
<b>Segment Result Before Interest and Taxes</b>	46,580,974	492,793	47,073,767
	(39,872,118)	((332,544))	(39,539,574)
Less: Interest & Finance Charges	22,198,863	387,153	22,586,016
	(17,681,550)	(575,266)	(18,256,816)
Add: Interest Income			582,357
			(332,429)
Profit Before Exceptional, Extraordinary Items & Tax			25,070,108
			(21,615,187)
Exceptional & Extraordinary Items			0
			(Nil)
Profit Before Tax & After Exceptional Items			25,070,108
			(21,615,187)
Less: Tax Expenditure			8,047,130
			(7,563,713)
Profit After Tax			17,022,978
			(14,051,474)
<b>Other Information</b>			
Segment Assets	286,314,036	7,092,633	293,406,669
	(211,648,047)	(8,081,743)	(219,729,790)
Unallocated Assets			6,735,782
			(5,439,782)
Segment Liabilities	238,314,207	2,029,141	240,343,348
	(168,667,312)	(3,874,191)	(172,541,503)
Unallocated Liabilities			15,798,763
			(25,712,857)
Capital Expenditure	60,486,583		60,486,583
	(34,474,280)	0	(34,474,280)
Depreciation	15,621,252	962,489	16,583,741
	(11,352,667)	(1,416,865)	(12,769,532)
Non cash expenses other than Depreciation			0
			(Nil)

The reportable segment is further described below:

- (i) Manufacturing of Bearing Rollers & Jobwork Income
- (ii) Power generation for captive consumption through installation of windmill.

(II) Secondary Segment Information:

The major and material activities of the company are restricted to only one geographical segment i.e. India, hence the secondary segment disclosure are not applicable.



**ANNEXURE-AB****STATEMENT OF TAX SHELTER**

(Rs. In Lacs)					
Particulars	As At				
	31/03/15	31/03/14	31/03/13	31/03/12	31/03/11
<b>Tax Computation as per normal tax provisions</b>					
<b>Restated Profit before tax</b>	250.70	216.15	154.62	152.72	122.87
MAT rate including surcharge	18.50%	19.06%	19.06%	19.06%	18.54%
Normal Tax rate including surcharge	32.45%	32.45%	32.45%	32.45%	30.90%
Normal Tax on above	81.34	70.13	50.17	49.55	37.97
<b>Adjustments:</b>					
<b>Permanent Differences / Exempt Incomes:</b>					
Interest on TDS / TDS Expenses	0.04	0.12	0.10	0.02	0.00
Donation (not allowable as business expenditure)	0.00	0.02	0.10	0.34	1.52
Dividend Income (Exempt)	0.00	0.00	0.00	(0.01)	(1.71)
Long Term Capital Gain (Exempt)	0.00	(0.02)	0.00	0.00	0.00
Foreign Exchange Gain on Fixed Assets being considered separately	(22.41)	0.00	0.00	0.00	0.00
Prior Year Exps.	0.00	0.00	0.00	0.00	0.00
Donation (Net of 50% Allowable or 50% of actual receipts of donation)	0.00	(0.01)	(0.05)	(0.08)	0.00
Disallowable expense under Income Tax Act (Sec 43B)	0.00	0.00	0.00	0.00	0.00
Loss / (Gain) on sale of assets (as restated)	0.00	(2.07)	0.00	(0.37)	0.00
Loss / (Gain) on sale of Investments	0.00	0.00	0.03	0.00	0.00
<b>Temporary Differences:</b>					
Difference between book depreciation & tax depreciation	(43.55)	(14.92)	(10.51)	(53.48)	(71.47)
Difference between capital gain as per books and capital gain as per IT	0.00	0.00	(0.76)	0.00	0.00
Short term capital gain (taxable @ 15%)	0.00	0.00	0.15	0.00	0.00
Gratuity	(0.04)	2.42	5.02	0.55	4.94
<b>Other Adjustments:</b>					
Brought Forward Losses adjusted	0.00	0.00	0.00	0.00	0.00
<b>Total Adjustments</b>	<b>-65.96</b>	<b>-14.47</b>	<b>-5.93</b>	<b>-53.03</b>	<b>-66.72</b>
Tax expense/(saving) thereon	(21.40)	(4.70)	(1.95)	(17.21)	(20.62)
Tax Payable as per Normal Provisions	59.94	65.44	48.22	32.34	17.35
<b>Tax Computation as per MAT provisions</b>					
<b>Restated Book Profit before tax</b>	250.70	216.15	154.62	152.72	122.87
MAT Tax on Above	46.38	41.19	29.46	29.10	22.78
<b>Add :</b>					
Income tax paid / payable / provision thereof	0.04	0.12	0.10	0.02	0.00
<b>Less :</b>					
Dividend Income (Section 10)	0.00	0.00	0.00	(0.01)	(1.71)
<b>Total Adjustments</b>	0.04	0.12	0.10	0.01	(1.71)
Tax expense/(saving) thereon	0.01	0.02	0.02	0.00	(0.32)
Tax Payable as per MAT Provisions	46.39	41.21	29.48	29.10	22.46
<b>Gross Tax Payable (w.e.i. higher)</b>	<b>59.94</b>	<b>65.44</b>	<b>48.22</b>	<b>32.34</b>	<b>22.46</b>

STATEMENT OF DIVIDEND DECLARED

Particulars	As At				
	31/03/15	31/03/14	31/03/13	31/03/12	31/03/11
<b>Class of Shares</b>					
Equity Share Capital of Rs. 10 each	10.00	10.00	10.00	10.00	10.00
<b>Rate of Dividend (%)</b>					
Interim Dividend	0%	400%	0%	528%	250%
Final Dividend	0.00	0.00	0.00	0.00	0.00

### STATEMENT OF FINANCIAL INDEBTEDNESS

**Brief details on the financial indebtedness of the 'Vishal Bearings Ltd' as on 10<sup>th</sup> September, 2015 are as under:**

#### **A. Secured Loan**

(Amount in Rs. Lacs)

Name of lender	Purpose	Sanction Amount	Rate of Interest*	Securities offered	Re-payment	Moratorium	Outstanding amount
<b>From Banks and Financial Institutions</b>							
Kotak Mahindra Bank Ltd.	Working Capital (Cash Credit)	575.00	Base Rate 10.00%+Applicable Interest Rate 2.00% i.e. Effective Interest Rate 12.00%	<b>Primary Security :</b> <b>On Cash Credit:</b> First & exclusive charge on all present and future current and movable assets including movable fixed assets.	On Demand	Nil	517.10
	Term Loan-I (Wind Mill)	86.00	Base Rate 10.00%+Applicable Interest Rate 2.00% i.e. Effective Interest Rate 12.00%	<b>On Term Loan:</b> First & exclusive charge on all present and future current and movable assets including movable fixed assets. Hypothecation of Windmill, New	Repayable in 60 monthly installment starting from April 2011.	Nil	9.98
	Term Loan-III (Machinery)	50.00 (Sub-Limit of Term II Rs. 400.00 Lacs)	Base Rate 10.00%+Applicable Interest Rate 2.00% i.e. Effective Interest Rate 12.00%	Machineries Purchased & Vehicles. <b>Collateral Security:</b> As per Note 1 <b>Personal Guarantee:</b> As per Note 2	Repayable in 60 monthly installment starting from May 2015.	Nil	39.51

\*Base Rate of Kotak Mahindra Bank Ltd. Is 9.85% w.e.f. 16<sup>th</sup> April, 2015

#### **Note: - 1 Collateral Security**

Description	Land Area Sq. Yards	Construction/Carpet Area/Built Up Area Sq. ft
1. Registered Equitable Mortgage of industrial plot & building located at Survey No. 22/1, Plot No. 1, Village Shapar (Veraval) Rajkot, Gujarat-360002 owned by Vishal Bearings Pvt. Ltd.	3679.39	17680.00
2. Registered Equitable Mortgage of industrial plot & building located at Survey No. 22/1, Plot No. 2 & 3, Village Shapar (Veraval) Rajkot, Gujarat-360002 owned by Vishal Bearings Pvt. Ltd.	3044.67	13884.00

**Note: - 2 Personal Guarantee of Directors/Relatives of Directors**

Sr. No.	Name of Guarantor
❖	Mr. Dilipkumar Changela – Director
❖	Mr. Hiralal Changela – Director
❖	Mr. Vrajlal Changela – Director
❖	Mr. Vishal Changela – Relative of Director

**B. Vehicle Loans**

Name of Lender	Purpose	Sanction Amount (in Lacs)	Rate of Interest	Securities Offered	Re-Payment	Moratorium	Outstanding amount (In Lacs)
Kotak Mahindra Prime Ltd.	Vehicle-Rexton-RX	20.00	10.60%	Hypothecation of Vehicle financed	Repayable in 36 monthly installment starting from March 14.	1 Month i.e. Feb 14	6.26

**C. Unsecured Loans****❖ From Promoter/Directors**

Name of Lender	Purpose	Rate of Interest	Re-Payment	Outstanding Amount (in Rs.)
Mr. Dilipkumar Changela	Business Loan	Generally 15.00% p.a. which can be reviewed as per mutually agreed terms from time to time.	Long term in nature. Generally not repayable on demand. Repayable as per mutually agreed terms from time to time.	18,289,536
Mr. Girishkumar Changela*	Business Loan			9,275,458
Mr. Hiralal Changela	Business Loan			14,532,275
Mr. Vrajlal Changela	Business Loan			18,239,846

\*ceased to be director w.e.f. 02.05.2015.

**❖ From Promoter Group**

Name of Lender	Purpose	Rate of Interest	Re-Payment	Outstanding Amount (In Rs.)
Rambhaben Changela	Business Loan	Generally 15.00% p.a., which can be reviewed as per mutually agreed terms from time to time.	Long term in nature. Generally not repayable on demand. Repayable as per mutually agreed terms from time to time.	12,331,317
Hansaben Patel	Business Loan			29,94,256
Manjulaben Marvania	Business Loan			24,02,631
Bhumiben Changela	Business Loan			26,91,839
Darshit Changela	Business Loan			9,080,373
Rasilaben Changela	Business Loan			6,309,278
Jayshreeben Changela	Business Loan			8,939,057
Divyeshkumar Changela	Business Loan			6,003,640
Rinkuben Changela	Business Loan			4,359,947
Jayanaben Changela	Business Loan			6,545,316
Prashant Changela	Business Loan			4,531,955
Rajan Changela	Business Loan			4,269,125

Jyotiben Changela	Business Loan			8,593,489
Vijaykumar Changela	Business Loan			4,494,571
Vishal Changela	Business Loan			5,524,131
Jayendrakumar Trambadia	Business Loan			211,042
Jayeshkumar Trambadia	Business Loan			407,356
Jitendrakumar Trambadia	Business Loan			394,954

**Apart from above mentioned facilities, following are non-fund based facilities outstanding as on 10<sup>th</sup> September, 2015**

**Secured-From Banks**

(Amount in Rs. Lacs)

Name of Lender	Purpose	Sanction Amount	Securities Offered	Usance	Outstanding amount
<b>Kotak Mahindra Bank Ltd.</b>	Working Capital (Letter of credit)	Sub-Limit of Cash Credit	<b>Primary Security:</b> <b>On Cash Credit:</b> First & exclusive charge on all present and future current and movable assets including movable fixed assets  <b>On Term Loans:</b> First & exclusive charge on all present and future current and movable assets including movable fixed assets.	Tenor of Working capital LC not to exceed 180 days for Dongbu specialty Steel Co Ltd, Korea and for others, not to exceed 150 days	<b>7.35</b>
	Purchase of Plant & Machinery/Capital Goods (Capex letter of credit)	Sub-Limit of Term Loan (400.00 Lacs)	Hypothecation of Windmill, New Machineries Purchased & Vehicles  <b>Collateral Security:</b> As per Note 1  <b>Personal Guarantee:</b> As per Note2	Tenor up to 9 months from date of sanction	<b>323.48</b>

**Common Negative Covenants pertaining to all facilities**

1. The Company has placed with the Bank, undated cheques amounting to Rs.1311.00 Lacs in lieu of repayment of the loan and discharge of the liabilities in respect of the facilities sanctioned by the Bank.
2. Take over condition is not applicable.
3. Undertake that the facilities granted by Bank are not used for any other purpose than specified. Borrower to provide and End-use certificate annually to that effect by 31<sup>st</sup> May.
4. Borrower to obtain prior permission of the Bank before raising further loans / availing any facilities against the assets offered as security for facilities of the Bank.
5. Borrower to intimate the Bank at the time of raising any further loans / availing any facilities from any other Bank or Institution.
6. Any change in shareholding / directorship / partnership / ownership shall be undertaken with prior permission of the Bank.
7. The Borrower shall not allow any payout by way of salary to directors / partners (other than professional directors) or by way of interest to other subordinated lenders or by way of dividend to shareholders in case of delay in repayment of any of the facilities availed by the Borrower from the Bank or any other Bank or Financial Institution.
8. Borrower to bring and maintain 'Unsecured Loan from promoters / directors and related parties' during the financial year 15-16, so as to desirably maintain total 'Unsecured Loan from promoters / directors and related parties' of Rs.1450 Lacs.
9. Exchange rate risk, if any, on the transaction shall be hedged/cash collateralized by the Borrower by incurring hedging cost for the same.



## **MANAGEMENT'S 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 financial statements included in this Prospectus. You should also read the section entitled “Risk Factors” beginning on page 11 and “Forward Looking Statements” beginning on page 10 which discusses a number of factors, risks and contingencies that could affect our financial condition and results of operations.*

*The following discussion of our financial condition and results of operations should be read in conjunction with our restated summary statements as of and for the fiscal years ended March 31, 2011, 2012, 2013, 2014 and 2015, including the schedules and notes thereto and the reports thereto, which appear in the section titled “Financial Information of the Company” on page no. 125 of this Prospectus. The financial statements presented and discussed herein have been prepared to comply in all material respects with the notified accounting standards by Companies (Accounting Standards) Rules, 2006 (as amended), the relevant provisions of the Companies Act and SEBI (Issue of Capital and Disclosure Requirements) Regulations. Our fiscal year ends on March 31 of each year. Accordingly, all references to a particular fiscal year/financial year are to the twelve-month period ended on March 31 of that year. The forward-looking statements contained in this discussion and analysis is subject to a variety of factors that could cause actual results to differ materially from those contemplated by such statements.*

### **Overview:**

#### **Business Overview:**

We were incorporated in the year of 1991 by our founder member, Mr. Gordhanbhai Changela and started manufacturing customized Bearing rollers in Unit I in the year 1992 in the state of Gujarat. We made further expansion by establishing Unit II in the year 1995. We are manufacturer of taper rollers, cylindrical rollers, spherical rollers and certain components of taper rollers and are one of the key players in the list of finished roller manufacturers in India. Over the years we have developed expertise and upgraded our technology by adding several automatic and imported machineries and equipments to the plant, which has helped us boost our production capacity and the quality of our products. With our quality manufacturing, we have been identified as “Direct Online Supplier” for cold headed components-Rollers by National Engineering Industries Limited, Jaipur (NBC Bearings Limited), a CK Birla Group Company where our products go directly for manufacturing of bearings without checks on quality and specifications.

We have over 20 years of experience of operating in India. We supply our finished Bearing rollers and products across India to reputed bearing manufactures and OEMs in domestic market for end users in diverse industries such as rail, light vehicles, off-highway, heavy trucks, industries classified as ‘automobile industries’, and heavy industries, industrial processes, gear drives, energy and industrial distribution, as segments within the ‘process industries’ and also export our products to customers based outside India for end users in diverse industries. We are also exporter of cylindrical roller which cater the requirements of international customers in Germany, Hungary, Turkey etc. in diverse industries such as, automotive and Hydraulics. Over the years, we have also ventured into power generation business by installing wind mill in year 2010-11 at KotdaPitha in Amreli, Gujarat with a commissioned capacity of 0.25MW and is currently used for our captive consumption.

We have our production manufacturing facility unit which is located at Shapar (Veraval), Rajkot, Gujarat having a total area of approximately 5624.28 sq. meters. As on March 31, 2015, this facility had an installed capacity of 22,00,000 KG p.a. i.e. Grinding Capacity for Cylindrical Rollers Grinding Capacity and Taper Rollers Grinding Capacity is 12 million Pcs/month each of manufacturing of Bearing Rollers. A quality assurance system is said to increase customer confidence and a company's credibility, to improve work processes and efficiency, and to enable a company to better compete with others. This facility for manufacturing of Bearing Rollers have been recognized for its quality Management System with ISO/TS 16949:2009 and ISO 9001:2008 for Environmental Management System with ISO 14001:2004 and recognized for Health and Safety Management System with OHSAS 18001:2007 by United Registrar of System (“URS”) Certification.

We believe that we have long-term and stable relationships developed over the years with our key suppliers of raw materials and our key customers although we do not have formal contracts. Our key suppliers are ASCO INDUSTRIES SAS France, Dongbu Special Steel Co. Limited and Overseas Alloy Steel etc. Our major customers include NRB Bearings Limited, SKF India Limited, Turbo Bearings Private Limited, Texspin Bearings Limited, NRB Industrial Bearing Limited, TIMKEN, National Engineering Industries Limited, Turbo Industries, INAPEX Pvt Ltd., etc.

As of March 31, 2015, our work force consisted of approximately 170 full time employees. We adhere to international best practices standards and are committed in developing products and services where quality assurance is systematic process of checking to see whether a product or service being developed is meeting specified requirements. We have a separate department devoted to quality assurance with highly equipped standard room carrying all measuring equipments with latest technology.

Our total revenue increased from Rs. 1,142.61 Lacs in Fiscal 2010 to Rs. 2,720.00 Lacs in Fiscal 2015, representing a CAGR of 15.55 %. Our EBIDTA increased from Rs. 185.36 lacs in Fiscal 2010 to Rs. 642.39 lacs in Fiscal 2015, representing a CAGR of 23.02 %.

As of May 31, 2015 the total value of our order book is about Rs. 200.00 Lacs. The total value of the Order Book has been certified by the Statutory Auditor vide their certificate dated June 20, 2015.

**Our Strengths:** We believe the following are our competitive strength

#### ***1. One of the key players of Finished cylindrical and taper roller manufacturers in India***

We are one of the key manufacturers of finished taper rollers and various types of finished cylindrical rollers and components in India, and to cater finished taper roller needs of our valuable customers. We have imported brand new machines from SEIBU JIDO KIKI Co. Ltd, Japan. We offer an extensive line of Taper & Cylindrical rollers which are available to customers across India. We believe our rollers are uniquely designed with customized geometries and engineered surfaces to provide engineering solutions for harsh and critical applications. Our products portfolio is tailor made for our customers so as to meet their specific requirements. Our manufacturing process provides us with flexibility of manufacturing smaller volumes of products at short notice. The facility deals with Bearing Steel, SAE5210 etc. using precision-grinding and heat treatment technology, to deliver a long lasting product. This facility also has an innovation centre for detailed analysis, testing, metallurgy and development of new products.

#### ***2. Wide and Stable customer base***

We supply our finished rollers and products to reputed bearing manufactures and OEMs for end users in diverse industries. Our five largest customers accounted for about 92% of our total revenue for the period ended March 31, 2015. Our major customers include NRB Bearings Limited, SKF India Limited, Turbo Bearings Private Limited, Texspin Bearings Limited, NRB Industrial Bearings Limited, TIMKEN, National Engineering Industries Limited, Turbo Industries, INAPEX Pvt. Ltd. etc. Our relationships with our customers ensure that we are constantly in communication with them and enable our products to meet their exacting specifications. We believe that the strength of our relationships with our customers is attributable to our consistent performance over long periods and the emphasis that we place on catering to our customers needs, supplemented with our access to technology.

#### ***3. Well Experienced Organization***

Our core management team has substantially contributed to the growth of our business operations. Our Company was incorporated in 1991 by Mr. Gordhanbhai K Changela. He has helped in developing unique and indigenous ways to manufacture bearing rollers of the finest quality and at the optimum cost. Our Promoters Mr. Dilipkumar Changela, Mr. Hiralal Changela, and Mr. Vrajilal Changela has more than two decades of experience in this industry. Our experienced directors have in-depth knowledge of the products and industry in which we operate. Our Board and management periodically review our internal policies and business practices and have been instrumental in building our reputation in the roller bearing sector in India. We believe that our strong business practices and reputation in the industry enable us to meet the expectations of our customers. Our key management personnel are largely responsible for successful execution of day to day activities, developing new customer base and strengthening our customer relationships.

#### ***4. Wide Product Range***

Our Company manufactures Taper and Cylindrical Bearing Rollers from 5 mm to 150 mm in diameter and from 5 mm to 280 mm in length whereas the Spherical Bearing Rollers from 5 mm to 60 mm in diameter and length. Due to this varying size advantage, we have been able to develop over 1,500 varieties of products for our clients as per the specifications mentioned by them. We have dedicated few lines and quantity i.e. 60,00,000 of semi-finished rollers to our customer, National Engineering Industries Limited, Jaipur (NRB Bearings Limited).

## 5. *Quality products*

Our Company believes in providing quality products to its customers and for that follows Indian as well as International quality standards for the products manufactured. Our Company is certified for quality Management System with ISO/TS 16949:2009 and ISO 9001:2008 for Environmental Management System with ISO 14001:2004 and recognized for Health and Safety Management System with OHSAS 18001:2007 by United Registrar of System (“URS”) Certification. We have a separate department devoted to quality assurance with highly equipped standard room carrying all measuring equipments with latest technology. Each and every piece that leaves the manufacturing unit is being check with “Camera Based Optical Visual Inspection” machine by Vizzitec Solutions Pvt Ltd, the rejection is then reviewed again by well equipped instruments and experienced technical persons. The defective pieces found after undergoing the quality check process are discarded. We also undertake sample check of our products based on the quality guidance prescribed by our customers. This has benefited our manufacturing process significantly in terms of reducing wastage and enabling us to demand a premium for our products. The quality checks ensure that no defective material reached the customer and ensure reduced process rejection and reduced machine down time. We believe that our quality products have earned us a goodwill from our customers, which has resulted in customer retention and order repetition also new addition to the customer base.

## 6. *Prime Factory Location*

We are situated at one of highly industrialised belt in Gujarat State (India) on National Highway 8B, Rajkot which has good transport connectivity and also being costal state we are close to some major / popular sea ports like Kandla Port and Mundra Sea Port.

**Our Business Strategy:** We intend to pursue the following principal strategies to leverage our competitive strengths and grow our business:

### 1. *To enhance market share by expanding our business with more OEM’s and expanding our export business*

We intend to expand our business more with our organised customers like TIMKEN, NRB Industrial Bearings Limited, National Engineering Industries Limited, INAPEX Pvt. Ltd. etc. We are exploring more export customers by exploring more business with TIMKEN Global and others, which is having spread and reach of their distribution system as a significant strength of their business because it allows them to market and sell their products across India and globally.

### 2. *To continue expanding our business by including new customized products and services*

We intend to explore opportunities to expand our operations by developing new products and services within our existing lines of business. Further expanding our service offerings will help us to build on existing diversification of our business.

### 3. *Innovations in our products*

We have a team with experience in our industry & its related products that are constantly focusing on innovations. Our products confirm to various test requirements to meet industry standards. We generally keep upgrading our tool room and Visual inspection systems and we have also installed online gauging system on Header which is from MARPOS Company. We are also developing one Automatic Packing machine which is getting developed by Vizzitec Solutions Pvt Ltd.

### 4. *Optimal Utilization of Resources*

Our Company constantly endeavors to improve our production process, skill up-gradation of workers, using latest technology in machineries to optimize the utilization of resources. We regularly analyze our existing raw material procurement and manufacturing processes to identify the areas of bottlenecks and correct the same. This helps us in improving efficiency and putting resources to optimal use.

## **Marketing and Sales:**

Our products are sold through the following channels:

- 1) Domestic sales
- 2) Institutional: includes OEMs; and
- 3) Exports.

Our Company’s products are sold principally by our own internal sales organizations.

**Competition:**

Our Industry is fragmented consisting of large established players and small niche players. We compete with organized as well as unorganized sector on the basis of availability of product, product quality and product range. Further, there are no entry barriers in this industry and any expansion in capacity of existing manufacturers would further intensify competition. Industry is very competitive and we expect competition to continue and likely to increase in the future. Our principal competitors are Indian manufacturers, including Kansara Modular Limited, Star Balls & Rollers Limited and Macwell auto engineering Limited etc.

**Key factors affecting our Results of Operation: Following are the key factors affecting our operations:-**

1. General economic and business conditions in India and in the markets in which we operate and in the local, regional and national economies;
2. Changes in laws and regulations relating to the Sectors in which we operate;
3. Exchange rate fluctuations;
4. loss of one or more significant customers
5. Our ability to successfully implement our growth strategy and expansion plans and to successfully launch and implement various projects and business plans for which funds are being raised through this Issue;
6. Increased cost of raw materials for inventory and, in particular, of steel;
7. Loss of key employees;
8. Significant developments in India's economic liberalization and deregulation policies, and the fiscal regime.
9. Occurrence of natural disasters or calamities affecting the areas in which we have operations; and
10. Volatility in the Indian and global securities markets.

**Our Significant Accounting Policies:** Our significant accounting policies are described in the section entitled "*Financial Information of the Company*" on page no. 125 of this Prospectus.

**Change in accounting policies in previous 3 (three) years:** Except as mentioned in chapter "*Restated Financial Statements*" on page no. 125 there has been no change in accounting policies in last 3 (three) years.

**Summary of the Results of Operation:** The following table sets forth select financial data from standalone restated profit and loss accounts for the Financial Year ended on March 31, 2011, 2012, 2013, 2014 and 2015 and the components of which are also expressed as a percentage of total income for such periods.

Particulars	(Amt. in Rs.)									
	31/03/15	% of Total Income	31/03/14	% of Total Income	31/03/13	% of Total Income	31/03/12	% of Total Income	31/03/11	% of Total Income
<b>INCOMES:</b>										
- Revenue From Sale of Products	258,652,105	91.84%	205,655,831	97.16%	183,049,767	96.32%	152,964,115	93.57%	157,535,069	97.96%
- Revenue From Sale of Services	11,592,498	4.12%	5,283,985	2.50%	3,044,302	1.60%	7,757,581	4.75%	1,992,771	1.24%
- Other Operating Income	1,755,810	0.62%	1,389,170	0.66%	1,884,302	0.99%	1,452,133	0.89%	14,988	0.01%
<b>Net Revenue from operations</b>	<b>272,000,413</b>	<b>96.58%</b>	<b>212,328,986</b>	<b>100.31%</b>	<b>187,978,371</b>	<b>98.92%</b>	<b>162,173,829</b>	<b>99.21%</b>	<b>159,542,828</b>	<b>99.21%</b>
Other income	9,642,391	3.42%	(658,798)	-0.31%	2,057,649	1.08%	1,297,251	0.79%	1,276,953	0.79%
<b>Total Revenue (A)</b>	<b>281,642,805</b>	<b>100.00 %</b>	<b>211,670,188</b>	<b>100.00%</b>	<b>190,036,020</b>	<b>100.00%</b>	<b>163,471,080</b>	<b>100.00%</b>	<b>160,819,781</b>	<b>100.00%</b>
<b>EXPENDITURES:</b>										
Cost of Materials & Stores Consumed	142,025,791	50.43%	109,518,888	51.74%	96,452,806	50.76%	83,312,389	50.96%	75,490,068	46.94%
Purchase of Stock-in-trade	0	0.00%	0	0.00%	0	0.00%	0	0.00%	571,475	0.36%
Changes in inventories of finished goods, WIP and Stock-in-Trade	3,437,417	1.22%	(2,880,930)	-1.36%	(449,146)	-0.24%	(107,467)	-0.07%	8,832,868	5.49%
Employee benefits expense	35,826,611	12.72%	28,415,968	13.42%	26,776,901	14.09%	21,363,793	13.07%	19,058,132	11.85%
Other expenses										
a. Manufacturing & Operating Cost	32,873,235	11.67%	22,168,578	10.47%	19,692,346	10.36%	15,683,746	9.59%	26,669,719	16.58%
b. Sales & Distribution Expenses	82,697	0.03%	49,722	0.02%	1,558,990	0.82%	329,227	0.20%	362,492	0.23%
c. General & Administration Expenses	3,157,188	1.12%	1,756,427	0.83%	2,229,027	1.17%	1,856,855	1.14%	2,591,122	1.61%
<b>Total Expenses (B)</b>	<b>217,402,939</b>	<b>77.19%</b>	<b>159,028,653</b>	<b>75.13%</b>	<b>146,260,924</b>	<b>76.96%</b>	<b>122,438,543</b>	<b>74.90%</b>	<b>133,575,876</b>	<b>83.06%</b>
<b>Earnings Before Interest, Taxes, Depreciation &amp; Amortization</b>	<b>64,239,865</b>	<b>22.81%</b>	<b>52,641,535</b>	<b>24.87%</b>	<b>43,775,096</b>	<b>23.04%</b>	<b>41,032,537</b>	<b>25.10%</b>	<b>27,243,905</b>	<b>16.94%</b>
Finance costs	22,586,016	8.02%	18,256,816	8.63%	16,824,586	8.85%	14,491,936	8.87%	10,872,218	6.76%
Depreciation and amortization expenses	16,583,741	5.89%	12,769,532	6.03%	11,488,265	6.05%	11,268,476	6.89%	4,084,210	2.54%
<b>Profit before exceptional items, extraordinary items and tax (C=A-B)</b>	<b>25,070,108</b>	<b>8.90%</b>	<b>21,615,187</b>	<b>10.21%</b>	<b>15,462,245</b>	<b>8.14%</b>	<b>15,272,125</b>	<b>9.34%</b>	<b>12,287,477</b>	<b>7.64%</b>
Exceptional items (D)	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
<b>Profit before extraordinary items</b>	<b>25,070,108</b>	<b>8.90%</b>	<b>21,615,187</b>	<b>10.21%</b>	<b>15,462,245</b>	<b>8.14%</b>	<b>15,272,125</b>	<b>9.34%</b>	<b>12,287,477</b>	<b>7.64%</b>

*Vishal Bearings Limited*

Particulars	(Amt. in Rs.)									
	31/03/15	% of Total Income	31/03/14	% of Total Income	31/03/13	% of Total Income	31/03/12	% of Total Income	31/03/11	% of Total Income
<b>and tax (E=C-D)</b>										
Extraordinary items (F)	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
Profit before tax (G=E-F)	<b>25,070,108</b>	<b>8.90%</b>	<b>21,615,187</b>	<b>10.21%</b>	<b>15,462,245</b>	<b>8.14%</b>	<b>15,272,125</b>	<b>9.34%</b>	<b>12,287,477</b>	<b>7.64%</b>
Provision for Tax										
- Current Tax	5,993,989	2.13%	6,543,537	3.09%	4,821,890	2.54%	3,234,450	1.98%	2,246,386	1.40%
- Tax adjustment of prior years	(108,480)	-0.04%	(114,299)	-0.05%	95,431	0.05%	403,930	0.25%	26,543	0.02%
- Deferred Tax Liability / (Asset)	2,161,621	0.77%	978,651	0.46%	1,538,137	0.81%	512,390	0.31%	1,517,097	0.94%
- MAT Credit Entitlement	0	0.00%	155,824	0.07%	0	0.00%	0	0.00%	(505,754)	-0.31%
<b>Tax Expense For The Year (H)</b>	<b>8,047,130</b>	<b>2.86%</b>	<b>7,563,713</b>	<b>3.57%</b>	<b>6,455,458</b>	<b>3.40%</b>	<b>4,150,771</b>	<b>2.54%</b>	<b>3,284,272</b>	<b>2.04%</b>
<b>Restated profit after tax from Continuing Operations (I=G-H)</b>	<b>17,022,978</b>	<b>6.04%</b>	<b>14,051,474</b>	<b>6.64%</b>	<b>9,006,787</b>	<b>4.74%</b>	<b>11,121,354</b>	<b>6.80%</b>	<b>9,003,205</b>	<b>5.60%</b>
Prior Period Item ( net of tax)	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
<b>Net Profit as restated</b>	<b>17,022,978</b>	<b>6.04%</b>	<b>14,051,474</b>	<b>6.64%</b>	<b>9,006,787</b>	<b>4.74%</b>	<b>11,121,354</b>	<b>6.80%</b>	<b>9,003,205</b>	<b>5.60%</b>



### **Key Components of Our Profit And Loss Statement**

**Revenue from operations:** Revenue from operations mainly consists of sale of services and job work income.

**Other Income:** Other income primarily comprises interest income, Rent Income and dividend Income etc.

**Expenses:** Our expenses majorly consist of cost of material consumed, employee benefits expense, finance costs, depreciation and amortization expense and other expenses.

**Employee benefits expense:** Employee benefit expense includes salaries and wages, staff welfare expenses, bonus, house rent allowances, conveyance allowances, Directors remuneration and Contribution to P.F, E.S.I and other Statutory Funds.

**Finance Costs:** Finance cost comprises interest on indebtedness, bank and other Finance charges.

**Depreciation and amortization expense:** We recognize depreciation and amortization expense on a Written down value method as per the rates set forth in the Companies Act.

**Other expenses:** Other expenses consist primarily of various charges like electricity charges, printing & stationery expenses, repairs and maintenance expenses, rent, rates and taxes, legal, professional and consultancy charges. Other items in this category include tour & travelling expenses, conveyance expenses, postage and courier charges, communication expenses, auditors' remuneration, insurance charges, vehicle expenses, office expenses and others expenses.

### **Comparison of the Financial Performance of Fiscal 2015 with Fiscal 2014**

**Revenue from Operations:** During the F.Y. 2015 the net revenue from operation of the Company increased to Rs. 27, 20, 00,413 as against previous financial year Rs. 21, 23, 28,986 an increase of 28.10%. This increase was mainly due to increase in revenue from sale of the products which increased to Rs. 25, 86, 52,105 from Rs. 20,56,55,831 for the years 2015 and 2014 respectively.

**Total Revenue:** Total Revenue for the F.Y. 2015 stood at Rs. 28,16,42,805 where as in F.Y. 2014 the same was Rs. 21,16,70,188 i.e. increases of 33.06%.

**Total Expenses:** Total expenditure for the F.Y. 2015 increased to Rs. 21, 74, 02,939 from Rs. 15, 90, 28,653 compared to the previous financial year, increasing by 36.71%. This was due to surge in volume of business, which resulted in increase in expenses viz. Cost of material sold, employees benefit expenses, general & administration expenses and other expenses.

**Employee benefits expense:** Employee benefits expense increased to Rs. 3, 58, 26,611 from Rs. 2, 84, 15,968 in the year F.Y 2015 from its previous year, i.e. an increase of 26.08%. This was also due to increase in business activities and rise in revenue of the Company.

**Finance costs:** Finance costs increased to Rs. 2, 25, 86,016 in F.Y 2015 as compared to F.Y 2014 in which it was Rs. 1, 82, 56,816 representing an increase of 23.71%.

**Depreciation and amortization expense:** Depreciation and amortization expense increased to Rs. 16,583,741 from Rs. 1, 27, 69,532 compared to previous year.

**Other expenses:** Other expenses for the F.Y 2015 stood at Rs. 3, 61, 13,120; whereas it was Rs. 2, 39, 74,727 in previous financial year i.e. as increase of 50.63% this increase is mainly due to increase in Manufacturing and Operating cost.

**Net Profit before tax:** Net Profit before tax for the F.Y 2015 increased to Rs. 2, 50, 70,108 as against Rs. 2, 16, 15,187 of the previous year. The increase in profit was 15.98% due to the growth in revenue.

**Restated profit after tax:** The Restated profit after tax for the F.Y 2015 increased to Rs. 1,70,22,978 as against Rs. 1,40,51,474 of the previous year, an increase of 21.15%

### **Comparison of the Financial Performance of Fiscal 2014 with Fiscal 2013**

**Revenue from Operations:** During the F.Y. 2014 the net revenue from operations of the Company increased to Rs. 212,328,986 as against previous financial year Rs. 187,978,371, an increase of 12.95%. This is mainly due to increase in the sale of products which increased by 12.35% from the previous year.

**Total Revenue:** Total Revenue for the F.Y. 2014 stood at Rs. 211,670,188 where as in F.Y. 2013 the same was Rs. 190,036,020 i.e. increases of 11.38%.

**Employee benefits expense:** Employee benefits expense increased to Rs. 28,415,968 from Rs. 26,776,901 in the F.Y. 2013 i.e. 6.12% increase.

**Finance costs:** Finance costs increase to Rs. 18,256,816 in F.Y. 2014 as compare to F.Y. 2013 in which it was Rs. 16,824,586. This is an increase of 8.51%.

**Depreciation and amortization expense:** Depreciation and amortization expense increased to Rs. 12,769,532 in F.Y. 2014 from Rs. 11,488,265 compare to previous year representing an increase of 11.15%.

**Other expenses:** Other expenses for the F.Y. 2014 stood at Rs. 23,974,727 where as in F.Y. 2013 the same was Rs. 23,480,363 representing an increase of 2.11%.

**Total Expenses:** Total expenditure for the F.Y. 2014 increased to Rs. 159,028,653 from Rs. 146,260,924 compare to previous financial year, increase of 8.73%. This was due to surge in volume of business, which resulted in increase in expenses viz. Cost of Material, finance cost, depreciation and amortization and other expense.

**Net Profit before tax:** Our company has incurred Net Profit before tax for the F.Y. 2014 which was Rs. 21,615,187 as against Rs. 15,462,245 Net profit before tax of the previous year, a increase of 39.79% due to decrease in expense when compared to income.

**Restated Profit after tax:** Our company has incurred increase in Net Profit after tax of 56.01% for the F.Y. 2014 which was Rs. 14,051,474, compared to F.Y 2013 in which profit after tax was Rs. 90,06,787.

#### **Comparison of the Financial Performance of Fiscal 2013 with Fiscal 2012**

**Revenue from Operations:** During the F.Y. 2013 the net revenue from the operation of the Company increased to Rs. 187,978,371 as against previous financial year Rs. 162,173,829, increase of 15.91%. This is majorly due to increase in revenue from sale of products.

**Other Income:** Other income for the F.Y. 2013 stood at Rs. 2,057,649 where as in F.Y. 2012 the same was Rs. 1,297,251 representing an increase of 58.62%

**Employee benefits expense:** The employee benefits expense increased to Rs. 26,776,901 in F.Y. 2013 from Rs. 21,363,793 in the F.Y. 2012 i.e. increase of 25.34%.

**Finance costs:** Finance costs increase to Rs. 16,824,586 in F.Y. 2013 as compare to F.Y. 2012 in which it was Rs. 14,491,936 which represents an increase of 16.10%.

**Depreciation and amortization expense:** The Depreciation and amortization expense are Rs. 11,488,265 in F.Y. 2013 and Rs. 11,268,476 in previous year.

**Other expenses:** Other expenses for the F.Y. 2013 stood at Rs. 23,480,363 where as in F.Y. 2012 the same was Rs. 17,869,828 which represent an increase of 31.40%.

**Total Expenses:** Total expenditure for the F.Y. 2013 increased to Rs. 146,260,924 from Rs. 122,438,543, compare to previous financial year, increase of 19.46%.

**Net Profit before tax:** Net Profit before tax for the F.Y 2013 increased to Rs. 15,462,245 as against Rs. 15,272,125 of the previous year representing an increase of 1.24%.

**Restated profit after tax:** The Restated profit after tax for the F.Y 2013 stood at Rs. 9,006,787 , compare to F.Y 2012 it was Rs. 11,121,354 representing an fall of 19.01%.

### **Comparison of the Financial Performance of Fiscal 2012 with Fiscal 2011**

**Revenue from Operations:** During the F.Y. 2012 the total revenue of the Company increased to Rs. 163,471,080 as against previous financial year Rs. 160,819,781 a increase of 1.65%. This is majorly due to increase in the Revenue from the Services.

**Other Income:** Other income for the F.Y. 2012 stood at Rs. 1,297,251 where as in F.Y. 2011 the same was Rs. 1,276,953 i.e. increases of 1.59%.

**Employee benefits expense:** The employee benefits expense increased to Rs. 21,363,793 in F.Y. 2012 from Rs. 19,058,132 in the F.Y. 2011 i.e. increase of 12.10%.

**Finance costs:** Finance costs increased to Rs. 14,491,936 in F.Y. 2012 as compare to F.Y. 2011 in which it was Rs.10,872,218 which represents an increase of 33.29%.

**Depreciation and amortization expense:** The Depreciation and amortization expense are Rs. 11,268,476 in F.Y. 2012 and Rs. 4,084,210 in previous year.

**Other expenses:** Other expenses for the F.Y. 2012 stood at Rs. 17,869,828 where as in F.Y. 2011 the same was Rs. 29,623,333 which represents an fall of 39.68% which is mainly attributable to fall in manufacturing and operating cost.

**Total Expenses:** Total expenditure for the F.Y. 2012 decreased to Rs. 122,438,543 from Rs. 133,575,876 compare to previous financial year, decrease of 8.34%.

**Net Profit before tax:** Net Profit before tax for the F.Y 2012 increased to Rs.15,272,125 from Rs. 12,287,477 as compared to the previous year representing an increase of 24.29% which is attributable to fall in the operating costs.

**Restated profit after tax:** The Restated profit after tax for the F.Y 2012 stood at Rs. 11,121,354 compare to F.Y 2011 it was Rs. 9,003,205. This increase of 23.53% was due to decrease in the deferred tax liability in the previous year.

### **Information required as per Item (2) (IX) (E) (5) of Part A of Schedule VIII to the SEBI Regulations:**

An analysis of reasons for the changes in significant items of income and expenditure is given hereunder:

#### **1. Unusual or infrequent events or transactions**

There has not been any unusual trend on account of our business activity. There are no Unusual or infrequent events or transactions in our Company. The transactions are as per usual business operations.

#### **2. Significant economic changes that materially affected or are likely to affect income from continuing operations.**

There are no significant economic changes that may materially affect or likely to affect income from continuing operations.

#### **3. Known trends or uncertainties that have had or are expected to have a material adverse impact on sales, revenue or income from continuing operations.**

Apart from the risks as disclosed under Section “*Risk Factors*” beginning on page no. 11 in this Prospectus, in our opinion there are no other known trends or uncertainties that have had or are expected to have a material adverse impact on revenue or income from continuing operations.

#### **4. Future changes in relationship between costs and revenues**

Our Company’s future costs and revenues will be determined by demand/supply situation, government policies and prices quoted by our suppliers.

#### **5. Increases in net sales or revenue and Introduction of new products or services or increased sales prices**

Increases in revenues are by and large linked to increases in volume of business.

## 6. Seasonality of business

Currently our Company's business is not seasonal in nature.

## 7. Dependence on a single or few customers/ clients

The percentage of contribution of our Company's top customers/clients & top suppliers for the period ended March 31, 2015 are as follows:

### Our Major Customers/ Clients for the period ended March 31, 2015

Name of the Clients	Amount (Rs. in Lacs)	As % of total Sales
NRB Bearings	1456.43	53.55
National engineering	480.72	17.67
Turbo bearings p ltd	390.70	14.36
Inapex pvt ltd	91.87	3.38
Turbo industries	90.03	3.31
SKF India	64.58	2.37
Texspin bearings	51.46	1.89
Samay alloy	22.40	0.82
Krishna concast	15.19	0.56
Paschim Gujarat Vij. Co. Ltd.	17.56	0.65
<b>TOTAL</b>	<b>2680.93</b>	<b>98.56</b>
<b>TOTAL ( INCOME FROM OPERATION)</b>		<b>2720.00</b>

### Our Major Suppliers for the period ended March 31, 2015

Name	Amount (In Lacs)	As % of total Purchase
Ascometal	1091.86	66.52
Dongbu Special steel Co. Ltd.	64.53	3.93
Overseas Alloy Steel Ltd.	60.87	3.71
PCG Bearings & Mill Store	45.29	2.76
Hyosung Corporation	44.63	2.72
Devu core chemicals	24.46	1.49
Girdharilal Agrawal & Co.	18.09	1.10
The Toolex	17.81	1.09
Supreme Enterprise	17.53	1.07
Om Trading Co	11.62	0.71
<b>TOTAL</b>	<b>1396.70</b>	<b>85.07</b>
<b>TOTAL (PURCHASES)</b>		<b>1641.42</b>

## 8. Competitive conditions:

Competitive conditions are as described under the Chapters "*Industry Overview*" and "*Our Business*" beginning on pages no. 76 and 83, respectively of this Prospectus.

## 9. Details of material developments after the date of last balance sheet i.e. March 31 2015

Except as mentioned below, no circumstances have arisen since the date of last financial statement until the date of filing this Prospectus, which materially and adversely affect or are likely to affect the operations or profitability of our Company, or value of its assets, or its ability to pay its liability within next twelve months. Except as mentioned below, there is no subsequent development after the date of the Auditor's Report, which will have a material impact on the reserves, profits, earnings per share and book value of the Equity Shares of the Company.

1. Increase in authorised capital from Rs. 25.00 Lacs divided into 25,000 Equity Share of Rs. 100/- each into Rs. 500.00 Lacs divide into 50,00,000 Equity shares of Rs.10/- each. pursuant to resolution passed in Extra Ordinary General Meeting dated 11th May, 2015.

2. Sub-division of Nominal Value of 25,000 Equity shares of our Company from Rs. 100/- per Equity Share into 2,50,000 Equity Share of Rs. 10/- per Equity Share pursuant to resolution passed in Extra Ordinary General Meeting dated 11th May, 2015.
3. Allotment of 32,50,000 Equity Share of Rs. 10/- each in the ratio of 1:13 through Bonus Issue made pursuant to resolution passed in Board Meeting dated 30th May, 2015.

For further details please refer to chapter ***“Capital Structure”*** and ***“Our Management”*** on page no 42 and 102 of this Prospectus.

## **SECTION VI: LEGAL AND OTHER INFORMATION**

### **OUTSTANDING LITIGATIONS AND MATERIAL DEVELOPMENTS**

Except as stated in this Prospectus, there are no outstanding or pending litigation, suit, criminal or civil prosecution, proceeding initiated for economic offences or civil offences or litigation for tax liabilities against our Company, our Directors or our Promoters or companies promoted by our Promoters and there are no defaults to banks/financial institutions, non-payment of or overdue statutory dues, or dues towards holders of any debentures, bonds and fixed deposits and arrears of preference shares, other unclaimed liabilities of our Company and no disciplinary action has been taken by SEBI or any stock exchanges against our Company, our Promoters or Directors, no legal action has been pending or taken by Ministry or Department of the Government or a statutory authority against our Promoters during the last five years immediately preceding the year of the issue of this Prospectus. Further, except as stated in this Prospectus, there are no past cases in which penalties have been imposed on our Company or our Promoters, Directors or companies promoted by our Promoters or concerned authorities, and there is no outstanding litigation against any other company whose outcome could have a material adverse effect on the position of our Company.

Furthermore, in the last five years preceding the date of this Prospectus, save and except disclosed in 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 under the Companies Act; (c) no litigation or legal action pending or taken by any ministry or department of the government or any statutory body against the Promoters.

Further, as except disclosed in this section, our Board of Directors do not consider any other outstanding litigation or past penalties involving our Company, Promoter, Group Companies and Directors as material as of the date of this Prospectus. Our Board of Directors considers dues owed by our Company to the small scale undertakings and other creditors exceeding Rs. 1 Lakh as material dues for our Company. This materiality threshold has been approved by our Board of Directors

The Listing of any securities of our Company has never been refused at any time by any of the stock exchanges in India. Neither our Company nor its Promoters, members of the Promoter Group, associates and Directors have been declared as willful defaulters by the RBI or any other Governmental authority and, except as disclosed in this section in relation to litigation, there are no violations of securities laws committed by them in the past or pending against them.

For details of Contingent Liabilities of our Company, please refer to “**Notes to Financial Statements**”, as *restated*” under the section titled “**Financial Information**” beginning on page no. 125 of this Prospectus.

#### **A. LITIGATION INVOLVING OUR COMPANY**

##### **CIVIL CASES:**

##### **I. Cases filed against our Company**

NIL

##### **II. Cases filed by our Company**

NIL

##### **CRIMINAL CASES:**

##### **I. Cases filed against our Company**

NIL

##### **II. Cases filed by our Company**

NIL

##### **III. Notices Issued Against Our Company**



## Claims and notices from statutory authorities

### a. Custom cases

A show cause notice dated 17<sup>th</sup> March, 2015 was issued by the Deputy Commissioner of Customs to the Company calling upon the Company to produce evidence of foreign inward remittance received against the Shipping Bill dated 10<sup>th</sup> September, 2012 on which the company has availed drawback duty or to repay the same as drawback unduly availed along with an interest thereon at the rate of 18% per annum and if the Company fails to do, the Company shall be liable proceedings under Section 142 (1) of the Customs Act, 1962 read with the provisions of the Foreign Exchange Management Act, 1999. Our Company has vide letter dated 4<sup>th</sup> June, 2015 replied to the aforesaid show cause notice attaching therewith the relevant documents inter alia a copy of the bill of entry, a copy of the shipping bills and a copy of the commercial invoice. No further action has been taken in the matter.

### b. Employees' Provident Fund Notice

A notice under Section 6, 6A and 6C of the Employees' Provident Funds and Miscellaneous Provisions Act, 1952 ("the EPF & MP Act") dated 19<sup>th</sup> March, 2015 was issued by the Assistant Provident Fund Commissioner, SRO Rajkot ("the Issuing Authority") to the Company alleging that that the Company has not remitted a proportionate amount of insurance fund contributions of the eligible employees' after the enhancement of the ceiling limit of Rs. 6,500/- to Rs. 15,000 w.e.f. 1<sup>st</sup> September, 2014 and the Company has not extended the benefits of coverage under the EPF & MP Act to those employees who are excluded of drawing a salary of more than Rs. 6,500/- and hence the Issuing Authority called upon the Company to submit a statement mentioning the eligible employees' to whom the contributions are made, the amount of wages on which the provident fund is remitted, employees' which are excluded and the amount of wages treated as excluded from provident fund contribution along the relevant documents evidencing the same for the year of 2014 – 2015. Our Company has vide our letter dated 10<sup>th</sup> May, 2015 replied to the aforesaid show cause notice, inter-alia, stating that they have remitted the dues in accordance and within the stipulated time under the EPF & MP Act and the Schemes framed thereunder as also the proportionate increase in the contributions and have complied with the new guidelines from 1<sup>st</sup> September, 2014. No further action has been taken in the matter.

## B. LITIGATION INVOLVING OUR PROMOTERS/ DIRECTORS

### CIVIL CASES:

#### I. Cases filed against Promoters/Directors

NIL

#### II. Cases filed by Promoters/Directors

NIL

### CRIMINAL CASES

#### I. Cases filed against our Promoters/Directors

1. An FIR or First Information Report has been lodged by P.M.Labdda, Sub Inspector, Kotda Sangani Police Station on 19<sup>th</sup> January, 2010 against inter-alia Dilipkumar Changela in relation to, inter-alia, unlawful assembly and criminal conspiracy and a Charge Sheet bearing No. 80/2010 for the same was filed in Kotda Sangani, Taluka Court inter-alia, accusing several persons being members of the Shapar Veraval Industrial Association for inter alia unlawful assembly, rioting being armed with deadly weapon, assaulting or obstructing a public servant when suppressing a riot, wrongful restraint and obstructing a public servant in discharge of public functions under Section 120B, 143, 145, 147, 148, 149, 151, 152, 153, 332, 336, 337, 341, 353, 186, 188 of the Indian Penal Code, 1860. No further action has been taken in the matter against Mr. Dilip Changela and the said matter is currently pending before the said Taluka Court.
2. An FIR or First Information Report has been lodged by Harshukhbhai Akhbari before the Dhoraji City Police Station on 26<sup>th</sup> February, 2005 against Hiralal Changela and ors in relation to, inter-alia, criminal misappropriation of property, cheating and abatement of the crime and Charge Sheet bearing 29/2005 has been filed before the Dhoraji Court inter-alia, accusing Hiralal Changela and ors under Section 114, 420 and 406 of the Indian Penal Code. No further action has been taken in the matter against Hiralal Changela and the said matter is currently pending before the said Dhoraji Court.

**II. Cases filed by our Promoters/Directors**

NIL

**NOTICES ISSUED BY/ AGAINST OUR PROMOTERS/DIRECTORS**

NIL

**C. LITIGATION INVOLVING THE GROUP COMPANIES**

**Civil cases**

**I. Cases filed against the Group Companies**

NIL

**II. Cases filed by the Group Companies**

NIL

**Criminal cases**

**I. Cases filed against our Group Companies**

NIL

**II. Cases filed by our Group Companies**

NIL

**NOTICES ISSUED BY/ AGAINST OUR GROUP COMPANIES**

NIL

**D. PENALTIES IMPOSED IN PAST CASES IN THE LAST FIVE YEARS**

NIL

**E. AMOUNTS EXCEEDING RS. 1 LAKH OWED TO SMALL SCALE UNDERTAKINGS OR OTHER CREDITORS AND OUTSTANDING FOR MORE THAN 1 MONTH:**

Except as disclosed in the section titled *“Financial Information of the Company”* at page no. 125 of this Prospectus, there are no sums exceeding Rs. 1 Lakh outstanding for a period of more than one month to any small scale industries and any other creditors.

**F. ACTION BY STAUTORY AND REGULATORY AUTHORITIES**

NIL

**G. TAXATION CASES AGAISTNT OUR COMPANY/PROMOTERS/DIRECTORS/GROUP COMPANIES**

NIL

**Material developments occurring after the last Balance Sheet Date:** - The Board of our Company considers dues exceeding Rs. 1 Lakh to small scale undertakings and other creditors as material dues for our Company. Our Company does not owe any small scale undertakings any amounts exceeding Rs. 1 Lakh as of the date of this Prospectus.

**Adverse Events:** There has been no adverse event affecting the operations of our Company, occurring within one year prior to the date of filing of this Prospectus with BSE.

### GOVERNMENT AND OTHER APPROVALS

We have received the necessary consents, licenses, permissions and approvals from the Government and various governmental agencies required for our present business and no further approvals are required for carrying on our present business except as mentioned below. It must be distinctly understood that in granting these approvals, the Government of India does not take any responsibility for our financial soundness or for the correctness of any of the statements made or opinion expressed in this behalf.

In view of the approvals listed below, the Company can undertake its current business activities and no further material approvals from any statutory authority are required to continue those activities.

The main objects clause of the Memorandum of Association and objects incidental to the main objects enable the company to carry out its activities.

#### *Approvals for the Issue*

1. The Board of Directors has, pursuant to a resolution passed at its meeting held on 30<sup>th</sup> May, 2015, authorised the Issue subject to the approval of the shareholders of our Company and approvals by such other authorities as may be necessary.
2. The shareholders of our Company have authorized the Issue by a resolution dated 9<sup>th</sup> June, 2015 under Section 62(1) (c) of the Companies Act, 2013
3. Approval from the BSE dated 14<sup>th</sup> July, 2015.

#### *Approvals to carry on our Business*

Our Company has received the following significant approvals in relation to our business:

Sr. No.	Nature of Registration/ Licence	Registration/ Licence no.	Issuing Authority	Date of Issue	Date of expiry
1.	Certificate of Incorporation	04-16005	Registrar of Companies, Gujarat, Dadra & Nagar Haveli	24 <sup>th</sup> July, 1991	N/a
2.	Fresh Certificate of Incorporation consequent upon change of name on conversion to Public Limited Company	U29130GJ1991PLC016005	Register of Companies, Ahmedabad	5 <sup>th</sup> June, 2015	N/a
3.	Tax Deduction Account Number	RKTV00361E	Income Tax Department	17 <sup>th</sup> June, 2003	N/a
4.	Permanent Account Number	AAACV7131L	Income Tax Department	24 <sup>th</sup> July, 1991	N/a
5.	Service Tax Registration	RJT/GTA-88/S.Tax/2005-0	Superintendent, Service Tax Department, Rajkot	7 <sup>th</sup> February, 2005	Until surrendered
6.	Gujarat Value Added Tax (Certificate of Registration)	24092500148	Commissionerate of Commercial Tax, Commercial Tax Department, Government of Gujarat	21 <sup>st</sup> December, 2014 w.e.f 1 <sup>st</sup> July, 2002	N/a



Sr. No.	Nature of Registration/ Licence	Registration/ Licence no.	Issuing Authority	Date of Issue	Date of expiry
7.	Central Sales Tax Registration & Turnover (Certificate of Registration)	24592500148	Commissioner of Commercial Tax, Gujarat	4 <sup>th</sup> June, 2015 w.e.f. 1 <sup>st</sup> January, 1900	Until cancelled
8.	Profession Tax Enrollment Registration	E412004381	Officer of Trade, Gujarat	21 <sup>st</sup> March, 1992	N/a
9.	Professional Tax Registration Number	R412001110	Officer of Trade, Gondal	25 <sup>th</sup> December, 1995	N/a
10.	Employee Provident Fund Registration	GJ/RJ/25951	Regional Provident Fund Commission, Gujarat State	30 <sup>th</sup> July, 1996 w.e.f 1 <sup>st</sup> February, 1995	N/a
11.	Sales Tax Registration Certificate under Gujarat Sale Tax Act, 1969	24092500148	Sales Tax Officer, Gondal	17 <sup>th</sup> June 2002 w.e.f. 1 <sup>st</sup> July, 2002	N/a
12.	Central Excise Registration Certificate	AACV7131LXM001	Superintendent of Central Excise	20 <sup>th</sup> December 2001	Until revoked, surrendered or suspended
13.	Memorandum for Micro Small and Medium Enterprise	240091204392	General Manager, District Industries Center, Rajkot	27 <sup>th</sup> January, 2010	31 <sup>st</sup> March, 2014
14.	Registration as a Small Scale Industrial Unit	041414492	Government of Gujarat, Industries Commissionerate, District Industries Center	27 <sup>th</sup> January, 1993	N/a
15.	Certificate of Importer-Exporter Code	2403003531	Foreign Trade Development Officer	15 <sup>th</sup> October, 2003	N/a
16.	Consent to operate under Water Act, Air Act, HW (M&H) Rules.	CTE 40598	Gujarat Pollution Control Board	12 <sup>th</sup> September, 2010	11 <sup>th</sup> September, 2015
17.	Licence to run a factory under Factories Act, 1948 and Industrial Safety & Health Gujarat State	1296	Directorate of Industrial Safety & Health, Gujarat State	25 <sup>th</sup> October, 1993	31 <sup>st</sup> December, 2014*
18.	Licence to run a factory under Factories Act, 1948 and Industrial Safety & Health Gujarat State	2474	Directorate of Industrial Safety & Health, Gujarat State	20 <sup>th</sup> June, 1998	31 <sup>st</sup> December, 2014*

*\*Application dated 16<sup>th</sup> October, 2014 has been made by the Company to the Joint Director, Industrial Safety and Health Office, Rajkot for consolidation of the aforementioned certificates bearing nos. 1296 & 2474 on account of merger of two units of the Company as also for renewal of the license for the period 2015 to 2019.*

#### **OTHER APPROVALS**

<b>Sr. No.</b>	<b>Nature of Registration/ Licence</b>	<b>Certificate no.</b>	<b>Issuing Authority</b>	<b>Date of Issue</b>	<b>Date of expiry</b>
1.	International Organisation for Standardisation 14001:2004	38772/A/001/UK/En	United Registrar of Systems	17 <sup>th</sup> August, 2014	16 <sup>th</sup> June, 2017
2.	International Organisation for Standardisation 9001:2008	33973/AA/0001/SM/En	United Registrar of Systems	13 <sup>th</sup> April, 2015	12 <sup>th</sup> April, 2018
3.	International Organisation for Standardisation/TS 16949:2009	33973/A/0001/SM/En	United Registrar of Systems	13 <sup>th</sup> April, 2015	12 <sup>th</sup> April, 2018
4.	OHSAS 18001:2007	38772/B/001/UK/En	United Registrar of Systems	17 <sup>th</sup> June, 2014	16 <sup>th</sup> June, 2017

#### **PENDING GOVERNMENT APPROVALS**

Our logo  is not registered. However, we have applied for the registration of the trademark of our logo  vide an application no. 2995940 dated 29<sup>th</sup> June, 2015 under class 12 of the Trade Marks Act, 1999.

## **OTHER REGULATORY AND STATUTORY DISCLOSURES**

### **Authority for the Issue**

The Issue has been authorized by a resolution of our Board dated 30<sup>th</sup> May, 2015 and by a special resolution passed pursuant to Section 62(1) (c) of the Companies Act, 2013 at the AGM of the shareholders of our Company held on 9<sup>th</sup> June, 2015.

We have received an approval from the BSE pursuant to letter dated 14<sup>th</sup> July 2015 to use the name of BSE in this Prospectus for listing of equity shares on the SME platform of the BSE.

### **Association with Securities Market**

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.

### **Prohibition by SEBI or any Government Authorities**

Our Company, our Directors, our Promoters, and other companies promoted by our Promoter and companies/firms within which our Company's Directors are associated as directors/Promoters/Partners have not been prohibited from accessing or operating in the capital markets or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI or any other authorities.

Further, our Company, Promoters, Directors or their relatives and our Group Entities have confirmed that they have not been declared as willful defaulters by the RBI or any other government authority and there are no violations of securities laws committed by them in the past or are pending against them. Entities of our Promoter Group do not appear on the RBI defaulter list, nor are there any violations of securities laws committed by them in the past or pending against them.

### **Eligibility for the Issue**

Our Company is an "Unlisted issuer" in terms of the SEBI (ICDR) Regulation; and this Issue is an "Initial Public Offer" in terms of the SEBI (ICDR) Regulations.

This Issue is being made in terms of Regulation 106(M) (1) of Chapter XB of the SEBI (ICDR) Regulations, 2009, as amended from time to time, as we are an Issuer whose post issue paid up capital is less than Rs. 10 Crores and we may hence issue shares to the public and propose to list the same on the Small and Medium Enterprise Exchange ("SME Exchange", in this case being the SME Platform of BSE).

### **We confirm that:**

In accordance with Regulation 106 (P) of the SEBI (ICDR) Regulations, this issue shall be hundred percent underwritten and that the Lead Manager to the Issue has underwritten more than 15% of the total Issue Size. For further details pertaining to the said underwriting please see "**General Information- Underwriting**" on page no. 39 of this Prospectus.

In accordance with Regulation 106(R) of the SEBI (ICDR) Regulations, we shall ensure that the total number of proposed allottees in the issue is greater than or equal to fifty, otherwise, the entire application money will be refunded forthwith. If such money is not repaid within eight (8) working days from the date our company becomes liable to repay it, then our Company and every officer in default shall, on and from expiry of eight (8) working days, be liable to repay such application money, with interest as prescribed under the Companies Act, 2013.

In accordance with Regulation 106(O) the SEBI (ICDR) Regulation, we have not filed any Draft Offer Document with SEBI nor has SEBI issued any observations on our Offer Document. Also, we shall ensure that our Lead Manger submits the copy of Prospectus along with a Due Diligence Certificate including additional confirmations as required to SEBI at the time of filing the Prospectus with Stock Exchange and the Registrar of Companies.

In accordance with Regulation 106(V) of the SEBI (ICDR) Regulations, we have entered into an agreement with the Lead manager and Market Maker to ensure compulsory Market Making for a minimum period of three years from the date of listing of equity shares offered in this issue. For further details of the arrangement of Market Making please refer to "**General Information- Details of the Market Making Arrangements for this Issue**" on page no. 39 of this Prospectus.



We further confirm that we shall be complying with all the other requirements as laid down for such an issue under Chapter 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, 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 us in this Issue.

Our Company is also eligible for the Issue in accordance with eligibility norms for listing on SME Exchange / Platform. BSE laid down under circular dated April 1, 2015

(<http://www.bsesme.com/static/getlisted/criteriaisting.aspx?expandable=0>), which states as follows:

1. Net Tangible Assets of at least Rs. 300.00 Lacs as the latest audited financial results for F.Y. 2014-15 (as restated).
2. Net Worth (excluding revaluation reserve) of atleast Rs. 300.00 Lacs as per the latest audited Financial Results for F.Y. 2014-15 (as restated)
3. Track Record of distributable profits in terms of Section 123 of the Companies Act, 2013, for at least 2 out of immediately preceding 3 years and each financial year is for a period of 12 months. Extraordinary income will not be considered for the purpose of calculating distributable profits. Otherwise, the Net Worth shall be at least Rs.500 Lacs.

**(Rs. In Lacs)**

4. Distributable Profit, Net Tangible Assets and Net Worth of the Company as per the restated financial statements for the year ended as at March 31, 2015, 2014 and 2013 is as set forth below:-

Particulars	As at (Rs. In Lacs)		
	March 31, 2015	March 31, 2014	March 31, 2013
Distributable Profit*	170.23	140.51	90.07
Net Tangible Assets**	515.46	322.99	289.69
Net Worth***	440.00	269.15	245.63

Distributable Profit has been calculated as per Sec 123 of Companies Act 2013.

\*\*Net Tangible Assets are defined as the sum of all net assets of the Company, excluding intangible assets as defined in Accounting Standard 26 issued by the Institute of Chartered Accountants of India. As is evident, our Company has Net Tangible Assets of atleast Rs.300.00 Lacs.

\*\*\*Net Worth includes Share Capital and Reserves (excluding revaluation reserves) Less Miscellaneous Expenditure not written off, if any. & Debit Balance of Profit and Loss Account not wrote off, if any. As is evident, our Company has a Net Worth of atleast Rs.300.00 Lacs.

5. The post-issue paid up capital of our Company shall be at least Rs. 300 Lacs As detailed in Chapter Capital Structure of this Prospectus, our Company will have a post issue capital of Rs. 479.60 Lacs (Rupees Four Crores seventy nine lakhs sixty thousands only).
6. Our Company has not been referred to the Board for Industrial and Financial Reconstruction (BIFR).

7. There is no winding up petition against the Company that has been admitted by a Court or a liquidator has not been appointed.
8. Our company has entered into an agreement with CDSL and NSDL and shall mandatorily facilitate trading in demat securities and.
9. We have a website: [www.vishalbearings.com](http://www.vishalbearings.com)
10. There has been no change in the promoter/s of the Company in the preceding one year from date of filing application to BSE for listing on SME segment.
11. We further confirm that we shall be complying with all the other requirements / conditions as laid down for such an Issue under Chapter X-B of SEBI (ICDR) Regulations and subsequent circulars and guidelines issued by SEBI and Stock Exchange.

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 exemptions from eligibility norms have been sought under Regulation 109 of the SEBI (ICDR) Regulations, with respect to the Issue. Further our company has not been formed by the conversion of a partnership firm into a company.

**DISCLAIMER CLAUSE OF SEBI**

**IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THE OFFER DOCUMENT TO 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 THIS PROSPECTUS. THE LEAD MANAGER, HEM SECURITIES LIMITED HAS CERTIFIED THAT THE DISCLOSURES MADE IN THE OFFER DOCUMENT ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS 2009 AS FOR THE TIME BEING IN FORCE. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED ISSUE.**

**IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE OFFER DOCUMENT, THE LEAD MANAGER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ISSUER COMPANY DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE THE LEAD MANAGER, HEM SECURITIES LIMITED HAS FURNISHED TO STOCK EXCHANGE AND SEBI, A DUE DILIGENCE CERTIFICATE DATED 24<sup>th</sup> JUNE, 2015 AND 15<sup>th</sup> SEPTEMBER, 2015 RESPECTIVELY. IN ACCORDANCE WITH THE SEBI (MERCHANT BANKERS) REGULATIONS, 1992, WHICH READS AS FOLLOWS:**

**WE, THE UNDER NOTED LEAD MANAGER TO THE ABOVE MENTIONED FORTHCOMING ISSUE STATE AS FOLLOWS:**

- 1. WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION LIKE COMMERCIAL DISPUTES, PATENT DISPUTES, DISPUTES WITH COLLABORATORS, ETC. AND OTHER MATERIALS IN CONNECTION WITH THE FINALISATION OF THIS PROSPECTUS PERTAINING TO THE SAID ISSUE.**
- 2. ON THE BASIS OF SUCH EXAMINATION AND THE DISCUSSIONS WITH THE COMPANY, IT'S DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES, INDEPENDENT VERIFICATION OF THE STATEMENTS CONCERNING THE OBJECTS OF THE ISSUE, PROJECTED PROFITABILITY, PRICE JUSTIFICATION AND THE CONTENTS OF THE DOCUMENTS**

MENTIONED IN THE ANNEXURE AND OTHER PAPERS FURNISHED BY THE COMPANY.

WE CONFIRM THAT:

- (A) THIS PROSPECTUS FILED WITH THE BOARD IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS RELEVANT TO THE ISSUE;
  - (B) ALL THE LEGAL REQUIREMENTS RELATING TO THE ISSUE, AS ALSO THE REGULATIONS, GUIDELINES, INSTRUCTIONS, ETC. FRAMED/ISSUED BY SEBI, THE CENTRAL GOVERNMENT AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH; AND
  - (C) THE DISCLOSURES MADE IN THIS PROSPECTUS ARE TRUE, FAIR AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL INFORMED DECISION AS TO THE INVESTMENT IN THE PROPOSED ISSUE AND SUCH DISCLOSURES ARE IN ACCORDANCE WITH THE REQUIREMENTS OF THE COMPANIES ACT THE SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 AND OTHER APPLICABLE LEGAL REQUIREMENTS;
3. WE CONFIRM THAT BESIDE OURSELVES, ALL THE INTERMEDIARIES NAMED IN THIS PROSPECTUS ARE REGISTERED WITH SEBI AND TILL DATE SUCH REGISTRATION IS VALID;
  4. WHEN UNDERWRITTEN, WE HAVE SATISFIED OURSELVES ABOUT THE CAPABILITY OF THE UNDERWRITERS TO FULFIL THEIR UNDERWRITING COMMITMENTS.
  5. WE CERTIFY THAT WRITTEN CONSENT FROM THE PROMOTERS HAS BEEN OBTAINED FOR INCLUSION OF THEIR EQUITY SHARES AS PART OF THE PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN AND THE EQUITY SHARES PROPOSED TO FORM PART OF THE PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN SHALL NOT BE DISPOSED OR SOLD OR TRANSFERRED BY THE PROMOTERS DURING THE PERIOD STARTING FROM THE DATE OF FILING THIS PROSPECTUS WITH BSE UNTIL THE DATE OF COMMENCEMENT OF THE LOCK-IN PERIOD AS STATED IN THIS PROSPECTUS.
  6. WE CERTIFY THAT REGULATION 33 OF THE SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, WHICH RELATES TO 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 THIS 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 SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) GUIDELINES, 2009 SHALL BE COMPLIED WITH. WE CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE RECEIVED AT LEAST ONE DAY BEFORE THE OPENING OF THE ISSUE. WE UNDERTAKE THAT AUDITORS' CERTIFICATE TO THIS EFFECT SHALL BE DULY SUBMITTED TO THE BOARD. WE FURTHER CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE KEPT IN AN ESCROW ACCOUNT WITH A SCHEDULED COMMERCIAL BANK AND SHALL BE RELEASED TO THE COMPANY ALONG WITH THE PROCEEDS OF THE PUBLIC ISSUE. – NOT APPLICABLE.
  8. WE CERTIFY THAT THE PROPOSED ACTIVITIES OF THE ISSUER FOR WHICH THE FUNDS ARE BEING RAISED IN THE PRESENT ISSUE FALL WITHIN THE 'MAIN OBJECTS' LISTED IN THE OBJECT CLAUSE OF THE MEMORANDUM OF ASSOCIATION OR OTHER CHARTER OF THE ISSUER AND THAT THE ACTIVITIES WHICH HAVE BEEN CARRIED OUT UNTIL NOW ARE VALID IN TERMS OF THE OBJECT CLAUSE OF ITS MEMORANDUM OF ASSOCIATION.

9. WE CONFIRM THAT NECESSARY ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT THE MONEYS RECEIVED PURSUANT TO THE ISSUE ARE KEPT IN A SEPARATE BANK ACCOUNT AS PER THE PROVISIONS OF SECTION 40 (3) OF THE COMPANIES ACT, 2013 AND THAT SUCH MONEYS SHALL BE RELEASED BY THE SAID BANK ONLY AFTER PERMISSION IS OBTAINED FROM THE STOCK EXCHANGE MENTIONED IN THIS PROSPECTUS. WE FURTHER CONFIRM THAT THE AGREEMENT ENTERED INTO BETWEEN THE BANKERS TO THE ISSUE AND THE ISSUER SPECIFICALLY CONTAINS THIS CONDITION. – NOTED FOR COMPLIANCE
10. WE CERTIFY ALL THE SHARES SHALL BE ISSUED IN DEMATERIALIZED FORM IN COMPLIANCE WITH THE PROVISIONS OF SECTION 29 OF THE COMPANIES ACT, 2013 AND THE DEPOSITORIES ACT, 1996 AND THE REGULATIONS MADE THEREUNDER – NOTED FOR COMPLIANCE
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 THIS PROSPECTUS:
  - (a) AN UNDERTAKING FROM THE ISSUER THAT AT ANY GIVEN TIME THERE SHALL BE ONLY ONE DENOMINATION FOR THE SHARES OF THE COMPANY; AND
  - (b) AN UNDERTAKING FROM THE ISSUER THAT IT SHALL COMPLY WITH SUCH DISCLOSURE AND ACCOUNTING NORMS SPECIFIED BY THE BOARD FROM TIME TO TIME.
13. WE UNDERTAKE TO COMPLY WITH THE REGULATIONS PERTAINING TO ADVERTISEMENT IN TERMS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 WHILE MAKING THE ISSUE.
14. WE ENCLOSE A NOTE EXPLAINING HOW THE PROCESS OF DUE DILIGENCE HAS BEEN EXERCISED BY US IN VIEW OF THE NATURE OF CURRENT 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 THIS PROSPECTUS WHERE THE REGULATION HAS BEEN COMPLIED WITH AND OUR COMMENTS, IF ANY."
16. WE ENCLOSE STATEMENT ON PRICE INFORMATION OF PAST ISSUES HANDLED BY MERCHANT BANKER BELOW (WHO ARE RESPONSIBLE FOR PRICING THIS ISSUE), AS PER FORMAT SPECIFIED BY SEBI THROUGH CIRCULAR NO.CIR/MIRCD/1/2012 DATED JANUARY 10, 2012.
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.

**ADDITIONAL CONFIRMATIONS/ CERTIFICATION TO BE GIVEN BY MERCHANT BANKER IN DUE DILIGENCE CERTIFICATE TO BE GIVEN ALONG WITH OFFER DOCUMENT REGARDING SME EXCHANGE**

1. WE CONFIRM THAT NONE OF THE INTERMEDIARIES NAMED IN THE PROSPECTUS HAS 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 OFFERED THROUGH THIS ISSUE SHALL BE INFORMED THROUGH PUBLIC NOTICES/ ADVERTISEMENTS IN ALL THOSE NEWSPAPERS IN WHICH PRE-ISSUE ADVERTISEMENT AND ADVERTISEMENT FOR OPENING OR CLOSURE OF THE ISSUE HAVE BEEN GIVEN.
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.
4. WE CONFIRM THAT AGREEMENTS HAVE BEEN ENTERED INTO WITH THE DEPOSITORIES FOR DEMATERIALISATION OF THE SPECIFIED SECURITIES OF THE ISSUER.
5. WE CERTIFY THAT AS PER THE REQUIREMENTS OF FIRST PROVISIO TO SUB-REGULATION (4) OF REGULATION 32 OF SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009; CASH FLOW STATEMENT HAS BEEN PREPARED AND DISCLOSED IN THE PROSPECTUS. NOT APPLICABLE.
6. WE CONFIRM THAT UNDERWRITING AND MARKET MAKING ARRANGEMENTS AS PER REQUIREMENTS OF REGULATION 106P AND 106V OF THE SECURITIES AND EXCHANGEBOARD 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 or section 38(1) of the Companies Act, 2013 or from the requirement of obtaining such statutory and 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 this 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, Gujarat, Dadra & Nagar Haveli in terms of sections 26 and 32 of Companies Act, 2013.*

**Vishal Bearings Limited**

**Statement on Price Information of Past Issues handled by Hem Securities Limited:**

Sr. No.	Issuer Name	Issue size (Rs. in Cr.)	Issue price (Rs.)	Listing Date	Opening price on listing date (Rs.)	Closing price on listing date (Rs.)	% Change in Price on listing date (Closing) vs. Issue Price	Benchmark index on listing date (Closing)	Closing price as on 10th calendar day from listing day (Rs.)	Benchmark index as on 10th calendar days from listing day (Closing)	Closing price as on 20th calendar day from listing day (Rs.)	Benchmark index as on 20th calendar days from listing day (Closing)	Closing price as on 30th calendar day from listing day (Rs.)	Benchmark index as on 30th calendar days from listing day (Closing)
1.	Shekhawati Poly-Yarn Ltd.	36.00	30.00	12.01.2011	32.50	47.50	58.33	19,534.10	24.00	19,151.28	25.45	18,022.22	24.30	17,728.61
2.	Tijaria Polypipes Ltd.	60.00	60.00	14.10.2011	62.00	18.10	(69.83)	17,082.69	15.05	16,939.28	11.97	17,481.93	16.28	17,118.74
3.	Samruddhi Realty Ltd.	2.60	12.00	12.04.2013	13.00	13.65	13.75	18,242.56	17.25	19,169.83	22.60	19,735.77	22.90	19,722.29
4.	Captain Polyplast Ltd.	5.94	30.00	11.12.2013	33.00	34.65	15.50	21,171.41	36.00	21,101.03	35.00	21,170.68	41.50	20,758.49
5.	Tentiwal Wire Products Ltd.	2.12	13.00	31.12.2013	12.50	11.90	(8.46)	21,170.68	10.75	20,758.49	11.50	21,205.05	10.30	20,498.25
6.	R&B Denims Ltd.	3.71	10.00	22.04.2014	10.55	11.05	10.50	22,758.37	14.70	22,403.89	11.10	23,551.00	12.00	24,298.02
7.	Bansal Roofing Products Ltd.	2.04	30.00	14.07.2014	31.00	30.50	1.67	25006.98	30.50	26,025.80	31.50	25,723.16	31.00	25,918.95
8.	Atishay Infotech Ltd.	3.71	16.00	16.10.2014	17.75	18.45	15.31	25999.34	22.00	26,752.90	20.25	27,915.88	19.50	28,177.88
9.	Dhabriya Polywood Ltd.	3.30	15.00	17.10.2014	16.50	16.75	11.67	26108.53	18.80	26,787.23	35.85	27,868.63	25.65	28,177.88
10.	Vibrant Global Capital Ltd.	11.48	19.00	21.10.2014	19.40	20.00	5.26	26575.65	19.25	27,346.33	19.00	27,874.73	20.00	28,046.66
11.	ADCC Infocad Ltd.	9.60	40.00	22.10.2014	43.50	45.65	14.13	26787.23	60.80	27,860.38	73.95	27,910.06	65.00	28,334.63
12.	Captain Pipes Ltd.	4.40	40.00	11.12.2014	41.90	39.85	(0.375)	27602.01	40.75	27,701.79	43.20	27,499.42	40.00	27,585.27
13.	O. P Chains Limited	2.04	11.00	22.04.2015	11.25	11.81	7.36	27890.13	13.02	27,437.94	15.50	26877.48	15.50	27251.10
14.	Junction Fabrics and Apparels Limited	1.60	16.00	10.07.2015	17.50	17.30	8.13	27,661.40	18.50	28,463.31	18.75	27,561.38	18.25	27,512.26
15.	Loyal Equipments Limited	3.24	18.00	16.07.2015	20.05	21.05	16.94	28,446.12	19.50	27,561.38	18.20	28,223.08	18.00	27,878.27
16.	Emkay Taps & Cutting Tools	15.55	330.00	13.08.2015	334.00	333.05	0.92	8355.90	327.00	7,809.00	330.00	7,717.00	326.00	7872.25



**Vishal Bearings Limited**

	Limited													
17.	Universal Autofoundry Limited#	3.24	15.00	04.09.2015	16.00	16.00	6.67	25,201.90	16.00	25856.70	-	-	-	-

Financial Year	Total no. of IPOs	Total Funds raised (Rs. in cr.)	Nos. of IPOs trading at discount on listing date			Nos. of IPOs trading at premium on listing date			Nos. of IPOs trading at discount as on 30th calendar day from listing day			Nos. of IPOs trading at premium as on 30th calendar day from listing day		
			Over 50%	Between 25 - 50%	Less than 25%	Over 50%	Between 25 - 50%	Less than 25%	Over 50%	Between 25 - 50%	Less than 25%	Over 50%	Between 25 - 50%	Less than 25%
2015-16#	5	25.67	-	-	-	-	-	5	-	-	1	-	1	2
2014-15	7	38.25	1	-	-	-	-	6	-	-	-	2	-	5
2013-14	3	10.66	-	-	1	-	-	2	-	-	1	1	1	-
2012-13	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2011-12	1	60.00	1	-	-	-	-	-	1	-	-	-	-	-
2010-11	1	36.00	-	-	-	1	-	-	-	-	1	-	-	-
2009-10	-	-	1	-	-	-	-	6	-	-	-	2	-	5

**Source: Price Information [www.bseindia.com](http://www.bseindia.com), Issue Information from respective Prospectus.**

#Universal Autofoundry Limited has not completed 20<sup>th</sup> and 30<sup>th</sup> calendar days from its listing date.

**Note:**

- a) In case the 10th, 20th and 30th calendar day from the date of listing is a holiday, the share price and benchmark index is taken for the immediately following working day.
- b) BSE SENSEX has been considered as the benchmark index
- c) NIFTY has been considered as the benchmark index

**Track Record of past issued handled by Hem Securities Limited.**

For details regarding track record of LM to the Issue as specified in the Circular reference no. CIR/ MIRSD/1/2012 dated January 10, 2012 issued by SEBI, please refer the website of the LM at: [www.hemonline.com](http://www.hemonline.com)

**Disclaimer from the Company and the Lead Manager**

Our Company, our Directors and the LM accept no responsibility for statements made otherwise than in this Prospectus or in the advertisements or any other material issued by or at our Company's instance and that anyone placing reliance on any other source of information including our website [www.vishalbearings.com](http://www.vishalbearings.com) would be doing so at his or her own risk.

**Caution**

The LM accept no responsibility, save to the limited extent as provided in the Memorandum of Understanding entered into between the LM and us on 22<sup>nd</sup> June, 2015 and the Underwriting Agreement entered into between the Underwriters (Hem Securities Limited) dated 22<sup>nd</sup> June, 2015 and the Market Making Agreement dated 22<sup>nd</sup> June, 2015 entered into among the Market Maker, Lead Manager and our Company.

All information shall be made available by us and the LM to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever including at road show presentations, in research or sales reports, at collection centers or elsewhere.

Neither our Company nor any member of the Syndicate is liable to the Applicants for any failure in down loading the Applications due to faults in any software/hardware system or otherwise

The LM and their respective associates and affiliates may engage in transactions with, and perform services for, our Company, our Promoter Group, Group Entities, 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 Entities, and our affiliates or associates, for which they have received and may in future receive compensation.

**Disclaimer in respect of Jurisdiction**

This Issue is being made in India to persons resident in India including Indian nationals resident in India (including Indian nationals resident in India) who are majors, Hindu Undivided Families (HUFs), companies, corporate bodies and societies registered under the applicable laws in India and authorized to invest in equity shares, Indian mutual funds registered with SEBI, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), Trusts registered under the Societies Registration Act, 1860, as amended from time to time, or any other trust law and who are authorized under their constitution to hold and invest in equity shares, Public financial institutions as specified in Section 2(72) of the Companies Act 2013, venture capital funds (VCFs) registered with SEBI, FPI other than category III FPI registered with SEBI, national investment funds, state industrial development corporations, insurance companies registered with Insurance Regulatory and Development Authority, provident funds (subject to applicable law) with minimum corpus of Rs. 2500 lacs and pension funds with minimum corpus of Rs. 2500 lacs, and to non-residents including FVCIs, multilateral and bilateral financial institutions, FIIs registered with SEBI and Eligible NRIs, 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 to Equity Shares offered hereby in any other jurisdiction to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession 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 the jurisdiction of appropriate court(s) in Gujarat, India only.

No action has been or will be taken to permit a public offering in any jurisdiction where action would be required for that purpose. Accordingly, the Equity Shares represented thereby 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 since the date hereof or that the information contained herein is correct as of any time subsequent to this date.

**Disclaimer Clause under U.S. Securities Act**

The Equity Shares have not been and will not be registered under the U.S. Securities Act 1933, as amended (the "Securities Act") or any state securities laws in the United States and may not be offered or sold within the United States or to, or for the account or benefit of, "U.S. persons" (as defined in Regulation S of the Securities Act). Accordingly, the Equity Shares will be offered and sold outside the United States in offshore transactions in reliance on Regulation S under the Securities Act and in compliance with the applicable laws of the jurisdiction where those offers and sales occur.

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

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.

#### **Disclaimer Clause of the SME Platform of BSE Limited**

The BSE by way of its letter dated 14<sup>th</sup> July 2015 has granted its permission to our Company to use its name in this Prospectus as one of the stock exchanges on which our Company's securities are proposed to be listed on the SME Platform of BSE. BSE has scrutinized this Prospectus for its limited internal purpose of deciding on the matter for granting the aforesaid permission to our Company. BSE does not in any manner:

- a. Warrant, certify or endorse the correctness or completeness of any of the contents of this offer document; or
- b. Warrant that this Company's securities will be listed or will continue to be listed on BSE; or
- c. Take any responsibility for the financial or other soundness of this Company, its Promoters, its management or any scheme or project of this Company;

And it should not for any reason be deemed or construed that this Prospectus has been cleared or approved by the BSE. Every person who desires to apply for or otherwise acquires any securities in this Company may do so pursuant to independent inquiry, investigations and analysis and shall not have any claim against BSE whatsoever by reason of 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

#### **Filing**

This Prospectus shall not be filed with SEBI, nor will SEBI issue any observation on the offer document in term of Reg. 106(O) (3). However, a copy of the Prospectus shall be filed with SEBI at Regional office, SEBI Western Regional Office, Unit No; 002., Ground Floor, Sakar I, Near Gandhigram Railway Station, Opp. Nehru Bridge, Ashram Road, Ahmedabad - 380 009.

A copy of the Prospectus, along with the documents required to be filed under Section 32 of the Companies Act, 2013 would be delivered for registration to the RoC at the Office of the Registrar of Companies, Gujarat, Dadra and Nagar Haveli, RoC Bhavan, Opp. Rupal Park Society, Behind Ankur Bus Stop, Naranpura, Ahmedabad – 380 013, Gujarat, India.

#### **Listing**

In terms of Chapter XB of the SEBI (ICDR) Regulations, 2009, there is no requirement of obtaining In-Principle approval of the SME Platform of BSE. However, application shall be made to SME Platform of BSE for obtaining permission for listing of the Equity Shares being offered and sold in the Issue on its SME Platform after the allotment in the Issue.

BSE is the Designated Stock Exchange, with which the Basis of Allotment will be finalized for the Issue. If the permission to deal in and for an official quotation of the Equity Shares on the SME Platform is not granted by BSE, our Company shall forthwith repay, without interest, all moneys received from the applicants in pursuance of the Prospectus. If such money is not repaid within fifteen 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 fifteen days, be liable to repay such application money, with interest at the rate of 15% 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 mentioned above are taken within 12 Working Days of the Issue Closing Date.

Our Company has obtained approval from BSE vide letter dated 14<sup>th</sup> July 2015 for listing of its shares.

### **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 the Company for acquiring or subscribing for, any shares therein, or
- b. Makes or abets making of multiple applications to the Company in different names or in combination of his name or surname for acquiring or subscribing for its securities; or
- c. Otherwise induces directly or indirectly to the Company to allot, or register any transfer of shares therein to him, or any other person in a fictitious name, shall be liable to action under Section 447 of the Companies Act, 2013.

### **Consents**

Consents in writing of: (a) the Directors, the Promoters, the Company Secretary and Compliance Officer, Chief Financial Officer, Statutory Auditors, Bankers to the Company and Bankers to the Issue; and (b) Lead Manager to the Issue, Market Maker to the Issue, Escrow Collection Bankers, Refund Bankers, Peer Review Auditor, Registrar to the Issue, Legal Advisor to the Issue, Underwriters to act in their respective capacities, have been obtained as required u/s 26 of the Companies Act, 2013 and would 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 this Prospectus for registration with RoC.

In accordance with the Companies Act and the SEBI (ICDR) Regulations, M/s. SVK & ASSOCIATES, Chartered Accountants, Peer Review Auditors of the Company have given their written consent for inclusion of their report on restated financial statements dated 18<sup>th</sup> June 2015 in the form and context in which it appears in this Prospectus and such consent and report has not been withdrawn up to the time of this of this Prospectus with BSE.

M/s P.GHANSHYAM & CO, Chartered Accountants, Statutory Auditors of our Company have given their written consent to the tax benefits accruing to our Company and its members in the form and context in which it appears in this Prospectus and has not withdrawn such consent up to the time of delivery of the Prospectus for registration with the RoC.

### **Expert Opinion**

Except for the below stated reports and certificate included in this Prospectus, our Company has not obtained any expert opinions:

1. Statutory Auditor – Statement of Tax Benefits
2. Peer Review Auditors – Restated Financial Statements
3. Legal Due Diligence Report

However, the term “expert” shall not be construed to mean an “expert” as defined under the U.S. Securities Act, 1933.

### **Undertaking from our Company, our Promoter and Directors**

Our Company accepts full responsibility for the accuracy of the information given in this Prospectus and confirms that to the best of our knowledge and belief, there are no other facts, their omission of which make any statement in this Prospectus misleading and we further confirm that we have made all reasonable inquiries to ascertain such facts. Our Company further declares that the Stock Exchange to which an application for official quotation is proposed to be made do not take any responsibility for the financial soundness of the Issue or for the price at which the Equity Shares are offered or for the correctness of the statement made or opinions expressed in this Prospectus. Our Promoters/Directors declare and confirm that no information/material likely to have a bearing on the decision of investors in respect of the Equity Shares offered in terms of this Prospectus has been suppressed, withheld and/or incorporated in the manner that would amount to misstatement, misrepresentation and in the event of its transpiring at any point of time till allotment/refund, as the case may be, that any information/material has been suppressed /withheld and/or amounts to a

misstatement/ misrepresentation, our Promoters/ Directors undertake to refund the entire application monies to all the subscribers within the time limit prescribed by rules and regulations.

### **Expenses of the Issue**

The total expenses of the Issue are estimated to be approximately Rs.38,00,000 which is 11.73 % of the Issue size. The expenses of this Issue include, underwriting and management fees, selling commission, printing and distribution expenses, legal fees, statutory advertisement expenses and listing fees. All expenses with respect to the Issue would be borne by our Company.

The estimated Issue expenses are as under:

Activity	Amount (in Rs )	Percentage of Total Estimated Issue Expenditure (%)	Percentage of Issue Size (%)
Fees payable to Merchant banker, Registrar fees, Legal fees, Misc Expenditure	28,50,000	75.00	8.80
Brokerage and selling commission, etc	2,50,000	6.58	0.77
Printing and stationery expenses	2,00,000	5.26	0.62
Statutory Expenses	3,00,000	7.89	0.93
Advertising and Marketing expenses	2,00,000	5.26	0.62
<b>Total Estimated Issue Expenses</b>	<b>38,00,000</b>	<b>100.00</b>	<b>11.73</b>

*(The above figures are excluding the applicable taxes)*

### **Fees Payable to the LM**

The total fees payable to the Lead Manager will be as per, the Underwriting Agreement dated 22<sup>nd</sup> June 2015, MoU dated 22<sup>nd</sup> June 2015 and the Market Making Agreement dated 22<sup>nd</sup> June 2015 executed between our Company and the LM, a copy of which is available for inspection at our Registered Office from 10.00 am to 4.00 pm on Working Days from the date of this Prospectus until the Issue Closing Date.

### **Fees Payable to the Registrar to the Issue**

The fees payable by us to the Registrar to the Issue for processing of applications, data entry, printing of CAN/refund order, preparation of refund data on magnetic tape, printing of bulk mailing register will be as the per the MOU entered into between us and the Registrar dated June 12, 2015 a copy of which is available for inspection at our Registered Office.

The Registrar to the Issue will be reimbursed for all out of pocket expenses including cost of stationery, postage, tamp duty, and communication expenses. Adequate funds will be provided to the Registrar to the Issue to enable them to send refund orders or allotment advice by registered post/speed post/under certificate of posting.

### **Previous Public or Rights Issues in the last 5 years**

Our Company has not made any previous rights and public issues in India or abroad in the five years preceding the date of this Prospectus.

### **Previous issues of shares otherwise than for cash**

Except as stated in the chapter titled “*Capital Structure*” our Company has not made any previous issues of Equity Shares for consideration otherwise than for cash.

### **Underwriting commission, brokerage and selling commission on Previous Issues**

Since this is the initial public offer of equity shares of our Company, no sum has been paid or has been payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of our Equity Shares since our inception.

**Companies under the same management**

We do not have any companies under the same management within the meaning of section 370(1) (B) of the Companies Act, 1956 / Section 186 of the Companies Act, 2013 which has made any capital issue during the last three years.

**Promise v/s performance for the last 3 issues**

Neither our Company nor any Group or associate companies have made any previous rights and public issues.

**Listed Ventures of the Promoters**

There are no listed ventures of our Promoters

**Performance vis-a-vis objects - Last Issue of Group/Associate Companies**

All of our Group / Associate Companies are unlisted and have not made a public issue of shares

**Outstanding Debentures or Bond Issues or Preference Shares and other Instruments issued and outstanding as on the date of this Prospectus and terms of the Issue**

Our Company has no outstanding debentures or bonds as of the date of this Prospectus.

**Stock Market Data for our Equity Shares**

This being an Initial Public Issue of our Company, the Equity Shares of our Company are not listed on any stock exchange.

**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 years from the last date of dispatch of the letters of allotment, demat credit and refund orders to enable the investors to approach the Registrar to the Issue for redressal of their grievances.

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

All grievances relating to the ASBA process may be addressed to the SCSB, giving full details such as name, address of the applicant, number of Equity Shares applied for, amount paid on application and the Designated Branch or the collection centre of the SCSB where the Bid cum Application Form was submitted by the ASBA Applicants.

**Disposal of Investor Grievances by the Company**

Our Company estimates that the average time required by our Company or the Registrar to the Issue for the redressal of routine investor grievances shall be fifteen (15) Working Days from the date of receipt of the complaint. In case of complaints that are not routine or where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible.

Our Company has constituted Stakeholders and Investors Grievance Committee in the meeting of our Board of Directors held on May 30, 2015. For further details on the Shareholder's and Investor's Grievance Committee, please refer to section titled "*Our Management*" beginning on page no. 102 of this Prospectus

**Our Company has appointed Ms. Dimpi Sampat, Company Secretary of our Company as the Compliance Officer for this Issue and she may be contacted in case of any pre-Issue or post Issue related problems, at the following address:**

Survey No 22/1; Plot No 1, Shapar Main Road,

Shapar (Veraval), Rajkot - 360 002

**Tel:** +91-2827-252273

**Fax:** +91-2827-253087

**Email:** compliance@vishalbearings.com

**Website:** www.vishalbearings.com



**Investors can contact the Compliance Officer or the Registrar to the Issue or the Lead Manager in case of any pre Issue or post-Issue related problems, such as non-receipt of letters of Allotment, credit of Allotted Equity Shares in the respective beneficiary accounts and refund orders.**

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 the Company**

We do not have any other listed company under the same management.

#### **Change in the Auditors during the last 3 years and reasons thereof**

There has been no other change in the Auditors during the last 3 years.

#### **Capitalization of Reserves or Profits during last 5 years**

Except with respect to the bonus shares as disclosed under section titled “*Capital Structure*” beginning on page no. 42 of this Prospectus, our Company has not capitalized its reserves or profits at any time during the last five (5) years.

#### **Revaluation of Assets during the last 5 years**

Our Company has not revalued the assets; during the last 5 years for details refer to the chapter titled “*Capital Structure*” on page no. 42 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 section titled “*Statement of Tax Benefits*” beginning on page no. 63 of this Prospectus.

#### **Purchase of Property**

Other than as disclosed in “*Our Business*” Section on page no. 83 of this 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 this Prospectus.

Except as stated elsewhere in this 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 disclosed otherwise in this Prospectus, there has been no default in payment of statutory dues or of interest or principal in respect of our borrowings or deposits.

#### **Payment or benefit to officers of Our Company**

Except statutory benefits upon termination of their employment in our Company or superannuation, no officer of our Company is entitled to any benefit upon termination of his employment in our Company or superannuation.

**Except as disclosed in chapter titled “Related Party Transaction” in Annexure X under the Section titled “Financial Information of the Company” beginning on page no 125 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 are subject to the provisions of the Companies Act, 2013, our Memorandum and Articles of Association, the terms of this Prospectus, the Prospectus, Application Form, Revision Form, Confirmation of Allocation Note and other terms and conditions as may be incorporated in the allotment advices and other documents/certificates that may be executed in respect of the Issue. The Equity Shares shall also be subject to laws, guidelines, notifications and regulations relating to the issue of capital and listing of securities issued from time to time by SEBI, the Government of India, SME Platform of BSE, RoC, RBI and/ or other authorities, as in force on the date of the Issue and to the extent applicable.*

*Please note that, in terms of SEBI circular CIR/CFD/DIL/1/ 2011 dated April 29, 2011, QIB applicants, Non-Institutional applicants and other applicants whose application amount exceeds Rs. 2 lakhs can participate in the Issue only through the ASBA process. The Retail Individual Applicants can participate in the Issue either through the ASBA process or the non ASBA process. ASBA Applicants should note that the ASBA process involves application procedures that may be different from the procedure applicable to non ASBA process.*

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

The Issue has been authorized by a resolution of our Board dated 30<sup>th</sup> May, 2015 and by special resolution adopted pursuant to Section 62(1) (c) of the Companies Act, 2013 at the AGM held on 9<sup>th</sup> June, 2015.

#### **Ranking of Equity Shares**

The Equity Shares being offered under the Issue and the Equity Shares allotted pursuant to the exercise of issued shall be subject to the provisions of our Memorandum and Articles and shall rank pari-passu with the existing Equity Shares of our Company including rights in respect of dividends. The Allottees of Equity Shares under this Issue will be entitled to dividends or any other corporate benefits, if any, declared by the Company after the date of Allotment. For further details please refer to the chapter titled “*Main Provisions of the Articles of Association*” beginning on page no 280 of this Prospectus.

#### **Mode of Payment of Dividend**

The declaration and payment of dividend will be as per the provisions of Companies Act, 2013, our Memorandum and Articles of Association and recommended by the Board of Directors and the Shareholders at their discretion and will depend on a number of factors, including but not limited to earnings, capital requirements and overall financial condition of our Company. We shall pay dividends in cash and as per provisions of the Companies Act, 2013. For further details, please see the chapter titled “*Dividend Policy*” beginning on page no. 124 of this Prospectus.

#### **Face Value and Issue Price**

The Equity Shares of Rs.10/- each will be issued in terms of the Prospectus to be filed with the RoC. The Issue Price is Rs.25/- per Equity Share. The Issue Price is determined by our Company in consultation with the Lead Manager and is justified under the chapter titled ‘*Basis for Issue Price*’ beginning on page 61 of this Prospectus. At any given point of time there shall be only one denomination for the Equity Shares, subject to applicable laws.

#### **Rights of the Equity Shareholder**

Subject to applicable laws, the Equity Shareholders shall have the following rights:

- Right to receive dividend, if declared;
- Right to attend general meetings and exercise voting powers, unless prohibited by law;
- Right to vote on a poll either in person or by proxy;
- Right to receive offers for rights shares and be allotted bonus shares, if announced;
- Right to receive surplus on liquidation;
- Right of free transferability; and
- Such other rights, as may be available to a shareholder of a listed public company under the Companies Act, the terms of the listing agreement executed with the Stock Exchanges, and our Company’s Memorandum and Articles.

### **Compliance with SEBI (ICDR) Regulations**

We shall comply with all disclosure and accounting norms as specified by SEBI from time to time.

### **Minimum Application Value, Market Lot and Trading Lot**

In terms of Section 29 of the Companies Act, 2013, the Equity Shares shall be allotted only in dematerialised form. As per the SEBI (ICDR) Regulations, the trading of our Equity Shares shall only be in dematerialised form for all investors. Since trading of our Equity Shares is in dematerialised form, the tradable lot is one Equity Share. Trading of the Equity Shares will happen in the minimum contract size of 6,000 Equity Shares in terms of the SEBI circular no. CIR/MRD/DSA/06/2012 dated February 21, 2012 and the same may be modified by BSE from time to time by giving prior notice to investors at large. Allocation and allotment of Equity Shares through this Issue will be done only in electronic form in multiples of 6,000 Equity Share subject to a minimum allotment of 6,000 Equity Shares to the successful applicants. For details of Allotment please refer to the chapter titled “*Issue Procedure*” beginning on page no. 212 of this Prospectus.

### **Minimum Number of Allottees**

The minimum number of allottees in this Issue shall be 50 shareholders. In case the minimum number of prospective allottees is less than 50, no allotment will be made pursuant to this Issue and the monies collected shall be refunded within 15 working days of closure of Issue.

### **Joint Holders**

Where two or more persons are registered as the holders of any Equity Shares, they will be deemed to hold such Equity Shares as joint-holders with benefits of survivorship.

### **Jurisdiction**

Exclusive jurisdiction for the purpose of this Issue is with the competent courts/ authorities in, Gujarat, India. The Equity Shares have not been and will not be registered under the Securities Act or any state securities laws in the United States, and may not be offered or sold within the United States, except pursuant to an exemption from or in a transaction not subject to, registration requirements of the Securities Act. Accordingly, the Equity Shares are only being offered or sold outside the United States in compliance with Regulation S under the Securities Act and the applicable laws of the jurisdictions where those offers and sales occur. The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

### **Nomination Facility to Investor**

In accordance with Section 72(1) and 72(2) of the Companies Act, 2013, the sole or first Applicant, along with other joint Applicants, may nominate any one person in whom, in the event of the death of sole Applicant or in case of joint Applicants, death of all the Applicants, as the case may be, the Equity Shares allotted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall in accordance with Section 72(3) of the Companies Act, 2013, be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in 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 in the prescribed form available on request at the Registered Office of our Company or from the Registrar and Transfer Agents of our Company.

In accordance with Section 72 of the Companies Act, 2013, any Person who becomes a nominee by virtue of Section 72 of the Companies Act, 2013 shall upon the production of such evidence as may be required by the Board, elect either:

- To register himself or herself as the holder of the Equity Shares ; or
- To make such transfer of the Equity Shares, as the deceased holder could have made.

Further, the Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other monies 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 dematerialised form, there is no need to make a separate nomination with us. Nominations registered with respective depository participant of the applicant would prevail. If the investors require to change their nomination, they are requested to inform their respective depository participant.**

#### **Period of Operation of Subscription List of Public Issue**

<b>ISSUE OPENS ON</b>	September 28, 2015
<b>ISSUE CLOSES ON</b>	September 30, 2015

#### **Minimum Subscription**

This Issue is 100% underwritten and the details of the same have been disclosed on page 39 of this Prospectus. Since this Issue is 100% underwritten it is not restricted to any minimum subscription level. 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 not later than 70 days from the Bid/Issue Closing Date. If there is a delay beyond eight days after the expiry of 70 days from the Bid/Issue Closing Date, the Directors of our Company who are officers in default shall jointly and severally be liable to repay the money with such interest as prescriber under section 39(3) of the Companies Act, 2013 and Companies (Prospectus and Allotment of Securities) Rules, 2014. Further Section 39(5) states that in case of default under section 39(3), the Company and its officers who are in default shall be liable to a penalty of Rs.1,000 for each day during which the default continues or Rs.1,00,000, whichever is less.

Additionally, section 40(3) of the 2013 Act requires application money to be refunded in the event of failure to Allot Equity Shares for any other reason. If a default is made in complying with the provisions of this section the Company shall be punishable with a fine which shall not be less than Rs.5, 00,000, but which may extend to Rs.50, 00,000 and every officer of the Company who is in default shall be punishable with imprisonment for a term which may extend to one year or with fine which shall not be less than Rs.50,000 but which may extend to Rs.3,00,000 or with both.

In accordance with Regulation 106P (1) of the SEBI (ICDR) Regulations, our Issue shall be 100% underwritten. Thus, the underwriting obligations shall be for the entire 100% of the offer 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) and the minimum application size in terms of number of specified securities shall not be less than Rupees One Lakh per application.

Further, in accordance with Regulation 106 Q of the SEBI (ICDR) Regulations the minimum application size in terms of number of specified securities shall not be less than Rupees One Lakh per application

#### **Arrangement for disposal of Odd Lots**

The trading of the Equity Shares will happen in the minimum contract size of 6,000 Shares. However, the Market Maker shall buy the entire shareholding of a shareholder in one lot, where value of such shareholding is less than the minimum contract size allowed for trading on the SME platform of BSE.

#### **Application by Eligible NRIs, FPIs registered with SEBI, VCFs registered with SEBI**

It is to be understood that there is no reservation for Eligible NRIs or FPIs registered with SEBI or VCF. Such Eligible NRIs, FPIs registered with SEBI will be treated on the same basis with other categories for the purpose of Allocation.

**As per the extant policy of the Government of India, OCBs cannot participate in this Issue.**

The current provisions of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, provides a general permission for the NRIs, FPIs and foreign venture capital investors registered with SEBI to invest in shares of Indian companies by way of subscription in an IPO. However, such investments would be subject to other investment restrictions under the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, RBI and/or SEBI regulations as may be applicable to such investors.

The Allotment of the Equity Shares to Non-Residents shall be subject to the conditions, if any, as may be prescribed by the Government of India/RBI while granting such approvals

### **Restriction on transfer and transmission of shares**

Except for lock-in of the pre-Issue Equity Shares and Promoter's minimum contribution as detailed in chapter titled "*Capital Structure*" beginning on page 42 of this Prospectus and except as provided in our Articles, there are no restrictions on transfers and transmission of shares/ debentures and on their consolidation/ splitting. For further details please refer to the chapter "*Main Provisions of the Articles of Association*" on page 280 of this Prospectus.

### **Option to receive Equity Shares in Dematerialized Form**

As per section 29(1) of the new Companies Act, every company making public offer shall issue securities only in dematerialized form only. The investors have an option either to receive the security certificate or to hold the securities with depository. However, as per SEBI's circular RMB (compendium) series circular no. 2 (1999-2000) dated February 16, 2000, it has been decided by the SEBI that trading in securities of companies making an initial public offer shall be in dematerialized form only. The Equity Shares on Allotment will be traded only on the dematerialized segment of the SME Exchange.

### **New Financial Instruments**

The Issuer Company is not issuing any new financial instruments through this Issue.

### **Migration to Main Board**

As per the provisions of the Chapter XB of the SEBI (ICDR) Regulation, 2009, our Company may migrate to the main board of BSE from the SME Exchange at a later date subject to the following:

- a) If the Paid up Capital of our Company is likely to increase above Rs. 25 crores by virtue of any further issue of capital by way of rights, preferential issue, bonus issue etc. (which has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the Promoters in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal and for which the company has obtained in-principal approval from the main board), our Company shall apply to BSE 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 our company is more than 10 crores but below Rs. 25 crores, our Company may still apply for migration to the main board if the same has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the Promoters in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal.

### **Market Making**

The shares offered through this Issue are proposed to be listed on the BSE SME Platform wherein the Lead Manager to the issue shall ensure compulsory Market Making through registered Market Makers of the BSE SME Exchange for a minimum period of three years from the date of listing of shares offered through this Prospectus. For further details of the Market Making arrangement see chapter titled "*General Information*" beginning on page 36 of this Prospectus. In accordance with the SEBI Circular No. CIR/MRD/DSA/31/2012 dated November 27, 2012, it has been decided to make applicable limits on the upper side for the Market Makers during market making process taking into consideration the Issue size in the following manner:



Issue size	Buy quote exemption threshold (including mandatory initial inventory of 5% of issue size)	Re-entry threshold for buy quotes (including mandatory initial inventory of 5% of issue size)
Upto Rs. 20 Crore, as applicable in our case	25%	24%

Further, the Market Maker shall give (2) Two way quotes till it reaches the upper limit threshold; thereafter it has the option to give only sell quotes. Two (2) way quotes shall be resumed the moment inventory reaches the prescribed re-entry threshold.

In view of the Market Maker obligation, there shall be no exemption/threshold on downside. However, in the event the Market Maker exhausts its inventory through market making process on the platform of the exchange, the concerned stock exchange may intimate the same to SEBI after due verification.

### **New Financial Instruments**

There are no new financial instruments such as deep discounted bonds, debenture, warrants, secured premium notes, etc. issued by our Company.

### **Jurisdiction**

Exclusive jurisdiction for the purpose of this Issue is with the competent courts / authorities in Gujarat, India

**The Equity Shares have not been and will not be registered under the Securities Act or any state securities laws in the United States, and may not be offered or sold within the United States, except pursuant to an exemption from or in a transaction not subject to, registration requirements of the Securities Act. Accordingly, the Equity Shares are only being offered or sold outside the United States in compliance with Regulation S under the Securities Act and the applicable laws of the jurisdictions where those offers and sales occur.**

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

## ISSUE STRUCTURE

This Issue is being made in terms of Regulation 106M (1) of Chapter XB of the SEBI (ICDR) Regulations, 2009, as amended from time to time, whereby, an issuer whose post issue face value capital does not exceed ten crores, shall issue shares to the public and propose to list the same on the Small and Medium Enterprise Exchange ("SME Exchange", in this case being the SME Platform of BSE). For further details regarding the salient features and terms of such this Issue, please see the chapters titled "*Terms of the Issue*" and "*Issue Procedure*" beginning on pages 205 and 212 respectively of this Prospectus.

The present Issue of 12, 96,000 Equity Shares at a price of Rs. 25/- aggregating to Rs.324.00 Lacs by the Company. The issue of equity shares will constitute 27.02% of the fully diluted post-issue equity share capital of our Company.

Particulars of the Issue	Net Issue to Public*	Market Maker Reservation Portion
<b>Number of Equity Shares</b>	12,24,000 Equity Shares	72,000 Equity Shares
<b>Percentage of Issue Size available for allocation</b>	94.44% of the Issue Size	5.56% of the Issue Size
<b>Basis of Allotment/ Allocation if respective category is oversubscribed</b>	Proportionate subject to minimum allotment of 6,000 Equity Shares and further allotment in multiples of 6,000 Equity Shares each.  For further details please refer to the " <i>Basis of Allotment</i> " under Section " <i>Issue Procedure</i> " on page 231 of this Prospectus.	Firm Allotment
<b>Mode of Application</b>	For Other than Retail Individual Investors Applicants the application must be made compulsorily through the ASBA Process.  The Retail Individual Applicant may apply through the ASBA or the Physical Form.	Through ASBA Process Only
<b>Mode of Allotment</b>	Compulsorily in dematerialised form.	Compulsorily in dematerialised form.
<b>Minimum Application Size</b>	<b><u>For Other than Retail Individual Investors:</u></b> Such number of Equity Shares in multiples of 6,000 Equity Shares such that the Application Value exceeds Rs.2,00,000/-.  <b><u>For Retail Individuals:</u></b> 6,000 Equity Shares at Issue prices of Rs.25/- each.	72,000 Equity Shares of Face Value Rs.10/-
<b>Maximum Application Size</b>	<b><u>For Other than Retail Individual Investors:</u></b> The maximum application size is the Net Issue to public subject to limits the investor has to adhere under the relevant laws and regulations applicable.  <b><u>For Retail Individuals Investors:</u></b> Such number of Equity Shares in multiples of 6000 Equity Shares such that the application value does not exceed Rs. 2, 00,000.	72,000 Equity Shares of Face Value of Rs.10/-
<b>Trading Lot</b>	6,000 Equity Shares	6,000 Equity Shares. However the Market Makers may accept odd lots if any in the market as required under the SEBI (ICDR) Regulations, 2009.
<b>Terms of Payment</b>	100%	100%

This Issue is being made in terms of Chapter XB of the SEBI (ICDR) Regulations, 2009, as amended from time to time. For further details please refer to “**Issue Structure**” on page 210 of this Prospectus.

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

- a) Minimum fifty percent to Retail Individual Investors; and
- b) Remaining to Investors Other than Retail Individual Investors
- c) The unsubscribed portion in either of the categories specified in (a) or (b) above may be allocated to the applicants in the other category.

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

### **Withdrawal of the Issue**

The Company, in consultation with the Lead Manager, reserves the right not to proceed with the Issue at any time before the Issue Opening Date, without assigning any reason thereof. Notwithstanding the foregoing, the Issue is also subject to obtaining the following:

- (i) The final listing and trading approvals of BSE for listing of Equity Shares offered through this Issue on its SME Platform, which the Company shall apply for after Allotment; and
- (ii) The final RoC approval of this Prospectus after it is filed with the RoC.
- (iii) In case, the Company wishes to withdraw the Issue after Issue Opening but before allotment, the Company will give public notice giving reasons for withdrawal of Issue. The public notice will appear in two widely circulated national newspapers (one each in English and Hindi) and one in regional newspaper.

The Lead Manager, through the Registrar to the Issue, will instruct the SCSBs to unblock the ASBA Accounts within one Working Day from the day of receipt of such instruction. The notice of withdrawal will be issued in the same newspapers where the pre-Issue advertisements have appeared and the Stock Exchange will also be informed promptly. If our Company withdraws the Issue after the Issue Closing Date and subsequently decides to undertake a public offering of Equity Shares, our Company will file a fresh offer document with the stock exchange where the Equity Shares may be proposed to be listed.

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

### **Issue Programme**

<b>ISSUE OPENING DATE</b>	<b>September 28, 2015</b>
<b>ISSUE CLOSING DATE</b>	<b>September 30, 2015</b>

Applications and any revisions to the same will be accepted only between 10.00 a.m. to 5.00 p.m. (Indian Standard Time) during the Issue Period at the Application 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 when applications will be accepted only between 10.00 a.m. to 4.00 p.m. (Indian Standard Time). Applications will be accepted only on Working Days, i.e., Monday to Friday (excluding any public holiday).

## **ISSUE PROCEDURE**

All Applicants should review the General Information Document for Investing in Public Issues prepared and issued in accordance with the circular (CIR/CFD/DIL/12/2013) dated October 23, 2013 notified by SEBI ("General Information Document") included below under section "-Part B-General Information Document", which highlights the key rules, processes and procedures applicable to public issues in general in accordance with the provisions of the Companies Act, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957 and the SEBI ICDR Regulations. The General Information Document has been updated to include reference to certain notified provisions of the Companies Act, 2013, to the extent applicable to a public issue. The General Information Document is also available on the websites of the Stock Exchange and the Lead Manager. Please refer to the relevant portions of the General Information Document which are applicable to this Issue.

Our Company, and the Lead Manager do not accept any responsibility for the completeness and accuracy of the information stated in this section, and are not liable for any amendment, modification or change in the applicable law which may occur after the date of this Prospectus. Applicants are advised to make their independent investigations and ensure that their Applications do not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or as specified in this Prospectus and the Prospectus.

**This section applies to all the Applicants, please note that all the Applicants are required to make payment of the full Application Amount along with the Application Form.**

**Our Company and the LM are not liable for any amendments, modifications or change in applicable laws or regulations, which may occur after the date of this Prospectus.**

## **PART A**

### **Fixed Price Issue Procedure**

This Issue is being made under Regulation 106M (1) of Chapter XB of SEBI (ICDR) Regulations, 2009 via Fixed Price Process. Applicants are required to submit their Applications to the Selected Branches / Offices of the Escrow Bankers to the Issue who shall duly submit them to the Registrar of the Issue. In case of QIB Applicants, the Company in consultation with the Lead Manager may reject Applications at the time of acceptance of Application Form provided that the reasons for such rejection shall be provided to such Applicant in writing. In case of Non-Institutional Applicants and Retail Individual Applicants, our Company would have a right to reject the Applications based on technical grounds only.

**The Application Forms which do not have the details of the Applicant's depository account including DP ID, PAN and Beneficiary Account Number shall be treated as incomplete and rejected. In case DP ID, Client ID and PAN mentioned in the Application Form and entered into the electronic application system of the stock exchanges by the Brokers (including sub-brokers) do not match with the DP ID, Client ID and PAN available in the depository database, the application is liable to be rejected.**

**As per the provisions of Section 29 (1) of the Companies Act, 2013, allotment of Equity Shares to all successful Applicants will only be in the dematerialised form. Applicants will not have the option of getting allotment of the Equity Shares in physical form. The Equity Shares on allotment shall be traded only in the dematerialised segment of the Stock Exchanges.**

**Applicants are required to ensure that the PAN (of the sole/ first Applicant) provided in the Application Form is exactly the same as the PAN of the person(s) in whose name the relevant beneficiary account is held. In case of joint Applications, the Application Form should contain only the name of the first Applicant whose name should also appear as the first holder of the beneficiary account held in joint names. The signature of only such first Applicant would be required in the Application Form and such first Applicant would be deemed to have signed on behalf of the joint holders.**

### **Application Form**

Applicants shall only use the specified Application Form bearing the stamp of a member of the Syndicate for the purpose of making an Application in terms of the Prospectus. Upon completing and submitting the Application Form to a member of the Syndicate, the Applicant is deemed to have authorised the Company to make the necessary changes in the Prospectus and the Application Form as would be required for filing the Prospectus with the RoC and as would be required by the RoC after such filing, without prior or subsequent notice of such changes to the Applicant.

ASBA Applicants shall submit an Application Form either in physical or electronic form to the SCSBs authorizing blocking funds that are available in the bank account specified in the Application Form used by ASBA applicants. Upon completing and submitting the Application Form for ASBA Applicants to the SCSB, the ASBA Applicant is deemed to have authorized our Company to make the necessary changes in the Prospectus and the ASBA as would be required for filing the Prospectus with the RoC and as would be required by RoC after such filing, without prior or subsequent notice of such changes to the ASBA Applicant.

The prescribed colour of the Application Form for various categories is as follows:

<b>Category</b>	<b>Colour</b>
Indian Public / NRI's applying on a non-repatriation basis (ASBA and Non-ASBA)	White
Non-Residents including eligible NRI's, etc. applying on a repatriation basis (ASBA and Non-ASBA)	Blue

In accordance with the SEBI (ICDR) Regulations, 2009 in public issues w.e.f. May 1, 2010 all the investors can apply through ASBA process and w.e.f. May 02, 2011, the Non-Institutional Applicants and the QIB Applicants have to compulsorily apply through the ASBA Process.

### **Availability of Prospectus and Application Forms**

The Memorandum Form 2A containing the salient features of the Prospectus together with the Application Forms and copies of the Prospectus may be obtained from the Registered Office of our Company, Lead Manager to the Issue, Registrar to the Issue and the collection Centers of the Bankers to the Issue, as mentioned in the Application Form. The application forms may also be downloaded from the website of BSE Limited i.e. [www.bseindia.com](http://www.bseindia.com).

### **Who can Apply?**

In addition to the category of Applicants as set forth under “-General Information Document for Investing in Public Issues- Category of Investors Eligible to Participate in an Issue”, the following persons are also eligible to invest in the Equity Shares under all applicable laws, regulations and guidelines, including:

1. Indian nationals resident in India who are not minors, or in the name of the minor children as natural / legal guardian in single or joint names (not more than three);
2. Hindu Undivided Families or HUFs, in the individual name of the Karta. The Applicant should specify that the Application is being made in the name of the HUF in the Application Form as follows: "Name of Sole or First Applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta". Applications by HUFs would be considered at par with those from individuals;
3. Companies, corporate bodies and societies registered under the applicable laws in India and authorized to invest in Equity Shares;
4. Mutual Funds registered with SEBI;
5. Eligible NRIs on a repatriation basis or on a non-repatriation basis subject to applicable laws. NRIs other than eligible NRIs are not eligible to participate in this issue;
6. Indian Financial Institutions, scheduled commercial banks (excluding foreign banks), regional rural banks, cooperative banks (subject to RBI regulations, the SEBI (ICDR) Regulations and other regulations, as applicable);
7. FPIs and sub-accounts registered with SEBI, other than Category III Foreign Portfolio Investor
8. Sub-accounts of FIIs registered with SEBI, which are foreign corporates or foreign individuals only under the Non-Institutional Applicants portion;
9. Venture Capital Funds (VCFs) registered with SEBI;
10. FVCIs registered with SEBI;
11. Multilateral and bilateral development financial institutions;
12. State Industrial Development Corporations;
13. Trusts/societies registered under the Societies Registration Act, 1860, as amended, or under any other law relating to trusts/societies and who are authorized under their constitution to hold and invest in Equity Shares;
14. Scientific and/or industrial research organizations authorized to invest in Equity Shares;
15. Insurance Companies registered with Insurance Regulatory and Development Authority;
16. Provident Funds with minimum corpus of Rs. 250 million and who are authorized under their constitution to hold and invest in Equity Shares;
17. Pension Funds with minimum corpus of Rs. 250 million and who are authorized under their constitution to hold and invest in Equity Shares;
18. National Investment Fund set up by the resolution No. F.No. 2/3/2005-DDII dated November 23, 2005 of the Government of India published in the Gazette of India ;
19. Nominated Investor and Market Maker
20. Insurance funds set up and managed by the army, navy or air force of the Union of India;  
Insurance funds set up and managed by the Department of Posts, India;
21. Limited Liability Partnership registered in India and authorized to invest in equity shares;
22. Any other person eligible to apply in this Issue, under the laws, rules, regulations, guidelines and policies applicable to them under Indian laws.
23. Category III foreign portfolio investors, which are foreign corporate or foreign individuals only under the Non Institutional Investors (NIIs) category;



**Applications not to be made by:**

1. Minors
2. Partnership firms or their nominations
3. Foreign Nationals (except NRIs)
4. Overseas Corporate Bodies

**Maximum and Minimum Application Size**

- (a) **For Retail Individual Applicants:** The Application must be for a minimum of 6,000 Equity Shares and in multiples of 6,000 Equity Shares thereafter, so as to ensure that the Application Amount payable by the Applicant does not exceed Rs.2,00,000/-. In case of revision of Applications, the Retail Individual Applicants have to ensure that the Application Amount does not exceed Rs.2,00,000/-.
- (b) **For other Applicants (Non-Institutional and QIBs) :** The Application must be for a minimum of such number of Equity Shares such that the Application Amount exceeds Rs.2,00,000/- and is a multiple of 6,000 Equity Shares thereafter. An Application cannot be submitted for more than the Issue size. However, the maximum Application by a QIB investor should not exceed the investment limits prescribed for them under applicable laws. **Under the SEBI (ICDR) Regulations, a QIB Applicant cannot withdraw its Application after the Application/ Issue Closing Date and is required to pay the entire Amount upon submission of the Application.**

The identity of QIBs applying in the net issue under the QIB portion shall be made public during the subscription period. In case of revision in Applications, the Non-Institutional Applicants, who are individuals, have to ensure that the Application Amount is greater than Rs.2,00,000/- for being considered for allocation in the Non-Institutional Portion.

*Applicants are advised to ensure that any single Application from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Prospectus.*

**Participation by Associates/Affiliates of the LM**

The LM shall not be entitled to subscribe to this Issue in any manner except towards fulfilling their underwriting and market making obligations. However, associates/affiliates of the LM, may subscribe for Equity Shares in the Issue, where the allocation is on a proportionate basis.

**Option to Subscribe in the Issue**

- a. As per Section 29(1) of the Companies Act 2013, allotment of Equity Shares shall be dematerialized form only.
- b. The Equity Shares, on allotment, shall be traded on the Stock Exchange in demat segment only.
- c. A single application from any investor shall not exceed the investment limit/minimum number of specified securities that can be held by him/her/it under the relevant regulations/statutory guidelines and applicable law.

**Information for the Applicant:**

1. Our Company will file the Prospectus with the RoC at least three days before the Issue Opening Date.
2. The LM will circulate copies of the Prospectus along with the Application Form to potential investors.
3. Any investor (who is eligible to invest in the Equity Shares) who would like to obtain the Prospectus along with the Application Form can obtain the same from the Registered Office of the Company or from the office of LM.
4. Applicants who are interested in subscribing for the Equity Shares should approach the LM and their authorised agent(s)

to register their Applications.

5. The Company and the LM shall declare the Issue Opening Date and Issue Closing Date in the Prospectus to be filed with the RoC and also publish the same in two widely circulated national newspapers (one each in English and Hindi) and one in regional language newspaper. This advertisement, subject to the provisions of Section 30 of the Companies Act, 2013 shall be in the format prescribed in Schedule XX-A of the SEBI (ICDR) Regulations, as amended by the SEBI Circular No. SEBI/CFD/DIL/DIP/17/2005/11/11 dated November 11, 2005.
6. The LM shall accept Applications from the Applicants during the Issue Period.
7. The Issue Period shall be for a minimum of three working days and shall not exceed seven working days. The Issue Period may be extended if required by an additional three working days, subject to the total Issue Period not exceeding 10 working days.
8. Applicants are requested to mention the application form number on the reverse of the instrument to avoid misuse of instrument submitted along with the application for shares. Applicants are advised in their own interest, to indicate the name of the bank and the savings or current a/c no in the application form. In case of refund, the refund order will indicate these details after the name of the payee. The refund order will be sent directly to the payee's address.
9. Applications made in the Name of Minors and/or their nominees shall not be accepted.

#### **Application by Indian Public including eligible NRIs applying on Non-Repatriation**

Application must be made only in the names of individuals, Limited Companies or Statutory Corporations/ Institutions and not in the names of Minors (except through their Legal Guardians), Foreign Nationals, Non Residents (except for those applying on non-repatriation), Trusts (unless the Trust is registered under the Societies Registration Act, 1860 or any other applicable Trust laws and is authorized under its constitution to hold shares and debentures in a Company), Hindu Undivided Families, Partnership firms or their nominees. In case of HUFs application shall be made by the Karta of the HUF. An applicant in the Net Public Category cannot make an application for that number of securities exceeding the number of securities offered to the public. Eligible NRIs applying on a non-repatriation basis may make payments by inward remittance in foreign exchange through normal banking channels or by debits to NRE/FCNR accounts as well as NRO accounts.

#### **Applications by Mutual Funds**

An eligible Application by a Mutual Fund shall first be considered for allocation proportionately in the Mutual Funds Portion.

In accordance with current regulations, the following restrictions are applicable for investments by Mutual Funds:

The Applications 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.

**No Mutual Fund scheme shall invest more than 10% of its net asset value in equity shares or equity related instruments of any company provided that the limit of 10% shall not be applicable for investments in index funds or sector or industry-specific funds. No Mutual Fund under all its schemes should own more than 10% of any company's paid-up capital carrying voting rights these limits would have to be adhered to by the mutual funds for investment in the Equity Shares.**

**In case of a Mutual Funds, a separate application be made in respect of each scheme of the Mutual Fund registered with SEBI and such application in respect of more than one scheme of the Mutual Fund will not be treated as multiple applications provided that the application clearly indicate the scheme concerned for which the application has been made.**

### **Applications by Eligible NRIs**

Application Forms have been made available for Eligible NRIs at the Registered Office of the Company and at the office of the Lead Manager.

NRI applicants should note that only such applications as are accompanied by payment in freely convertible foreign exchange shall be considered for Allotment under the Eligible NRI Category. Eligible NRIs intending to make payment through freely convertible foreign exchange and applying on a repatriation basis could make payments through Indian Rupee drafts purchased abroad or cheques or bank drafts or by debits to their Non-Resident External ("NRE") Account or Foreign Currency Non-Resident ("FCNR") Accounts, maintained with banks authorised by the RBI to deal in foreign exchange.

Under the Foreign Exchange Management Act, 1999 (FEMA) general permission is granted to the companies vide notification no. FEMA/20/2000 RB dated 03/05/2000 to issue securities to NRI's subject to the terms and conditions stipulated therein. The companies are required to file the declaration in the prescribed form to the concerned Regional office of RBI within 30 (thirty) days from the date of issue of shares for allotment to NRI's on repatriation basis.

In case of Application by Eligible NRIs applying on non-repatriation basis, the payments must be made through Indian Rupee Drafts purchased abroad or cheques or bank drafts, for the amount payable on application remitted through normal banking channels or out of funds held in NRE Accounts or FCNR Accounts, maintained with banks authorised to deal in foreign exchange in India, along with documentary evidence in support of the remittance or out of a NRO Account of a Non-Resident Applicant applying on a non-repatriation basis. Payment by drafts should be accompanied by a bank certificate confirming that this Draft has been issued by debiting an NRE or FCNR or NRO Account.

Applications by Eligible NRIs for a payment amount of up to Rs. 2,00,000 would be considered under the Retail Portion for the purposes of allocation and Applications for a payment amount of more than Rs. 2,00,000 would be considered under Non-Institutional Portion for the purposes of allocation.

Allotment of Equity shares to Non-Resident Indians shall be subject to the prevailing Reserve Bank of India Guidelines. Sale proceeds of such investments in Equity shares will be allowed to be repatriated along with the income thereon subject to the permission of the RBI and subject to the Indian Tax Laws and regulations and any other applicable laws.

The Company does not require approvals from FIPB or RBI for the Transfer of Equity Shares in the issue to eligible NRI's.

### **AS PER THE CURRENT REGULATIONS, THE FOLLOWING RESTRICTIONS ARE APPLICABLE FOR INVESTMENTS BY FPIs.**

1. A foreign portfolio investor shall invest only in the following securities, namely- (a) Securities in the primary and secondary markets including shares, debentures and warrants of companies, listed or to be listed on a recognized stock exchange in India; (b) Units of schemes floated by a domestic mutual funds, whether listed on a recognized stock exchange or not; (c) Units of Schemes floated by a collective investment scheme; (d) Derivatives traded on a recognized Stock Exchange; (e) Treasury bills and dated government securities; (f) Commercial papers issued by an Indian Company; (g) Rupee denominated credit enhanced bonds; (h) Security receipts issued by asset reconstruction companies; (i) Perpetual debt instruments and debt capital instruments, as specified by the Reserve Bank of India from time to time; (j) Listed and unlisted non-convertible debentures/bonds issued by an Indian company in the infrastructure sector, where 'infrastructure' is defined in terms of the extant External Commercial Borrowings (ECB) guidelines; (k) Non-Convertible debentures or bonds issued by Non – Banking Financial Companies categorized as 'Infrastructure Finance Companies' (IFC) by the Reserve Bank of India; (l) Rupee denominated bonds or units issued by infrastructure debt funds; (m) Indian depository receipts; and (n) Such other instruments specified by the Board from time to time.
2. Where a foreign institutional investor or a sub account, prior to commencement of these regulations, hold equity shares in a company whose shares are not listed on any recognized stock exchange, and continues to hold such shares after Initial Public Offering and listing thereof, such shares shall be subject to lock-in for the same period, if any, as is applicable to shares held by a foreign direct investor placed in similar position, under the policy of the Government of India relating to foreign direct investment from the time being in force.
3. In respect of investments in the secondary market, the following additional conditions shall apply:
  - a) A foreign portfolio investor shall transact in the securities in India only on the basis of taking and giving delivery of securities purchased or sold;
  - b) Nothing contained in clause (a) shall apply to:
    - i. Any transactions in derivatives on a recognized stock exchange;

- ii. Short selling transactions in accordance with the framework specified by the Board;
  - iii. Any transaction in securities pursuant to an agreement entered into with the merchant banker in the process of market making or subscribing to unsubscribed portion of the issue in accordance with Chapter XB of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009
  - iv. Any other transaction specified by the Board.
  - c) No transaction on the stock exchange shall be carried forward;
  - d) The transaction of business in securities by a foreign portfolio investor shall be only through stock brokers registered by the Board; provided nothing contained in this clause shall apply to;
    - i. transactions in Government securities and such other securities falling under the purview of the Reserve Bank of India which shall be carried out in the manner specified by the Reserve Bank of India;
    - ii. Sale of securities in response to a letter of offer sent by an acquirer in accordance with the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
    - iii. Sale of securities in response to an offer made by any promoter or acquirer in accordance with the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
    - iv. Sale of securities, in accordance with the Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998;
    - v. divestment of securities in response to an offer by Indian Companies in accordance with Operative Guidelines of Disinvestment of shares of Indian Companies in the overseas market through issue of American Depositary Receipts or Global Depositary Receipts as notified by the Government of India and directions issued by Reserve Bank of India from time to time;
    - vi. Any bid for, or acquisition of, securities in response to an offer for disinvestment of shares made by the Central Government or any State Government;
    - vii. Any transaction in securities pursuant to an agreement entered into with merchant banker in the process of market making portion of the issue in accordance with Chapter XB of the Securities and Exchange Board of India ( Issue of Capital and Disclosure Requirements) Regulations, 2009;
    - viii. Any other transaction specified by Board.
  - e) A foreign portfolio investor shall hold, deliver or cause to be delivered securities only in dematerialized form: Provided that any shares held in non-dematerialized form, before the commencement of these regulations, can be held in non-dematerialized form, if such shares cannot be dematerialized. Unless otherwise approved by the Board, securities shall be registered in the name of the foreign portfolio investor as a beneficial owner for the purposes of the Depositories Act, 1996.
  - 4. The purchase of Equity Shares of each company by a single foreign portfolio investor or an investor group shall be below ten percent of the total issued capital of the company.
  - 5. The investment by the foreign portfolio investor shall also be subject to such other conditions and restrictions as may be specified by the Government of India from time to time.
  - 6. In cases where the Government of India enters into agreements or treaties with other sovereign Governments and where such agreements or treaties specifically recognize certain entities to be distinct and separate, the Board may, during the validity of such agreements or treaties, recognize them as such, subject to conditions as may be specified by it.
  - 7. A foreign portfolio investor may lend or borrow securities in accordance with the framework specified by the Board in this regard. No foreign portfolio investor may issue, subscribe to or otherwise deal in offshore derivative instruments, directly or indirectly, unless the following conditions are satisfied:
    - (a) Such offshore derivative instruments are issued only to persons who are regulated by an appropriate foreign regulatory authority'
    - (b) Such offshore derivatives instruments are issued after compliance with 'know your client' norms:
- Provided that those unregulated broad based funds, which are classified as Category II foreign portfolio investor by virtue of their investment manager being appropriately regulated shall not issue, subscribe or otherwise deal, in offshore derivatives instruments directly or indirectly.

Provided further that no Category III foreign portfolio investor shall issue, subscribe to or otherwise deal in offshore derivatives instruments directly or indirectly.

A foreign portfolio investor shall ensure that further issue or transfer of any offshore derivative instruments issued by or on behalf of it is made only to persons who are regulated by an appropriate foreign regulatory authority.

Foreign portfolio investors shall fully disclose to the Board any information concerning the terms of and parties to offshore derivative instruments such as participatory notes, equity linked notes or any other such instruments, by whatever names they are called, entered into by it relating to any securities listed or proposed to be listed in any stock exchange in India, as and when and in such form as the Board may specify.

Any offshore derivative instruments issued under the Securities and Exchange Board of India of India (Foreign Institutional Investors) Regulations, 1995 before commencement of these regulations shall be deemed to have been issued under the corresponding provision of these regulations.

The purchase of equity shares of each company by a single foreign portfolio investor or an investor group shall be below 10 per cent of the total issued capital of the company.

#### **Applications by Eligible QFIs**

The RBI in its circular dated January 13, 2012 has permitted Eligible QFIs to purchase equity shares of Indian companies on a repatriation basis subject to certain terms and conditions. Eligible QFIs have been permitted to invest through SEBI registered qualified depository participants (“DP”) in equity shares of Indian companies which are offered to the public in India in accordance with SEBI regulations.

The individual and aggregate investment limits for Eligible QFIs in an Indian company are 5% and 10% of the paid up capital respectively. These limits are in addition to the investment limits prescribed under the portfolio investment scheme for FIIs and NRIs. However, in cases of those sectors which have composite foreign investment caps, Eligible QFI investment limits are required to be considered within such composite foreign investment cap.

An eligible QFI may make investment in the equity shares of an Indian company through both the FDI route and the QFI route. However, the aggregate holding of such Eligible QFI shall not exceed 5.00% of the paid up capital of Indian Company at any point of time.

SEBI in its circular dated January 13, 2012 has specified among other things eligible transactions for Eligible QFIs (which includes purchase of equity shares in public issues to be listed on recognised stock exchanges and sale of equity shares held by Eligible QFIs in their demat account through SEBI registered brokers), manner of operation of demat accounts by Eligible QFIs, transaction processes and investment restrictions. SEBI has specified that transactions by Eligible QFIs shall be treated at par with those made by Indian non-institutional investors with respect to margins, voting rights, public issues etc.

Eligible QFIs are required to instruct their DPs to make the application on their behalf for the Issue. DPs are advised to use the Application Form meant for Non-Residents (blue in colour). DPs are required to utilise the ASBA process to participate in the Issue. Eligible QFIs are not permitted to issue off-shore derivative instruments or participatory notes.

#### **Applications by the SEBI-registered Venture Capital Funds, Foreign Venture Capital Investors and the FPIs, Alternative Investment Funds.**

In accordance with the current regulations, the following restrictions are applicable for investments by SEBI-registered Venture Capital Funds, Foreign Venture Capital Investors and Foreign Portfolio Investors:

The SEBI (Venture Capital Funds) Regulations, 1996, as amended and the SEBI (Foreign Venture Capital Investors) Regulations, 2000, as amended prescribe investment restrictions on Venture Capital Funds and Foreign Venture Capital Investors registered with SEBI. For example, the holding by any individual VCF should not exceed 25% of the corpus of the VCF in one venture capital undertaking. Further, VCFs and FVCIs can invest only up to 33.33% of the investible funds by way of subscription to an initial public offer.

In terms of the SEBI FPI Regulations, an FII who holds a valid certificate of registration from SEBI shall be deemed to be registered FPI until the expiry of the block of three years for which fees have been paid as per SEBI FII Regulations. Accordingly, such FIIs can participate in this issue in accordance with Schedule 2 of the FEMA Regulations. An FII shall not be eligible to invest as an FII after registering as an FPI under the SEBI FPI Regulations.

In terms of the SEBI FPI Regulations, the issue of Equity Shares to a single FPI or an investor group (which means the same set of ultimate beneficial owner(s) investing through multiple entities) is not permitted to exceed 10 per cent of our post-Issue Equity Share capital. Further, in terms of the FEMA Regulations, the total holding by each FPI shall be below 10 per cent of the total paid-up Equity Share capital of our Company and the total holdings of all FPIs put together shall not exceed 24 per cent of the paid-up Equity Share capital of our Company. The aggregate limit of 24 per cent may be increased up to the sectoral cap by way of a resolution passed by the board of directors followed by a special resolution passed by the Shareholders of a company.

The SEBI (Alternative Investment Funds) Regulations, 2012 prescribe investment restrictions for various categories of AIF's.

The Category I and II AIFs cannot invest more than 25% of their respective corpus in one Investee Company. A category III AIF cannot invest more than 10% of its corpus in one Investee Company. A venture capital fund registered as a category I AIF, as defined in the SEBI (Alternate Investment Funds) Regulations, 2012, 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 (Alternate Investment Funds) Regulations, 2012 shall continue to be regulated by the VCF Regulations



### **Applications by Limited Liability Partnerships**

In case of Applications made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, as amended (“LLP Act”) a certified copy of certificate of registration issued under the LLP Act, 2000 must be attached to the Application Form. Failing this, our Company reserves the right to reject any Application without assigning any reason thereof. Limited liability partnerships can participate in the Issue only through the ASBA process.

### **Applications by Insurance Companies**

In case of applications made by insurance companies registered with the IRDA, a certified copy of certificate of registration issued by IRDA must be attached to the Application Form. Failing this, our Company reserves the right to reject any application, without assigning any reason thereof. The exposure norms for insurers, prescribed under the Insurance Regulatory and Development Authority (Investment Scheme) (5th Amendment) Regulations, 2013, as amended (the “IRDA Investment Regulations”), 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: the least of 15% of the respective fund in case of a life insurer or a general insurer or reinsurer or 15% of investment assets in all companies belonging to the group; and
- c) The industry sector in which the investee company operates: the least of 15% of the respective fund in case of a life insurer or a general insurer or reinsurer or 15% of investment assets.

In addition, the IRDA partially amended the exposure limits applicable to investments in public limited companies in the infrastructure and housing sectors, i.e. December 26, 2008, providing, among other things, that the exposure of an insurer to an infrastructure company may be increased to not more than 20%, provided that in case of equity investment, a dividend of not less than 4% including bonus should have been declared for at least five preceding years. This limit of 20% would be combined for debt and equity taken together, without sub ceilings.

Further, investments in equity including preference shares and the convertible part of debentures shall not exceed 50% of the exposure norms specified under the IRDA Investment Regulations.

### **Application by Provident Funds/ Pension Funds**

In case of applications made by provident funds/ pension funds, subject to applicable laws, with minimum corpus of ₹ 2500 lakhs, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/ pension fund must be attached to the Application Form. Failing this, our Company reserves the right to reject any application, without assigning any reason thereof.

**The above information is given for the benefit of the Applicants. Our Company and the LM are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of filing of this Prospectus. Applicants are advised to make their independent investigations and ensure that the maximum number of Equity Shares applied for or maximum investment limits do not exceed the applicable limits under laws or regulations or as specified in this Prospectus.**

### **Applications under Power of Attorney**

In the case of Applications made pursuant to a power of attorney or by limited companies, corporate bodies, registered societies, 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 and articles of association and/or bye laws must be submitted along with the Application Form. Failing this, the Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason therefore.

In the case of Applications made pursuant to a power of attorney by FIIs, a certified copy of the power of attorney or the relevant resolution or authority as the case may be, along with a certified copy of their SEBI registration certificate must be submitted with the Application Form. Failing this, the Company reserves the right to accept or reject any Application, in whole or in part, in either case, without assigning any reason therefore.



In the case of Applications made by insurance companies registered with the IRDA, a certified copy of certificate of registration issued by the IRDA must be lodged along with the Application Form. Failing this, the Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason therefore.

In the case of Applications made by provident funds, subject to applicable law, with minimum corpus of Rs. 2500 Lacs and pension funds with minimum corpus of Rs. 2500 Lacs, a certified copy of a certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be lodged along with the Application Form. Failing this, the Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason therefore.

In the case of Applications made by Mutual Funds, venture capital funds registered with the SEBI and FVCIs registered with the SEBI, a certified copy of their SEBI registration certificate must be submitted with the Application Form. Failing this, the Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason therefore.

The Company, in its absolute discretion, reserves the right to relax the above condition of simultaneous lodging of the power of attorney along with the Application Form, subject to such terms and conditions that the Company and the LM may deem fit.

The Company, in its absolute discretion, reserve the right to permit the holder of the power of attorney to request the Registrar to the Issue that, for the purpose of printing particulars on the refund order and mailing of the refund order/CANs/allocation advice, the Demographic Details given on the Application Form should be used (and not those obtained from the Depository of the Applicant). In such cases, the Registrar to the Issue shall use Demographic Details as given on the Bid-cum-Application Form instead of those obtained from the Depositories.

**The above information is given for the benefit of the Applicants. The Company and the Lead Manager are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Prospectus. Applicants are advised to make their independent investigations and ensure that the number of Equity Shares applied for do not exceed the applicable limits under laws or regulations.**

## **ISSUE PROCEDURE FOR ASBA APPLICANTS**

**This section is for the information of investors proposing to subscribe to the Issue through the ASBA process. Our Company and the Lead Manager are not liable for any amendments, modifications, or changes in applicable laws or regulations, which may occur after the date of this Prospectus. ASBA Applicants are advised to make their independent investigations and to ensure that the ASBA Form is correctly filled up, as described in this section.**

The list of banks who have been notified by SEBI to act as SCSB for the ASBA Process are provided on [www.sebi.gov.in](http://www.sebi.gov.in). For details on designated branches of SCSB collecting the ASBA Form, please refer the above-mentioned SEBI website.

### **ASBA Process**

Qualified Institutional Buyers and Non Institutional Investors shall submit their Application Form either in physical or electronic mode, to the SCSB with whom the bank account of the ASBA Applicant or bank account utilised by the ASBA Applicant (**ASBA Account**) is maintained. The SCSB shall block an amount equal to the Application Amount in the bank account specified in the ASBA Form, physical or electronic, on the basis of an authorisation to this effect given by the account holder at the time of submitting the Application. The Application Amount shall remain blocked in the aforesaid ASBA Account until finalisation of the Basis of Allotment in the Issue and consequent transfer of the Application Amount against the allocated shares to the ASBA Public Issue Account, or until withdrawal/failure of the Issue or until withdrawal/rejection of the ASBA Application, as the case may be. The ASBA data shall thereafter be uploaded by the SCSB in the electronic IPO system of the Stock Exchanges. Once the Basis of Allotment is finalized, The Registrar to the Issue shall send an appropriate request to the Controlling Branch of the SCSB for unblocking the relevant bank accounts and for transferring the amount allocable to the successful ASBA Applicants to the ASBA Public Issue Account. In case of withdrawal/failure of the Issue, the blocked amount shall be unblocked on receipt of such information from the LM.

In case of withdrawal/failure of the Issue, the blocked amount shall be unblocked on receipt of such information from the Lead Manager. ASBA Applicants are required to submit their Applications, either in physical or electronic mode. In case of application in physical mode, the ASBA Applicant shall submit the ASBA Application Form at the Designated Branch of the SCSB. In case of application in electronic form, the ASBA Applicant shall submit the Application Form either

through the internet banking facility available with the SCSB, or such other electronically enabled mechanism for applying and blocking funds in the ASBA account held with SCSB, and accordingly registering such Applications.

### **Who can Apply?**

In accordance with the SEBI (ICDR) Regulations, 2009 in public issues w.e.f. May 1, 2010 all the investors can apply through ASBA process and w.e.f May 02, 2011, the Non-Institutional applicants and the QIB Applicants have to compulsorily apply through the ASBA Process.

### **Mode of Payment**

Upon submission of an ASBA form with the SCSB, whether in physical or electronic mode, each ASBA Applicant shall be deemed to have agreed to block the entire Application Amount and authorized the Designated Branch of the SCSB to block the Application Amount, in the bank account maintained with the SCSB.

Application Amounts paid in cash, by money order or by postal order or by stock invest, or ASBA form accompanied by cash, draft, money order, postal order or any mode of payment other than blocked amounts in the SCSB bank accounts, shall not be accepted.

In terms of the Reserve Bank of India Circular No. DBOD No. FSC BC 42/ 24.47.00/ 2003 04 dated 5<sup>th</sup> November, 2003; the option to use the stock invest instrument in lieu of cheques or bank drafts for payment of Application money has been withdrawn. Hence, payment through stock invest would not be accepted in this Issue.

After verifying that sufficient funds are available in the ASBA Account, the SCSB shall block an amount equivalent to the Application Amount mentioned in the ASBA form till the Designated Date. On the Designated Date, the SCSBs shall transfer the amounts allocable to the ASBA Applicants from the respective ASBA Account, in terms of the SEBI (ICDR) Regulations, 2009 into the ASBA Public Issue Account. The balance amount, if any against the said Application in the ASBA Accounts shall then be unblocked by the SCSBs on the basis of the instructions issued in this regard by the Registrar to the Issue.

The entire Application Amount, as per the Application Form submitted by the respective ASBA Applicants, would be required to be blocked in the respective ASBA Accounts, whether in physical or electronic mode, until finalisation of the Basis of Allotment in the Issue and consequent transfer of the Application Amount against allocated shares to the ASBA Public Issue Account, or until withdrawal/failure of the Issue or until rejection of the ASBA Application, as the case may be.

### **Unblocking of ASBA Account**

On the basis of instructions from the Registrar to the Issue, the SCSB's shall transfer the requisite amount against each successful ASBA Applicant to the ASBA Public Issue Account and shall unblock excess amount, if any in the ASBA Account. However, the Application Amount may be unblocked in the ASBA Account prior to receipt of intimation from the Registrar to the Issue by the Controlling Branch of the SCSB regarding finalisation of the Basis of Allotment in the Issue, in the event of withdrawal/failure of the Issue or rejection of the ASBA Application, as the case may be.

### **Payment Mechanism for ASBA Applicant**

All investors other than retail individual investors are required to make their application using ASBA process only.

The ASBA applicants shall specify the bank account number in the Application Form and the SCSB shall block an amount equivalent to the Application Amount in the ASBA Account specified in the Application Form. The SCSB shall keep the Application Amount in the relevant bank account blocked until withdrawal/ rejection of the ASBA Application or receipt of instructions from the Registrar to the Issue to unblock the Application Amount. In the event of withdrawal or rejection of the Application Form or for unsuccessful -Application Forms, the Registrar to the Issue shall give instructions to the SCSB 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 withdrawal of the Application by the ASBA Applicant, , as the case may be.

In case of Applications by Eligible NRIs applying on repatriation basis, a NRE Account or a FCNR Account, maintained with banks authorized to deal in foreign exchange in India, should be mentioned in the Application Form for blocking of funds, along with documentary evidence in support of the remittance.

In case of Applications by Eligible NRIs applying on a non-repatriation basis, a NRE Account or a FCNR Account maintained with banks authorized to deal in foreign exchange in India or a NRO Account, should be mentioned in the Application Form for blocking of funds, along with documentary evidence in support of the remittance.

### **Escrow Mechanism**

#### **Terms of Payment / Payment Instructions**

The entire Issue price of Rs. 25.00 per share is payable on application. In case of allotment of lesser number of Equity Shares than the number applied, The Company shall refund the excess amount paid on Application to the Applicants.

Where the payment is made other than ASBA, it should be made by cheque, or demand draft drawn on any Bank (including a Co-operative Bank), which is situated at, and is a member of or sub member of the bankers' clearing house located at the centre where the Application Form is submitted. Outstation cheques/ bank drafts drawn on banks not participating in the clearing process will not be accepted and applications accompanied by such cheques or bank drafts are liable to be rejected.

#### **Cash/ Stock Invest/ Money Orders/ Postal orders will not be accepted.**

A separate Cheque or Bank Draft should accompany each application form where payment is made other than ASBA mechanism Applicants should write the Share Application Number on the back of the Cheque /Draft. Outstation Cheques will not be accepted and applications accompanied by such cheques drawn on outstation banks are liable for rejection. Money Orders / Postal Notes will not be accepted.

Each Applicant shall draw a cheque or demand draft for the amount payable on the Application and/ or on allocation/ Allotment as per the following terms:

1. The payment instruments for payment into the Escrow Account should be drawn in favour of:
  - Indian Public including eligible NRIs applying on non-repatriation basis: **"ESCROW ACCOUNT-VISHAL BEARINGS LIMITED - PUBLIC ISSUE - R"**.
  - In case of Non-Resident Retail Applicants applying on repatriation basis: **"ESCROW ACCOUNT-VISHAL BEARINGS LIMITED - PUBLIC ISSUE - NR"**
2. In case of Application by NRIs applying on repatriation basis, the payments must be made through Indian Rupee drafts purchased abroad or cheques or bank drafts, for the amount payable on application remitted through normal banking channels or out of funds held in Non-Resident External (NRE) Accounts or Foreign Currency Non Resident (FCNR) Accounts, maintained with banks authorized to deal in foreign exchange in India, along with documentary evidence in support of the remittance. Payment will not be accepted out of Non-Resident Ordinary (NRO) Account of Non-Resident Applicant applying on a repatriation basis. Payment by drafts should be accompanied by bank certificate confirming that this Draft has been issued by debiting to NRE Account or FCNR Account.
3. Where an Applicant has been allocated a lesser number of Equity Shares than the Applicant has applied for, the excess amount, if any, paid on Application, after adjustment towards the balance amount payable by the Pay in Date on the Equity Shares allocated will be refunded to the Applicant from the Refund Account.
4. On the Designated Date and no later than 15 (fifteen) days from the Issue Closing Date, the Escrow Collection Bank shall also refund all amounts payable to unsuccessful Applicants and also the excess amount paid on Application, if any, after adjusting for allocation / Allotment to the Applicants.

#### **Payment by Stock invest**

In terms of the Reserve Bank of India Circular No. DBOD No. FSC BC 42/ 24.47.00/ 2003 04 dated November 5, 2003; the option to use the stock invest instrument in lieu of cheques or bank drafts for payment of Application money has been withdrawn. Hence, payment through stock invest would not be accepted in this Issue.

## **Other Instructions**

### **Joint Applications in the case of Individuals**

Applications may be made in single or joint names (not more than three). In the case of joint Applications, all payments will be made out in favour of the Applicant whose name appears first in the Application Form or Revision Form. All communications will be addressed to the First Applicant and will be dispatched to his or her address as per the Demographic Details received from the Depository.

### **Multiple Applications**

An Applicant should submit only one Application (and not more than one) for the total number of Equity Shares required. Two (2) or more Applications will be deemed to be multiple Applications if the sole or First Applicant is one and the same.

In this regard, the procedures which would be followed by the Registrar to the Issue to detect multiple applications are given below:

- i. All applications are electronically strung on first name, address (1st line) and applicant's status. Further, these applications are electronically matched for common first name and address and if matched, these are checked manually for age, signature and father/ husband's name to determine if they are multiple applications
- ii. Applications which do not qualify as multiple applications as per above procedure are further checked for common DP ID/ beneficiary ID. In case of applications with common DP ID/ beneficiary ID, are manually checked to eliminate possibility of data entry error to determine if they are multiple applications.
- iii. Applications which do not qualify as multiple applications as per above procedure are further checked for common PAN. All such matched applications with common PAN are manually checked to eliminate possibility of data capture error to determine if they are multiple applications.
- iv. For Applications from Mutual Funds and FII sub-accounts, submitted under the same PAN, as well as Applications on behalf of the Applicants for whom submission of PAN is not mandatory such as the Central or State Government, an official liquidator or receiver appointed by a court and residents of Sikkim, the Application Forms will be checked for common DP ID and Client ID

In any event, all the allotments shall be done in demat form and no securities shall be allotted in physical form. After submitting an ASBA Application either in physical or electronic mode, an ASBA Applicant cannot apply (either in physical or electronic mode) to either the same or another Designated Branch of the SCSB and Submission of a second Application in such manner will be deemed a multiple Application and would be rejected. More than one ASBA Applicant may apply for Equity Shares using the same ASBA Account, provided that the SCSBs will not accept a total of more than five Application Forms with respect to any single ASBA Account.

Duplicate copies of Application Forms downloaded and printed from the website of the Stock Exchange bearing the same application number shall be treated as multiple Applications and are liable to be rejected. The Company, in consultation with the LM reserves the right to reject, in its absolute discretion, all or any multiple Applications in any or all categories.

In case of a mutual fund, a separate Application can be made in respect of each scheme of the mutual fund registered with SEBI and such Applications in respect of more than one scheme of the mutual fund will not be treated as multiple Applications provided that the Applications clearly indicate the scheme concerned for which the Application has been made.

Pursuant to NSDL Circular dated December 17, 2005 with no NSDL/PI/2005/2475 in cases where there are more than 20 (Twenty) valid applications having a common address, such shares will be kept in abeyance, post allotment and released on confirmation of "know your client" norms by the depositories. The Company reserves the right to reject, in our absolute discretion, all or any multiple Applications in any or all categories.

### **Permanent Account Number or PAN**

Pursuant to the circular MRD/DoP/Circ 05/2007 dated April 27, 2007, SEBI has mandated Permanent Account Number ("PAN") to be the sole identification number for all participants transacting in the securities market, irrespective of the amount of the transaction w.e.f. July 2, 2007. Each of the Applicants should mention his/her PAN allotted under the IT Act. Applications without this information will be considered incomplete and are liable to be rejected. It is to be

specifically noted that Applicants should not submit the GIR number instead of the PAN, as the Application is liable to be rejected on this ground.

Please note that Central or State Government and the officials appointed by the courts and investors residing in the State of Sikkim are exempted from specifying their PAN subject to the Depository Participants' verifying the veracity of such claims of the investors in accordance with the conditions and procedures under this section on Issue Procedure.

### **Our Company's right to reject Applications**

In case of QIB Applicants, the Company, in consultation with the LM may reject Applications provided that the reason for rejecting the Application shall be provided to such Applicants in writing. In case of Non-Institutional Applicants and Retail Individual Applicants, the Company will have a right to reject Applications based on technical grounds only. Consequent refunds shall be made as described under "Mode of making Refunds on technical grounds only Prospectus and will be sent to the Applicant's address at the Applicant's risk.

### **Grounds for Rejections**

Applicants are advised to note that Applications are liable to be rejected inter alia on the following technical grounds:

- Amount paid does not tally with the amount payable for the highest value of 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;
- Application by persons not competent to contract under the Indian Contract Act, 1872 including minors, insane persons;
- PAN not mentioned in the Application Form;
- GIR number furnished instead of PAN;
- Applications for lower number of Equity Shares than specified for that category of investors;
- Applications at a price other than the Fixed Price of The Issue;
- Applications for number of Equity Shares which are not in multiples of 6,000;
- Category not ticked;
- Multiple Applications as defined in this Prospectus;
- In case of Application under power of attorney or by limited companies, corporate, trust etc., where relevant documents are not submitted;
- Applications accompanied by Stock invest/ money order/ postal order/ cash;
- Signature of sole Applicant is missing;
- Application Forms are not delivered by the Applicant within the time prescribed as per the Application Forms, Issue Opening Date advertisement and the Prospectus and as per the instructions in the Prospectus and the Application Forms;
- In case no corresponding record is available with the Depositories that matches three parameters namely, names of the Applicants (including the order of names of joint holders), the Depository Participant's identity (DP ID) and the beneficiary's account number;
- Applications for amounts greater than the maximum permissible amounts prescribed by the regulations;
- Applications where clear funds are not available in the Escrow Account as per the final certificate from the Escrow Collection Bank(s);
- Applications by OCBs;
- Applications by US persons other than in reliance on Regulation S or "qualified institutional buyers" as defined in Rule 144A under the Securities Act;
- Applications not duly signed by the sole;
- Applications by any persons outside India if not in compliance with applicable foreign and Indian laws;
- Applications that do not comply with the securities laws of their respective jurisdictions are liable to be rejected;
- Applications by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority;
- Applications by persons who are not eligible to acquire Equity Shares of the Company in terms of all applicable laws, rules, regulations, guidelines, and approvals;
- Applications or revisions thereof by QIB Applicants, Non-Institutional Applicants where the Application Amount is in excess of Rs. 2,00,000, received after 5.00 pm on the Issue Closing Date;
- Applications not containing the details of Bank Account and/ or Depositories Account.
- Where Application is made for allotment in physical mode.



- Where two or more separate applications for demat and physical are made, the applications for physical shares shall be treated as multiple application and liable for rejection.

**APPLICANTS SHOULD NOTE THAT IN CASE THE PAN, THE DP ID AND CLIENT ID MENTIONED IN THE APPLICATION FORM AND ENTERED INTO THE ELECTRONIC APPLICATION SYSTEM OF THE STOCK EXCHANGES BY THE BROKERS DO NOT MATCH WITH PAN, THE DP ID AND CLIENT ID AVAILABLE IN THE DEPOSITORY DATABASE, THE APPLICATION FORM IS LIABLE TO BE REJECTED.**

**Applicants should note that providing the bank account details in the space provided in the application form is mandatory and applications that do not contain such details are liable to be rejected.**

### **IMPERSONATION**

Attention of the applicants is specifically drawn to the provision of Section 38 (1) 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 the Company for acquiring or subscribing for, any shares therein, or
- b) Makes or abets making of multiple applications to the Company in different names or in combination of his name or surname for acquiring or subscribing for its securities; or
- c) Otherwise induces directly or indirectly to the 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.

### **ELECTRONIC REGISTRATION OF APPLICATION**

1. The Broker / Sub Broker and SCSBs will register the Applications using the on-line facilities of the Stock Exchanges. There will be at least one on-line connectivity facility in each city, where a stock exchange is located in India and where Applications are being accepted. The Lead Manager, our Company and the Registrar are not responsible for any acts, mistakes or errors or omission and commissions in relation to, (i) the Applications accepted by the Brokers and the SCSBs, (ii) the Applications uploaded by the Brokers and the SCSBs, (iii) the Applications accepted but not uploaded by the Brokers and the SCSBs or (iv) with respect to ASBA Applications, Applications accepted and uploaded without blocking funds in the ASBA Accounts.
2. The SCSBs shall be responsible for any acts, mistakes or errors or omission and commissions in relation to, (i) the Applications accepted by the SCSBs, (ii) the Applications uploaded by the SCSBs, (iii) the Applications accepted but not uploaded by the SCSBs and (iv) with respect to Applications by ASBA Applicants, Applications accepted and uploaded without blocking funds in the ASBA Accounts. It shall be presumed that for Applications uploaded by the SCSBs, the full Application Amount has been blocked in the relevant ASBA Account.
3. In case of apparent data entry error either by the Broker / Sub Broker or the collecting bank in entering the Application Form number in their respective schedules other things remaining unchanged, the Application Form may be considered as valid and such exceptions may be recorded in minutes of the meeting submitted to Stock Exchange(s).
4. The Brokers / Sub Brokers and SCSBs will undertake modification of selected fields in the Application details already uploaded within one Working Day from the Issue Closing Date.
5. The Stock Exchanges will offer an electronic facility for registering Applications for the Issue. This facility will be available with the Brokers and the SCSBs during the Issue Period. The Brokers / Sub Brokers and the Designated Branches can also set up facilities for off-line electronic registration of Applications subject to the condition that they will subsequently upload the off-line data file into the on-line facilities for Book Building on a regular basis. On the Issue Closing Date, the Brokers and the Designated Branches shall upload the Applications till such time as may be permitted by the Stock Exchanges. This information will be available with the Brokers / Sub Brokers on a regular basis. Applicants are cautioned that a high inflow of high volumes on the last day of the Issue Period may lead to some Applications received on the last day not being uploaded and such Applications will not be considered for allocation.



6. At the time of registering each Application and each ASBA Application submitted by an ASBA Applicant, the Brokers and the Designated Branches shall enter the following details of the investor in the on-line system, as applicable:

- Name of the Applicant
- IPO Name
- Application Form Number
- Investor Category;
- PAN (of First Applicant, if more than one Applicant);
- DP ID of the Demat Account of the Applicant;
- Client Identification Number (CIN) of the demat account of the Applicant;
- Numbers of equity shares applied for;
- Cheque details of the application other than ASBA applications; and bank account details incase of ASBA applicants;
- Location of the banker to the Issuer designated branch, as applicable, and bank code of the SCSB branch where the ASBA account is maintained; and
- Bank account number.

In case of submission of the Application by an ASBA Applicant through the Electronic Mode, the ASBA Applicant shall complete the above-mentioned details and mention the bank account number, except the Electronic ASBA Application Form number which shall be system generated.

7. A system generated TRS will be given to the Applicant as a proof of the registration of the application. It is the Applicant's responsibility to obtain the TRS from the Brokers / Sub Brokers or the Designated Branches. The registration of the Application by the Brokers / Sub Brokers or the Designated Branches does not guarantee that the Equity Shares shall be allocated / allotted either by our Company.
8. Such TRS will be non-negotiable and by itself will not create any obligation of any kind.
9. In case of QIB Applicants, the Lead Managers have the right to accept the Application or reject it. However, the rejection should be made at the time of receiving the Application and only after assigning a reason for such rejection in writing. In case of Non-Institutional Applicants and Retail Individual Applicants, Applications would be rejected on the technical grounds.
10. The permission given by the Stock Exchanges to use their network and software of the Online IPO system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company and/or the Lead Managers are cleared or approved by the Stock Exchanges; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the compliance with the statutory and other requirements nor does it take any responsibility for the financial or other soundness of our Company, our Promoter, our management or any scheme or project of our Company; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Prospectus; nor does it warrant that the Equity Shares will be listed or will continue to be listed on the Stock Exchanges.
11. Only Applications that are uploaded on the online IPO system of the Stock Exchanges shall be considered for allocation/Allotment. The Brokers / Sub Brokers will be given up to one day after the Issue Closing Date to verify the DP ID and Client ID uploaded in the online IPO system during the Issue Period, after which the Registrar will receive this data from the Stock Exchanges and will validate the electronic Application details with depository's records. In case no corresponding record is available with depositories, which matches the three parameters, namely DP ID, Beneficiary Account Number and PAN, then such Applications are liable to be rejected.

### **Signing of Underwriting Agreement**

Vide an Underwriting agreement dated 22<sup>nd</sup> June, 2015 this issue is 100% Underwritten.

### **Filing of the Prospectus with the RoC**

We will file a copy of the Prospectus with the RoC, Ahmedabad, Gujarat in terms of Section 32 of the Companies Act, 2013.

### **Announcement of pre-Issue Advertisement**

Subject to Section 30 of the Companies Act, 2013 the Company shall, after receiving final observations, if any, on this Prospectus from the BSE, publish an advertisement, in the form prescribed by the SEBI (ICDR) Regulations, in two widely circulated national newspapers (one each in English and Hindi) and a Local Newspaper newspaper.

### **Applications and Revisions of Applications**

Applications and revisions of Applications must be:

1. Made only on the prescribed Application Form or Revision Form, as applicable (white colour for Resident Indians or blue colour for NRI, FII or FVCI applying on repatriation basis).
2. Made in a single name or in joint names (not more than three, and in the same order as their Depository Participant details).
3. Completed in full, in BLOCK LETTERS in English and in accordance with the instructions contained herein, on the Application Form or in the Revision Form. Incomplete Application Forms or Revision Forms are liable to be rejected.
4. Applications from the Retail Individual Applicants must be for a minimum of 6,000 Equity Shares and in multiples of 6,000 Equity Shares thereafter subject to a maximum Application Amount of Rs.2,00,000.
5. For Non-Institutional Applicants and QIB Applicants, Applications must be for a minimum of such number of Equity Shares such that the Application Amount exceeds Rs.2,00,000 and in multiples of 6,000 Equity Shares thereafter. Applications cannot be made for more than the net offer to the public. Applicants are advised to ensure that a single Application from them does not exceed the investment limits or maximum number of shares that can be held by them under the applicable laws and regulations.
6. By NRIs for an Application Amount of up to Rs.2,00,000/- would be considered under the Retail Portion for the purposes of allocation and Applications for an Application Amount of more than Rs.2,00,000/- would be considered under Non-Institutional Application Portion for the purposes of allocation, by FIIs, FPIs, QFIs, AIF or Foreign Venture Capital Investors registered with SEBI, Multilateral and Bilateral Development Financial Institutions for a minimum of such number of Equity Shares and in multiples of 6,000 Equity Shares thereafter so that the Application Price exceeds Rs.2,00,000/-.
7. Applications by Non Residents, NRIs, FIIs and FVCI registered with SEBI on a repatriation basis shall be in the names of individuals, or in the names of FIIs, FPIs, QIFs, AIF but not in the names of minors, OCBs, firms or partnerships, foreign nationals (excluding NRIs) or their nominees.
8. Thumb impressions and signatures other than in the languages specified in the Eighth Schedule to the Constitution of India must be attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal.
9. As per the RBI regulations, OCBs are not permitted to participate in the Issue.
10. There is no reservation for Non Residents, NRIs, FIIs, FPIs, QFIs, AIF and FVCI and such applicants will be treated on the same basis with other categories for the purpose of allocation.

### **ISSUANCE OF A CONFIRMATION OF ALLOCATION NOTE (“CAN”)**

1. Upon approval of the basis of allotment by the Designated Stock Exchange, the Lead Manager or Registrar to the Issue shall send to the SCSBs a list of their Applicants who have been allocated Equity Shares in the Issue.
2. The Registrar will then dispatch a CAN to their Applicants who have been allocated Equity Shares in the Issue. The dispatch of a CAN shall be deemed a valid, binding and irrevocable contract for the Applicant

### **Designated Date and Allotment of Equity Shares**

The Company will issue and dispatch letters of allotment / securities certificates and / or letters of regret along with refund order or credit the allotted securities to the respective beneficiary accounts, if any within a period of 12 (twelve) days of the Issue Closing Date.

The Company will intimate the details of allotment of securities to Depository immediately on allotment of securities under section 56 of the Companies Act, 2013 or other applicable provisions, if any.

Allottees are requested to preserve such Letters of Allotment, until the securities have been credited to their demat account.

After the funds are transferred from the Escrow Account to the Public Issue Account on the Designated Date, our Company would ensure the credit to the successful Applicants depository account. Allotment of the Equity Shares to the allottees shall be within 2 (two) Working Days of the date of Allotment.

Investors are advised to instruct their Depository Participant to accept the Equity Shares that may be allocated/ Allotted to them pursuant to this Issue.

Applicants to whom refunds are made through electronic transfer of funds will be sent a letter intimating them about the mode of credit of refund within 15 (fifteen) days of closure of Issue.

Our Company will provide adequate funds required for dispatch of refund orders or allotment advice to the Registrar to the Issue.

Refunds will be made by cheques, pay orders or demand drafts drawn on a bank appointed by us, as Refund Banker and payable at par at places where applications are received. Bank charges, if any, for en-cashing such cheques, pay orders or demand drafts at other centers will be payable by the Applicants.

### **General Instructions**

#### **Do's:**

- Check if you are eligible to apply;
- Ensure that you have applied at the Issue Price;
- Read all the instructions carefully and complete the Application Form;
- Ensure that the details about the PAN, Depository Participant and the beneficiary account are correct and the Applicant's Depository Account is active as Allotment of Equity Shares will be in the dematerialised form only;
- Ensure that the applications are submitted at the collection centres only on forms bearing the stamp of a Broker or with respect to ASBA Applicants, ensure that your application is submitted at a Designated Branch of the SCSB where the ASBA Applicant or the person whose bank account will be utilised by the Applicant for applying, has a bank account;
- With respect to applications by ASBA Applicants, ensure that the Application Form is signed by the account holder in case the applicant is not the account holder. Ensure that you have mentioned the correct bank account number in the Application Form;
- Non Retail Applicants should submit their applications through the ASBA process only;
- Ensure that you have funds equal to the Application Amount in your bank account maintained with the SCSB before submitting the Application Form to the respective Designated Branch of the SCSB or a Banker to the Issue, as the case may be;
- Instruct your respective banks to not release the funds blocked in the bank account under the ASBA process;

- Except for applications (i) on behalf of the Central or State Governments and the officials appointed by the courts, who, in terms of a SEBI circular dated June 30, 2008, may be exempt from specifying their PAN for transacting in the securities market and (ii) applications by persons resident in the State of Sikkim, who, in terms of a SEBI circular dated July 20, 2006, may be exempted from specifying their PAN for transacting in the securities market, for applications of all values, ensure that you have mentioned your PAN allotted under the Income Tax Act in the Application Form. The exemption for the Central or 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;
- Ensure that the Demographic Details (as defined herein below) are updated, true and correct in all respects;
- Ensure that the name(s) given in the Application Form is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case the Application Form is submitted in joint names, ensure that the beneficiary account is also held in same joint names and such names are in the same sequence in which they appear in the Application Form;
- Ensure that the category is indicated;
- Ensure that in case of applications under power of attorney or applications by limited companies, corporate, trusts etc., relevant documents are submitted;
- Ensure that applications submitted by any person outside India should be in compliance with applicable foreign and Indian laws;
- Ensure that the DP ID, the Client ID and the PAN mentioned in the Application Form and entered into the electronic collecting system of the Stock Exchange by the SCSBs match with the DP ID, Client ID and PAN available in the Depository database;
- In relation to the ASBA applications, ensure that you use the Application Form bearing the stamp of the relevant SCSB and/ or the Designated Branch;
- In relation to the ASBA applications, ensure that your Application Form is submitted at a Designated Branch of a SCSB where the ASBA Account is maintained or to our Company or the Registrar to the Issue;
- Ensure that you have mentioned the correct ASBA Account number in the Application Form;
- In relation to the ASBA applications, ensure that you have correctly signed the authorization/undertaking box in the Application Form, or have otherwise provided an authorization to the SCSB via the electronic mode, for blocking funds in the ASBA Account equivalent to the Application Amount mentioned in the Application Form; and
- In relation to the ASBA applications, ensure that you receive an acknowledgement from the Designated Branch for the submission of your Application Form.

#### **Don'ts:**

- Do not apply for a price other than the Issue Price;
- Non Retail Applicants should neither withdraw nor lower the size of their applications at any stage;
- Do not apply on another Application Form after you have submitted an application to the Bankers to the Issue or the SCSBs, as applicable;
- Do not pay the Application Amount in cash, by money order or by postal order or by stock invest;
- Do not send Application Forms by post; instead submit the same to a Banker to the Issue or the SCSB, only;
- Do not apply for an Application Amount exceeding Rs. 2,00,000 (for applications by Retail Individual Applicants);
- Do not fill up the Application Form such that the Equity Shares applied for exceeds the Issue Size and/or investment limit or maximum number of Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations;
- Do not submit the GIR number instead of the PAN as the application is liable to be rejected on this ground;
- Do not submit the applications without the full Application Amount;
- Do not submit incorrect details of the DP ID, beneficiary account number and PAN or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar to the Issue;
- Do not submit applications on plain paper or incomplete or illegible Application Forms or on Application Forms in a colour prescribed for another category of Applicant; and
- Do not apply if you are not competent to contract under the Indian Contract Act, 1872, as amended.

#### **Instructions for Completing the Application Form**

The Applications should be submitted on the prescribed Application Form and in BLOCK LETTERS in ENGLISH only in accordance with the instructions contained herein and in the Application Form. Applications not so made are liable to be

rejected. ASBA Application Forms should bear the stamp of the SCSB's. ASBA Application Forms, which do not bear the stamp of the SCSB, will be rejected.

Applicants residing at places where the designated branches of the Banker to the Issue are not located may submit/mail their applications at their sole risk along with Demand Draft payable at Rajkot, Gujarat.

**Investors are advised to instruct their Depository Participant to accept the Equity Shares that may be allocated to them pursuant to this Issue.**

#### **Applicant's Bank Account Details**

Applicants should note that on the basis of the name of the Applicants, Depository Participant's name, Depository Participant identification number and beneficiary account number provided by them in the Application Form, the Registrar to the Issue will obtain from the Depository, demographic details of the Applicants such as their address, bank account details and Nine Digit Magnetic Ink Character Recognition Code as appearing on Cheque leaf, for printing on refund orders or giving credit through ECS or Direct Credit, and occupation (hereinafter referred to as "Demographic Details"). These bank account details would be used for giving refunds to the Applicants. Hence, Applicants are advised to immediately update their bank account details as appearing on the records of the Depository Participant. Please note that failure to do so could result in delays in credit of refunds to Applicants at the Applicants sole risk and neither the LM nor the Company shall have any responsibility or undertake any liability for the same. Hence, Applicants should carefully fill in their Depository Account details on the Application Form.

#### **Applicant's Depository Details**

**IT IS MANDATORY FOR ALL THE APPLICANTS TO RECEIVE THEIR EQUITY SHARES IN DEMATERIALISED FORM. ALL APPLICANTS SHOULD MENTION THEIR DEPOSITORY PARTICIPANT'S NAME, DEPOSITORY PARTICIPANT IDENTIFICATION NUMBER AND BENEFICIARY ACCOUNT NUMBER IN THE APPLICATION FORM. INVESTORS MUST ENSURE THAT THE NAME GIVEN ON THE APPLICATION FORM IS EXACTLY THE SAME AS THE NAME IN WHICH THE DEPOSITORY ACCOUNT IS HELD. THE APPLICATION FORM IS SUBMITTED IN JOINT NAMES, IT SHOULD BE ENSURED THAT THE DEPOSITORY ACCOUNT IS ALSO HELD IN THE SAME JOINT NAMES AND SUCH JOINT NAMES ARE IN THE SAME SEQUENCE IN WHICH THEY APPEAR ON THE APPLICATION FORM.**

These Demographic Details will be used for all correspondence with the Applicants including mailing of the refund orders/ECS credit for refunds/CANs/allocation advice and printing of bank particulars on the refund order and the Demographic Details given by Applicants in the Application Form will not be used for any other purposes by the Registrar to the Issue. Hence, Applicants should carefully fill in the Demographic Account Details in the Application Form.

By signing the Application Form, the Applicant will be deemed to have authorised the Depositories to provide, upon request, to the Registrar to the Issue, the required Demographic Details as available on its records.

**Applicants should note that providing bank account details in the space provided in the application form is mandatory and application that do not contain such details are liable to be rejected.**

**In case of refunds through electronic modes as detailed in this Prospectus, Applicants may note that refunds may get delayed if bank particulars obtained from the Depository Participant are incorrect.**

### **ALLOTMENT**

#### **Basis of Allotment**

Allotment will be made in consultation with the BSE SME Platform (The Designated Stock Exchange). In the event of oversubscription, the allotment will be made on a proportionate basis in marketable lots as set forth here:

- 1) The total number of Shares to be allocated to each category as a whole shall be arrived at on a proportionate basis i.e. the total number of Shares applied for in that category multiplied by the inverse of the over subscription ratio (number of applicants in the category x number of Shares applied for).
- 2) The number of Shares to be allocated to the successful applicants will be arrived at on a proportionate basis in marketable lots (i.e. Total number of Shares applied for into the inverse of the over subscription ratio).

- 3) For applications where the proportionate allotment works out to less than 6,000 equity shares the allotment will be made as follows:
  - a) Each successful applicant shall be allotted 6,000 equity shares; and
  - b) The successful applicants out of the total applicants for that category shall be determined by the drawal of lots in such a manner that the total number of Shares allotted in that category is equal to the number of Shares worked out as per (2) above.
- 4) If the proportionate allotment to an applicant works out to a number that is not a multiple of 6,000 equity shares, the applicant would be allotted Shares by rounding off to the lower nearest multiple of 6,000 equity shares subject to a minimum allotment of 6,000 equity shares.
- 5) If the Shares allotted on a proportionate basis to any category is more than the Shares allotted to the applicants in that category, the balance available Shares for allocation shall be first adjusted against any category, where the allotted Shares are not sufficient for proportionate allotment to the successful applicants in that category, the balance Shares, if any, remaining after such adjustment will be added to the category comprising of applicants applying for the minimum number of Shares. If as a result of the process of rounding off to the lower nearest multiple of 6,000 equity shares, results in the actual allotment being higher than the shares offered, the final allotment may be higher at the sole discretion of the Board of Directors, up to 110% of the size of the offer specified under the Capital Structure mentioned in this Prospectus.

The above proportionate allotment of shares in an Issue that is oversubscribed shall be subject to the reservation for small individual applicants as described below:

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

- a) **Minimum fifty percent to retail individual investors; and**
- b) **Remaining to Individual applicants other than retail individual investors; and other investors including corporate bodies or institutions, irrespective of the number of specified securities applied for;**
- c) **The unsubscribed portion in either of the categories specified in (a) or (b) above may be allocated to the applicants in the other category, if so required.**

***"If the retail individual investor category is entitled to more than fifty percent on proportion basis, the retail individual investors shall be allocated that higher percentage."***

'Retail Individual Investor' means an investor who applies for shares of value of not more than Rs. 2,00,000. Investors may note that in case of over subscription allotment shall be on proportionate basis and will be finalized in consultation with BSE.

The Executive Director / Managing Director of BSE - the Designated Stock Exchange in addition to the Lead Manager and the Registrar to this Issue shall be responsible to ensure that the basis of allotment is finalized in a fair and proper manner in accordance with the SEBI (ICDR) Regulations, 2009.

#### **Allotment and Issuance of Allotment Advice**

Upon approval of the basis of Allotment by the SME Exchange, the Board of Directors of our Company shall pass a Board Resolution within 9 Working Days, allotting the equity shares to the successful Applicants. The Registrar to the Issue shall upload the allotment details on its website and our Company and Registrar will proceed effect the corporate action for crediting the Equity Shares to the demat account of the allottees. Our company and Registrar shall endeavour to give instructions to Depositories for credit of shares to successful allottees with in 9 (nine working Days of Issue Closing Date and receive Confirmation of Demat credit from Depositories within 11 (eleven) Working Days of Issue Closing Date.

In the event of under subscription in the Issue and the underwriting being called upon to fulfil the obligations under the Underwriting Agreements, our Company shall make the allotments after achieving the Minimum Subscription within the time specified.

Pursuant to confirmation of corporate actions with respect to Allotment of Equity Shares, the Registrar to the issue will dispatch Allotment Advice to the Applicants who have been Allotted Equity shares in the Issue. In their own interest,



Allottees should verify the Allotment Advice received with their demat credits and bring discrepancy if any to the notice to the Registrar and/or to our Compliance officer.

The dispatch of Allotment Advice shall be deemed a valid, binding and irrevocable contract for the Applicant.

## **REFUNDS**

**In case of Applicants receiving refunds through electronic transfer of funds, delivery of refund orders/ allocation advice/ CANs may get delayed if the same once sent to the address obtained from the depositories are returned undelivered. In such an event, the address and other details given by the Applicant in the Application Form would be used only to ensure dispatch of refund order. Please note that any such delay shall be at the Applicants sole risk and neither the Company, the Registrar, Escrow Collection Bank(s) nor the LMs shall be liable to compensate the Applicant for any losses caused to the Applicant due to any such delay or liable to pay any interest for such delay.**

In case no corresponding record is available with the Depositories, which matches three parameters, namely, names of the Applicants (including the order of names of joint holders), the Depository Participant's identity (DP ID) and the beneficiary's identity, then such Applications are liable to be rejected.

The Company in its absolute discretion, reserves the right to permit the holder of the power of attorney to request the Registrar that for the purpose of printing particulars on the refund order and mailing of the refund order/ CANs/ allocation advice/ refunds through electronic transfer of funds, the Demographic Details given on the Application Form should be used (and not those obtained from the Depository of the Applicant). In such cases, the Registrar shall use Demographic Details as given in the Application Form instead of those obtained from the depositories.

**Refunds, dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and/or commission. In case of Applicants who remit money through Indian Rupee drafts purchased abroad, such payments in Indian Rupees will be converted into US Dollars or any other freely convertible currency as may be permitted by the RBI at the rate of exchange prevailing at the time of remittance and will be dispatched by registered post or if the Applicants so desire, will be credited to their NRE accounts, details of which should be furnished in the space provided for this purpose in the Application Form. The Company will not be responsible for loss, if any, incurred by the Applicant on account of conversion of foreign currency.**

**As per the RBI regulations, OCBs are not permitted to participate in the Issue.**

**There is no reservation for Non- Residents, NRIs, FPIs & FVCFs and all Non- Residents, NRIs; FPIs & FVCFs will be treated on the same basis with other categories for the purpose of allocation.**

## **PAYMENT OF REFUND**

Applicants should note that on the basis of the name of the Applicants, Depository Participant's name, Depository Participant identification number and beneficiary account number provided by them in the Application Form, the Registrar to the Issue will obtain from the Depository the Applicant's bank account details including a nine digit Magnetic Ink Character Recognition ("MICR") code. Hence, Applicants are advised to immediately update their bank account details as appearing on the records of the Depository Participant. Please note that failure to do so could result in delays in credit of refunds to Applicants at the Applicant's sole risk and neither our Company, the Escrow Collection Banks nor the LM shall have any responsibility and undertake any liability for the same.

### **Mode of making refunds**

The payment of refund, if any, would be done through various modes in the following order of preference:

1. **NECS (National Electronic Clearing System)**—Payment of refund would be done through ECS for applicants having an account at any of the following 68 centres notified by SEBI: Agra, Ahmedabad, Allahabad, Amritsar, Aurangabad, Baroda, Bengaluru, Bhillwara, Bhopal, Bhubaneswar, Burdwan (Non-MICR), Calicut, Chandigarh, Chennai, Coimbatore, Dhanbad (Non-MICR), Dehradun, Durgapur (Non-MICR), Erode, Gorakhpur, Guwahati, Gwalior, Haldia (Non-MICR), Hyderabad, Hubli, Indore, Jabalpur, Jalandhar, Jammu, Jaipur, Jamshedpur, Jodhpur, Kakinada (Non-MICR), Kanpur, Kochi/Ernakulam, Kolhapur, Kolkatta, Lucknow, Ludhiana, Madurai, Mangalore, Mumbai, Mysore, Nagpur, Nasik, Nellore (Non-MICR), New Delhi, Panaji, Patna, Pune, Pondicherry, Rajkot, Ranchi, Raipur, Salem, Shimla (Non-MICR), Surat, Siliguri (Non-MICR), Solapur, Trichy, Trichur, Tripur, Tirupati (Non-MICR), Thiruvananthapuram, Udaipur, Varanasi, Vijayawada and Visakhapatnam.

This mode of payment of refunds would be subject to availability of complete bank account details including the nine-digit MICR code as appearing on a cheque leaf from the Depository. The payment of refund through ECS is mandatory for applicants having a bank account at any of the 68 centres notified by SEBI named hereinabove, except where the applicant is otherwise disclosed as eligible to receive refunds through direct credit or RTGS.

2. **NEFT (National Electronic Fund Transfer)** - Payment of refund may be undertaken through NEFT wherever the applicants' bank has been assigned the Indian Financial System Code ("IFSC"), which can be linked to a Magnetic Ink Character Recognition ("MICR") , if any, available to that particular bank branch. IFSC Code will be obtained from the website of RBI as at a date immediately prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the applicants have registered their nine digit MICR number and their bank account number while opening and operating the demat account, the same will be duly mapped with the IFSC Code of that particular bank branch and the payment of refund will be made to the applicants through this method.
3. **Direct Credit**—Applicants having their bank account with the Refund Banker shall be eligible to receive refunds, if any, through direct credit. Charges, if any, levied by the Refund Bank(s) for the same will be borne by the Company.
4. **RTGS (Real Time Gross Settlement)**—Applicants having a bank account at any of the 68 centres notified by SEBI detailed above, and whose Application Amount exceeds Rs. 10 Lacs, shall have the option to receive refunds, if any, through RTGS. Such eligible applicants who indicate their preference to receive refunds through RTGS are required to provide the IFSC code in the Application Form. In the event of failure to provide the IFSC code in the Application Form, the refund shall be made through the ECS or direct credit, if eligibility is disclosed. Charges, if any, levied by the Refund Bank(s) for the same will be borne by the Company. Charges, if any, levied by the applicant's bank receiving the credit will be borne by the applicant.
5. Please note that only applicants having a bank account at any of the 68 centres notified by SEBI, where clearing houses for ECS are managed by the RBI are eligible to receive refunds through the modes detailed hereinabove. For all the other applicants, including applicants who have not updated their bank particulars along with the nine-digit MICR Code, the refund orders will be dispatched "Under Certificate of Posting" for refund orders of value up to Rs. 1,500 and through Speed Post/Registered Post for refund orders of Rs. 1,500 and above. Some refunds will be made by cheques, pay orders or demand drafts drawn on the Escrow Collection Banks and payable at par at places where Applications are received. Bank charges, if any, for cashing such cheques, pay orders or demand drafts at other centres will be payable by the Applicants.
6. In case of any category of applicants specified by the Board: crediting of refunds to the applicants in any other electronic manner permissible under the banking laws for the time being in force which is permitted by the Board from time to time.

#### **Mode of making refunds for ASBA Applicants**

In case of ASBA Applicants, the Registrar shall instruct the relevant SCSB to unblock the funds in the relevant ASBA Account to the extent of the Application Amount specified in the Application Forms for withdrawn, rejected or unsuccessful or partially successful ASBA Applications within 12 (Twelve) working days from the Issue Closing Date.

#### **Procedure and Time of Schedule for Allotment and Demat Credit of Equity**

The Issue will be conducted through a "Fixed Price Method" pursuant to which the Applications will be accepted for the Equity Shares during the Issue Period. The Issue Period will commence September 28, 2015 on and expire on September 30, 2015. Following the expiration of the Issue Period, the Company, in consultation with the LM, the basis of allocation and entitlement to Allotment based on the Applications received and subject to confirmation by the BSE. Successful Applicants will be provided with a confirmation of their allocation (subject to a revised confirmation of allocation). The SEBI (ICDR) Regulations require the Company to complete the Allotment to successful Applicants within 12 working days of the expiration of the Issue Period. The Equity Shares will then be credited and allotted to the investors' demat accounts maintained with the relevant depository participant. Upon approval by the Stock Exchanges, the Equity Shares will be listed and trading will commence.

#### **DISPOSAL OF APPLICATIONS AND APPLICATIONS MONEY AND INTEREST IN CASE OF DELAY**

Our Company shall ensure dispatch of allotment advice, transfer advice or refund orders and give benefit to the beneficiary account with Depository Participants and submit the documents pertaining to the allotment to the Stock Exchanges within (2)

two working days of the allotment of the Equity shares.

In case of applicants who receive refunds through NECS, direct credit or RTGS, the refund instructions will be given to the clearing system within 15 (fifteen) days from the Issue Closing Date. A suitable communication shall be sent to the Applicants receiving refunds through this mode within 15 (fifteen) days of Issue Closing Date, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund.

Our Company shall use its best efforts to ensure that all steps for completion of the necessary formalities for allotment and trading at BSE SME Exchange where the Equity Shares are proposed to be listed are taken within seven working days of the finalisation of the basis of Allotment.

In accordance with the Companies Act, the requirements of the Stock Exchanges and the SEBI (ICDR) Regulations, we further undertake that:

- Allotment of Equity Shares shall be made within 15 days of the Issue Closing Date;
- Dispatch of refund orders or in a case where the refund or portion thereof is made in electronic manner, the refund instructions are given to the clearing system within 15 (fifteen) days of the Issue Closing Date would be ensured; and
- The Company shall pay interest at 15% p.a. for any delay beyond the 15 (fifteen) working days time period as mentioned, if Allotment is not made and refund orders are not dispatched or if, in a case where the refund or portion thereof is made in electronic manner, the refund instructions have not been given to the clearing system in the disclosed manner and/ or demat credits are not made to investors within the 15 (fifteen) working days' time.

**Our Company will provide adequate funds required for dispatch of refund orders or allotment advice to the Registrar to the Issue.**

No separate receipts shall be issued for the money payable on the submission of Application Forms. However, the LM will acknowledge the receipt of the Application Forms by stamping and returning to the Applicant the acknowledgement slip. This acknowledgement slip will serve as the duplicate of the Application Form for the records of the Applicant.

Save and except refunds effected through the electronic mode, i.e., NECS, NEFT, direct credit or RTGS, refunds will be made by cheques, pay orders or demand drafts drawn on a bank appointed by us, as an Escrow Collection Bank and payable at par at places where Applications are received, except for Applicants who have opted to receive refunds through the ECS facility. Bank charges, if any, for encashing such cheques, pay orders or demand drafts at other centres will be payable by the Applicants.

### **Undertakings by the Company**

The Company undertakes as follows:

- that complaints received in respect of this Issue shall be dealt with expeditiously and satisfactorily;
- that all steps will be taken for the completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where the Equity Shares are proposed to be listed within seven working days of finalization of the basis of allotment;
- that the Company shall apply in advance for the listing of Equity Shares;
- that the funds required for making refunds to unsuccessful applicants as per the mode(s) disclosed shall be made available to the Registrar to the Issue by us;
- that where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within 15 days of the Issue Closing Date, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;
- that the refund orders or Allotment advice to the Non-Resident Applicants shall be dispatched within the specified time; and
- that no further issue of Equity Shares shall be made until the Equity Shares offered through the Prospectus are listed or until the Application monies are refunded on account of non-listing, under-subscription etc.
- that adequate arrangements shall be made to collect all Applications Supported by Blocked Amount and to consider them similar to non- ASBA applications while finalizing the basis of allotment;
- Our Company shall not have recourse to the Issue Proceeds until the approval for listing and trading of the Equity Shares from the Stock Exchange where listing is sought has been received

### **Utilisation of Issue proceeds**

The Board of Directors certifies that:

- all monies received out of the Issue shall be credited/ transferred to a separate bank account other than the bank account referred to in Section 40 of the Companies Act 2013;
- details of all monies utilised out of the Issue referred in point above shall be disclosed under an appropriate heading in the balance sheet of the Company indicating the purpose for which such monies have been utilised; and
- details of all unutilised monies out of the Issue, if any, shall be disclosed under the appropriate head in the balance sheet of the Company indicating the form in which such unutilised monies have been invested.
- Our Company shall comply with the requirements of Clause 52 of the BSE SME Listing Agreement in relation to the disclosure and monitoring of the utilization of the proceeds of the Issue.

### **WITHDRAWAL OF THE ISSUE**

The Company, in consultation with the Lead Manager, reserves the right not to proceed with the Issue at any time before the Issue Opening Date, without assigning any reason thereof. Notwithstanding the foregoing, the Issue is also subject to obtaining the final listing and trading approval of BSE for listing of Equity Shares offered through this issue on its SME Platform, which the Company shall apply for after Allotment.

However, if our Company withdraws the Issue after the Issue Closing Date but before allotment, our Company will issue a public notice within two days, providing reasons for not proceeding with the Issue. The LM, through the Registrar to the Issue, will instruct the SCSBs to unblock the ASBA Accounts within one Working Day from the day of receipt of such instruction. The notice of withdrawal will be issued in the same newspapers where the pre-Issue advertisements have appeared and the Stock Exchange will also be informed promptly.

The Stock Exchanges where the Equity Shares are proposed to be listed shall also be informed promptly. If the Company withdraws the Issue after the Application Closing Date, the Company will be required to file a fresh Draft Offer Document with the Stock Exchange.

**Equity Shares in Dematerialised form with NSDL or CDSL**

As per the provisions of Section 29 (1) of the Companies Act 2013, the Equity Shares in this Issue shall be allotted only in a dematerialised form (i.e., not in the form of physical certificates but fungible statements issued in electronic mode).

In this context, two tripartite agreements have been signed among the Company, the respective Depositories and the Registrar to the Issue:

- (a) An agreement dated 24<sup>th</sup> June, 2015 among NSDL, our Company and the Registrar to the Issue; and
- (b) An agreement dated 23<sup>rd</sup> June, 2015 among CDSL, our Company and the Registrar to the Issue.

The Company's Equity shares bear an ISIN no. INE060T01016

All Applicants will be allotted Equity Shares only in dematerialised mode. Applications from any Applicant without relevant details of his or her depository account are liable to be rejected.

1. An Applicant applying for Equity Shares must have at least one beneficiary account with the Depository Participants of either NSDL or CDSL prior to making the Application.
2. The Applicant must necessarily fill in the details (including the beneficiary account number and Depository Participant's identification number) appearing on the Application Form or Revision Form.
3. Allotment to a successful Applicant will be credited in electronic form directly to the beneficiary account (with the Depository Participant) of the Applicant.
4. Names in the Application Form or Application Revision Form should be identical to those appearing in the account details with the Depository. In case of joint holders, the names should necessarily be in the same sequence as they appear in the account details with the Depository.
5. If incomplete or incorrect details are given under the heading "Applicants Depository Account Details" in the Application Form, it is liable to be rejected.
6. The Applicant is responsible for the correctness of his or her Demographic Details given in the Application Form vis-à-vis those recorded with his or her Depository Participant.
7. Equity Shares in electronic form can be traded only on the Stock Exchanges having electronic connectivity with NSDL and CDSL. All the Stock Exchanges where the Equity Shares are proposed to be listed have electronic connectivity with CDSL and NSDL.
8. The trading of the Equity Shares would be in dematerialised form only for all investors in the demat segment of the respective Stock Exchanges.
9. Allotment advice or refund orders will be directly sent to the applicants by the Registrar to the Issue.

**COMMUNICATIONS**

**All future communications in connection with Applications made in this Issue should be addressed to the Registrar to the Issue quoting the full name of the sole or first Applicant, Application Form number, details of Depository Participant, number of Equity Shares applied for, date of Application Form, name and address where the Application was submitted and cheque or draft number and issuing bank thereof**

**Investors can contact the Contact Person/ Compliance Officer or the Registrar to the Issue in the case of any pre-Issue or post-Issue related problems such as non-receipt of letters of allotment, credit of allotted shares in the respective beneficiary accounts, refund orders etc.**

## **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/Applicants should not construe the contents of this General Information Document as legal advice and should consult their own legal counsel and other advisors in relation to the legal matters concerning the Issue. For taking an investment decision, the Bidders/Applicants should rely on their own examination of the Issuer and the Issue, and should carefully read the Red Herring Prospectus/Prospectus before investing in the Issue.*

#### **SECTION 1: PURPOSE OF THE GENERAL INFORMATION DOCUMENT (GID)**

This document is applicable to the public issues undertaken through the Book-Building process as well as to the Fixed Price Issues. The purpose of the “General Information Document for Investing in Public Issues” is to provide general guidance to potential Bidders/Applicants in IPOs and FPOs, 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/Applicants should note that investment in equity and equity related securities involves risk and Bidder/Applicant should not invest any funds in the Issue unless they can afford to take the risk of losing their investment. The specific terms relating to securities and/or for subscribing to securities in an Issue and the relevant information about the Issuer undertaking the Issue are set out in the Red Herring Prospectus (“RHP”)/ Prospectus filed by the Issuer with the Registrar of Companies (“**RoC**”). Bidders/Applicants 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(s)** to the Issue and on the website of Securities and Exchange Board of India (“**SEBI**”) at [www.sebi.gov.in](http://www.sebi.gov.in).

For the definitions of capitalized terms and abbreviations used herein Bidders/Applicants may refer to the section “Glossary and Abbreviations”.

#### **SECTION 2: BRIEF INTRODUCTION TO IPOs/FPOs**

##### **2.1 Initial public offer (IPO)**

An IPO means an offer of specified securities by an unlisted Issuer to the public for subscription and may include an Offer for Sale of specified securities to the public by any existing holder of such securities in an unlisted Issuer. For undertaking an IPO, an Issuer is *inter-alia* required to comply with the eligibility requirements of in terms of either Regulation 26(1) or Regulation 26(2) of the SEBI ICDR Regulations, 2009. For details of compliance with the eligibility requirements by the Issuer Bidders/Applicants may refer to the RHP/Prospectus.

##### **2.2 Further public offer (FPO)**

An FPO means an offer of specified securities by a listed Issuer to the public for subscription and may include Offer for Sale of specified securities to the public by any existing holder of such securities in a listed Issuer. For undertaking an FPO, the Issuer is *inter-alia* required to comply with the eligibility requirements in terms of Regulation 26/27 of SEBI ICDR Regulations, 2009. For details of compliance with the eligibility requirements by the Issuer Bidders/Applicants may refer to the RHP/Prospectus.



## 2.3 Other Eligibility Requirements:

In addition to the eligibility requirements specified in paragraphs 2.1 and 2.2, an Issuer proposing to undertake an IPO or an FPO is required to comply with various other requirements as specified in the SEBI ICDR Regulations, 2009, the Companies Act, 2013 (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) Rules, 1957 (the “SCRR”), industry-specific regulations, if any, and other applicable laws for the time being in force.

For details in relation to the above Bidders/Applicants may refer to the RHP/Prospectus.

## 2.4 Types of Public Issues – Fixed Price Issues and Book Built Issues

In accordance with the provisions of the SEBI ICDR Regulations, 2009, an Issuer can either determine the Issue Price through the Book Building Process (“**Book Built Issue**”) or undertake a Fixed Price Issue (“**Fixed Price Issue**”). An Issuer may mention Floor Price or Price Band in the RHP (in case of a Book Built Issue) and a Price or Price Band in this Prospectus (in case of a fixed price Issue) and determine the price at a later date before registering the Prospectus with the Registrar of Companies.

The cap on the Price Band should be less than or equal to 120% of the Floor Price. The Issuer shall announce the Price or the Floor Price or the Price Band through advertisement in all newspapers in which the pre-issue advertisement was given at least five Working Days before the Bid/Issue Opening Date, in case of an IPO and at least one Working Day before the Bid/Issue Opening Date, in case of an FPO.

The Floor Price or the Issue price cannot be lesser than the face value of the securities.

Bidders/Applicants should refer to the RHP/Prospectus or Issue advertisements to check whether the Issue is a Book Built Issue or a Fixed Price Issue.

## ISSUE PERIOD

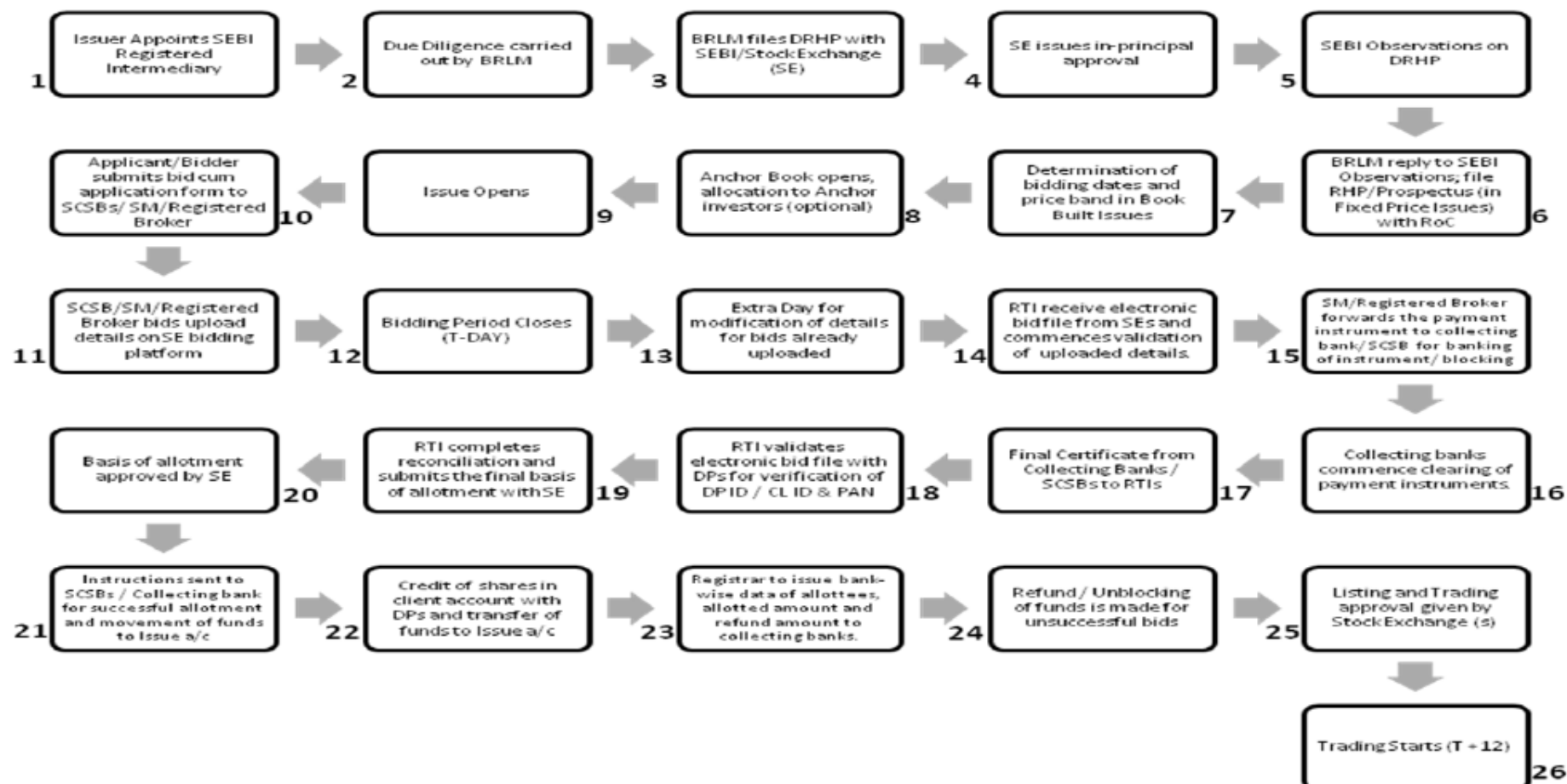
The Issue may be kept open for a minimum of three Working Days (for all category of Bidders/Applicants) and not more than ten Working Days. Bidders/Applicants are advised to refer to the Bid cum Application Form and Abridged Prospectus or RHP/Prospectus for details of the Bid/Issue Period. Details of Bid/Issue Period are also available on the website of Stock Exchange(s).

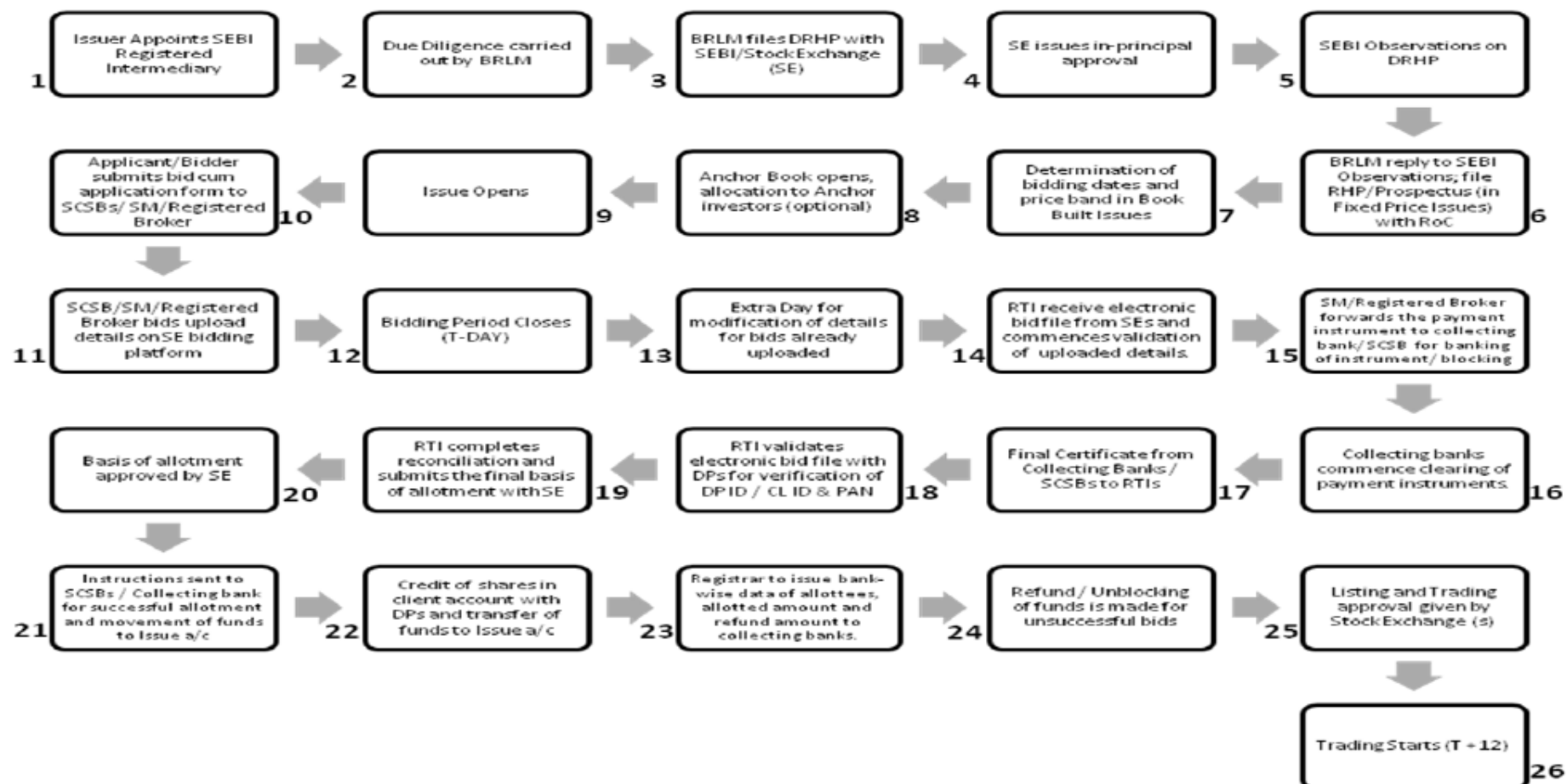
In case of a Book Built Issue, the Issuer may close the Bid/Issue Period for QIBs one Working Day prior to the Bid/Issue Closing Date if disclosures to that effect are made in the RHP. In case of revision of the Floor Price or Price Band in Book Built Issues the Bid/Issue Period may be extended by at 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(s), and the advertisement in the newspaper(s) issued in this regard.

## 2.5 FLOWCHART OF TIMELINES

A flow chart of process flow in Fixed Price and Book Built Issues is as follows. Bidders/Applicants may note that this is not applicable for Fast Track FPOs.:

- In case of Issue other than Book Build Issue (Fixed Price Issue) the process at the following of the below mentioned steps shall be read as:
  - i. Step 7 : Determination of Issue Date and Price
  - ii. Step 10: Applicant submits ASBA Application Form with Designated Branch of SCSB and Non-ASBA forms directly to collection Bank and not to Broker.
  - iii. Step 11: SCSB uploads ASBA Application details in Stock Exchange Platform
  - iv. Step 12: Issue period closes
  - v. Step 15: Not Applicable





### SECTION 3: CATEGORY OF INVESTORS ELIGIBLE TO PARTICIPATE IN AN ISSUE

**Each Bidder/Applicant should check whether it is eligible to apply under applicable law.** Furthermore, certain categories of Bidders/Applicants, such as NRIs, FII's, FPIs and FVCIs may not be allowed to Bid/Apply in the Issue or to hold Equity Shares, in excess of certain limits specified under applicable law. Bidders/Applicants are requested to refer to the RHP/Prospectus for more details.

Subject to the above, an illustrative list of Bidders/Applicants is as follows:

- Indian nationals resident in India who are competent to contract under the Indian Contract Act, 1872, in single or joint names (not more than three);
- Bids/Applications belonging to an account for the benefit of a minor (under guardianship);
- Hindu Undivided Families or HUFs, in the individual name of the *Karta*. The Bidder/Applicant should specify that the Bid is being made in the name of the HUF in the Bid cum Application Form/Application Form as follows: "Name of sole or first Bidder/Applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the *Karta*". Bids/Applications by HUFs may be considered at par with Bids/Applications from individuals;
- Companies, corporate bodies and societies registered under applicable law in India and authorised to invest in equity shares;
- QIBs;
- NRIs on a repatriation basis or on a non-repatriation basis subject to applicable law;
- Indian Financial Institutions, regional rural banks, co-operative banks (subject to RBI regulations and the SEBI ICDR Regulations, 2009 and other laws, as applicable);
- FIIs and sub-accounts registered with SEBI, other than a sub-account which is a foreign corporate or foreign individual, bidding under the QIBs category;
- Sub-accounts of FIIs registered with SEBI, which are foreign corporates or foreign individuals only under the Non Institutional Investors (NIIs) category;
- FPIs other than Category III foreign portfolio investors bidding under the QIBs category;
- FPIs which are Category III foreign portfolio investors, bidding under the NIIs category;
- Trusts/societies registered under the Societies Registration Act, 1860, or under any other law relating to trusts/societies and who are authorised under their respective constitutions to hold and invest in equity shares;
- Limited liability partnerships registered under the Limited Liability Partnership Act, 2008; and
- Any other person eligible to Bid/Apply in the Issue, under the laws, rules, regulations, guidelines and policies applicable to them and under Indian laws.
- As per the existing regulations, OCBs are not allowed to participate in an Issue.

### SECTION 4: APPLYING IN THE ISSUE

**Book Built Issue:** Bidders should only use the specified Bid cum Application Form either bearing the stamp of a member of the Syndicate or 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 members of the Syndicate, Registered Brokers, Designated Branches of the 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/Issue Opening Date. For further details regarding availability of Bid cum Application Forms, Bidders may refer to the RHP/Prospectus.

**Fixed Price Issue:** Applicants should only use the specified cum Application Form either bearing the stamp of Collection Bank(s) or SCSBs as available or downloaded from the websites of the Stock Exchanges. Application Forms are available with the Branches of Collection Banks or Designated Branches of the SCSBs and at the registered office of the Issuer. For further details regarding availability of Application Forms, Applicants may refer to the Prospectus.

Bidders/Applicants should ensure that they apply in the appropriate category. The prescribed color of the Bid cum Application Form for various categories of Bidders/Applicants is as follows:

Category	Color of the Bid cum Application Form
Resident Indian, Eligible NRIs applying on a non repatriation basis	White
NRIs, FVCIs, FIIs, their Sub-Accounts (other than Sub-Accounts which are foreign corporate(s) or foreign individuals bidding under the QIB), FPIs on a repatriation basis	Blue
Anchor Investors (where applicable) & Bidders/Applicants bidding/applying in the reserved category	[As specified by the Issuer]

Securities Issued in an IPO can only be in dematerialized form in compliance with Section 29 of the Companies Act, 2013. Bidders/Applicants will not have the option of getting the allotment of specified securities in physical form. However, they may get the specified securities rematerialised subsequent to allotment.

#### 4.1 INSTRUCTIONS FOR FILING THE BID CUM APPLICATION FORM/ APPLICATION FORM

Bidders/Applicants 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:

TEAR HERE

PLEASE FILL IN BLOCK LETTERS

TEAR HERE

<b>COMMON BID CUM APPLICATION FORM FOR ASBA / NON-ASBA</b>		<b>XYZ LIMITED - PUBLIC ISSUE - R</b>		<b>FOR RESIDENT INDIAN, QIB, ELIGIBLE NRI'S APPLYING ON A NON-REPATRIATION BASIS</b>																													
<b>Logo</b> To, The Board of Directors XYZ Limited		<b>BOOK BUILDING ISSUE</b> IN		<b>Bid cum Application Form No.</b>																													
<b>SYNDICATE MEMBER'S STAMP &amp; CODE</b>  		<b>BROKER'S/AGENT'S STAMP &amp; CODE</b>  		<b>1. NAME &amp; CONTACT DETAILS of Sole / First Applicant</b> Mr. / Ms. _____ Address _____ Email _____ Tel. No (with STD code) / Mobile _____																													
<b>ESCROW BANK / SCSB BRANCH STAMP &amp; CODE</b>  		<b>SUB-BROKER'S/SUB-AGENT'S STAMP &amp; CODE</b>  		<b>2. PAN OF SOLE / FIRST APPLICANT</b> _____																													
<b>BANK BRANCH SERIAL NO.</b>  		<b>REGISTRAR'S / SCSB SERIAL NO.</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"/> Bodies Corporate - CO <input type="checkbox"/> Banks & Financial Institutions - FI <input type="checkbox"/> Mutual Funds - MF <input type="checkbox"/> Non-Resident Indians - NRI (Non-Repatriation basis) <input type="checkbox"/> National Investment Fund - NIF <input type="checkbox"/> Insurance Funds - IF <input type="checkbox"/> Insurance Companies - IC <input type="checkbox"/> Venture Capital Funds - VCF <input type="checkbox"/> Others (Please specify) - OTH																													
<b>4. BID OPTIONS (Only Retail Individual Bidders can Bid at "Cut-off")</b> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th rowspan="2">Bid Options</th> <th rowspan="2">No. of Equity Shares Bid (In Figures) (Bids must be in multiples of Bid Lot as advertised)</th> <th colspan="4">Price per Equity Share (₹) / "Cut-off" (Price in multiples of ₹ 1/- only) (In Figures)</th> </tr> <tr> <th>Bid Price</th> <th>Discount, if any</th> <th>Net Price</th> <th>"Cut-off" (Please tick)</th> </tr> </thead> <tbody> <tr> <td>Option 1</td> <td>7 6 5 4 3 2 1</td> <td>4 3 2 1</td> <td>4 3 2 1</td> <td>4 3 2 1</td> <td><input type="checkbox"/></td> </tr> <tr> <td>(OR) Option 2</td> <td></td> <td></td> <td></td> <td></td> <td><input type="checkbox"/></td> </tr> <tr> <td>(OR) Option 3</td> <td></td> <td></td> <td></td> <td></td> <td><input type="checkbox"/></td> </tr> </tbody> </table>				Bid Options	No. of Equity Shares Bid (In Figures) (Bids must be in multiples of Bid Lot as advertised)	Price per Equity Share (₹) / "Cut-off" (Price in multiples of ₹ 1/- only) (In Figures)				Bid Price	Discount, if any	Net Price	"Cut-off" (Please tick)	Option 1	7 6 5 4 3 2 1	4 3 2 1	4 3 2 1	4 3 2 1	<input type="checkbox"/>	(OR) Option 2					<input type="checkbox"/>	(OR) Option 3					<input type="checkbox"/>	<b>5. Category</b> <input type="checkbox"/> Retail Individual <input type="checkbox"/> Non-Institutional <input type="checkbox"/> QIB	
Bid Options	No. of Equity Shares Bid (In Figures) (Bids must be in multiples of Bid Lot as advertised)	Price per Equity Share (₹) / "Cut-off" (Price in multiples of ₹ 1/- only) (In Figures)																															
		Bid Price	Discount, if any	Net Price	"Cut-off" (Please tick)																												
Option 1	7 6 5 4 3 2 1	4 3 2 1	4 3 2 1	4 3 2 1	<input type="checkbox"/>																												
(OR) Option 2					<input type="checkbox"/>																												
(OR) Option 3					<input type="checkbox"/>																												
<b>7. PAYMENT DETAILS (Please tick (✓) any one of payment option A or B below)</b>				<b>PAYMENT OPTIONS</b> <input type="checkbox"/> Full Payment <input type="checkbox"/> Part Payment																													
Amount Paid (₹ in figures) _____ (₹ in words) _____																																	
<input type="checkbox"/> (A) CHEQUE/ DEMAND DRAFT (DD) Cheque/DD No. _____ Dated DD MM YY Drawn on (Bank Name & Branch) _____																																	
<input type="checkbox"/> (B) 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 FORM 2A 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 APPLICANT</b>  Date : _____, 2011		<b>8B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(s) (AS PER BANK RECORDS) (For ASBA option ONLY)</b> I/We authorize the SCSB to do all acts as are necessary to make the Application in the Issue 1) _____ 2) _____ 3) _____		<b>BROKER'S / SCSB BRANCH'S STAMP (Acknowledging upload of Bid in Stock Exchange system)</b>  																													
TEAR HERE																																	
<b>XYZ LIMITED</b>		<b>Acknowledgement Slip for Syndicate Member / SCSB</b>		<b>Bid cum Application Form No.</b>																													
DPID / CLID _____		PAN _____																															
Amount Paid (₹ in figures) _____		Bank & Branch _____		Stamp & Signature of Banker _____																													
Cheque / DD/ASBA Bank A/c No. _____																																	
Received from Mr./Ms. _____																																	
Telephone / Mobile _____		Email _____																															
TEAR HERE																																	
<b>XYZ LIMITED</b>		<b>Option 1    Option 2    Option 3</b> No. of Equity Shares _____ Bid Price _____ Amount Paid (₹) _____ Cheque / DD/ASBA Bank A/c No. _____ Bank & Branch _____		<b>Name of Sole / First Applicant</b> _____ <b>Acknowledgement Slip for Bidder</b> <b>Bid cum Application Form No.</b>																													



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PLEASE FILL IN BLOCK LETTERS

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COMMON BID CUM APPLICATION FORM FOR ASBA / NON-ASBA		<b>XYZ LIMITED - PUBLIC ISSUE - NR</b>		FOR ELIGIBLE NRIs, FIIs, FVCI, ETC., APPLYING ON A REPATRIATION BASIS	
<b>Logo</b> To, The Board of Directors XYZ Limited		BOOK BUILDING ISSUE INE523L01018		Bid cum Application Form No.	
SYNDICATE MEMBER'S STAMP & CODE		BROKER'S/AGENT'S STAMP & CODE		1. NAME & CONTACT DETAILS of Sole / First Applicant	
ESCROW BANK / SCSB BRANCH STAMP & CODE		SUB-BROKER'S/SUB-AGENT'S STAMP & CODE		Mr. / Ms.	
BANK BRANCH SERIAL NO.		REGISTRAR'S / SCSB SERIAL NO.		Address	
				Email	
				Tel. No (with STD code) / Mobile	
				2. PAN OF SOLE / FIRST APPLICANT	
3. BIDDER'S DEPOSITORY ACCOUNT DETAILS <input type="checkbox"/> NSDL <input type="checkbox"/> CDSL				6. Investor Status	
For NSDL enter 8 digit DP ID followed by 8 digit Client ID / For CDSL enter 16 digit Client ID				<input type="checkbox"/> NRI Non-Resident Indian (Repatriation basis)	
4. BID OPTIONS (Only Retail Individual Bidders can Bid at "Cut-off")				<input type="checkbox"/> FII Foreign Institutional Investor	
				<input type="checkbox"/> FVCI Foreign Venture Capital Investor	
				<input type="checkbox"/> FIISA FI Sub Account Corporate / Individual	
				<input type="checkbox"/> OTH Others (Please Specify)	
5. Category					
<input type="checkbox"/> Retail Individual					
<input type="checkbox"/> Non-Institutional					
<input type="checkbox"/> QIB					
7. PAYMENT DETAILS (Please tick (✓) any one of payment option A or B below)				PAYMENT OPTIONS <input type="checkbox"/> Full Payment <input type="checkbox"/> Part Payment	
Amount Paid (₹ in figures)				(₹ in words)	
<input type="checkbox"/> (A) CHEQUE/DEMAND DRAFT (DD)				<input type="checkbox"/> (B) ASBA	
Cheque/DD No. Dated DD MM YY				Bank A/c No.	
Drawn on (Bank Name & Branch)				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 FORM 2A 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.					
8A. SIGNATURE OF SOLE/ FIRST APPLICANT		8B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(S) (AS PER BANK RECORDS) (For ASBA option ONLY)		BROKER'S / SCSB BRANCH'S STAMP (Acknowledging upload of Bid in Stock Exchange system)	
Date : _____, 2011		I/We authorize the SCSB to do all acts as are necessary to make the Application in the issue			
		1) _____			
		2) _____			
		3) _____			
TEAR HERE					
XYZ LIMITED		Acknowledgement Slip for Syndicate Member / SCSB		Bid cum Application Form No.	
DPID / CLID		PAN			
Amount Paid (₹ in figures)		Bank & Branch		Stamp & Signature of Banker	
Cheque / DD/ASBA Bank A/c No.					
Received from Mr./Ms.		Email			
Telephone / Mobile					
TEAR HERE					
XYZ LIMITED		Acknowledgement Slip for Bidder		Bid cum Application Form No.	
Option 1		Option 2		Option 3	
No. of Equity Shares					
Bid Price					
Amount Paid (₹)					
Cheque / DD/ASBA Bank A/c No.					
Bank & Branch					
Stamp & Signature of Syndicate Member / SCSB				Name of Sole / First Applicant	

#### 4.1.1 FIELD NUMBER 1: NAME AND CONTACT DETAILS OF THE SOLE/FIRST BIDDER/APPLICANT

- (a) Bidders/Applicants should ensure that the name provided in this field is exactly the same as the name in which the Depository Account is held.
- (b) **Mandatory Fields:** Bidders/Applicants should note that the name and address fields are compulsory and e-mail and/or telephone number/mobile number fields are optional. Bidders/Applicants should note that the contact details mentioned in the Bid-cum Application Form/Application Form may be used to dispatch communications(including refund orders and letters notifying the unblocking of the bank accounts of ASBA Bidders/Applicants) in case the communication sent to the address available with the Depositories are returned undelivered or are not available. The contact details provided in the Bid cum Application Form may be used by the Issuer, the 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.
- (c) **Joint Bids/Applications:** In the case of Joint Bids/Applications, the Bids /Applications should be made in the name of the Bidder/Applicant whose name appears first in the Depository account. The name so entered should be the same as it appears in the Depository records. The signature of only such first Bidder/Applicant would be required in the Bid cum Application Form/Application Form and such first Bidder/Applicant would be deemed to have signed on behalf of the joint holders All payments may be made out in favor of the Bidder/Applicant whose name appears in the Bid cum Application Form/Application Form or the Revision Form and all communications may be addressed to such Bidder/Applicant and may be dispatched to his or her address as per the Demographic Details received from the Depositories.
- (d) **Impersonation:** Attention of the Bidders/Applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:

***“Any person who:***

- (a) *makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or*
- (b) *makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or*
- (c) *otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447.”*

The liability prescribed under Section 447 of the Companies Act, 2013 includes imprisonment for a term which shall not be less than six months extending up to 10 years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three times of such amount.

- (e) **Nomination Facility to Bidder/Applicant:** Nomination facility is available in accordance with the provisions of Section 72 of the Companies Act, 2013. In case of allotment of the Equity Shares in dematerialized form, there is no need to make a separate nomination as the nomination registered with the Depository may prevail. For changing nominations, the Bidders/Applicants should inform their respective DP.

#### 4.1.2 FIELD NUMBER 2: PAN NUMBER OF SOLE/FIRST BIDDER/APPLICANT

- (a) PAN (of the sole/ first Bidder/Applicant) provided in the Bid cum Application Form/Application Form

- should be exactly the same as the PAN of the person(s) in whose name the relevant beneficiary account is held as per the Depositories' records.
- (b) PAN is the sole identification number for participants transacting in the securities market irrespective of the amount of transaction except for Bids/Applications on behalf of the Central or State Government, Bids/Applications by officials appointed by the courts and Bids/Applications by Bidders/Applicants residing in Sikkim ("PAN Exempted Bidders/Applicants"). Consequently, all Bidders/Applicants, other than the PAN Exempted Bidders/Applicants, are required to disclose their PAN in the Bid cum Application Form/Application Form, irrespective of the Bid/Application Amount. A Bid cum Application Form/Application Form without PAN, except in case of Exempted Bidders/Applicants, is liable to be rejected. Bids/Applications by the Bidders/Applicants whose PAN is not available as per the Demographic Details available in their Depository records, are liable to be rejected.
  - (c) The exemption for the PAN Exempted Bidders/Applicants is subject to (a) the Demographic Details received from the respective Depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in "active status"; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same.
  - (d) Bid cum Application Forms/Application Forms which provide the General Index Register Number instead of PAN may be rejected.
  - (e) Bids/Applications 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 FIELD NUMBER 3: BIDDERS/APPLICANTS DEPOSITORY ACCOUNT DETAILS

- (a) Bidders/Applicants should ensure that DP ID and the Client ID are correctly filled in the Bid cum Application Form/Application Form. The DP ID and Client ID provided in the Bid cum Application Form/Application Form should match with the DP ID and Client ID available in the Depository database, **otherwise, the Bid cum Application Form/Application Form is liable to be rejected.**
- (b) Bidders/Applicants should ensure that the beneficiary account provided in the Bid cum Application Form/Application Form is active.
- (c) Bidders/Applicants should note that on the basis of DP ID and Client ID as provided in the Bid cum Application Form/Application Form, the Bidder/Applicant may be deemed to have authorized the Depositories to provide to the Registrar to the Issue, any requested Demographic Details of the Bidder/Applicant as available on the records of the depositories. These Demographic Details may be used, among other things, for giving refunds and allocation advice (including through physical refund warrants, direct credit, NECS, NEFT and RTGS), or unblocking of ASBA Account or for other correspondence(s) related to an Issue. Please note that refunds, on account of our Company not receiving the minimum subscription of 90% of the Issue, shall be credited only to the bank account from which the Bid Amount was remitted to the Escrow Bank.
- (d) Bidders/Applicants are, advised to update any changes to their Demographic Details as available in the records of the Depository Participant to ensure accuracy of records. Any delay resulting from failure to update the Demographic Details would be at the Bidders/Applicants' sole risk.

#### 4.1.4 FIELD NUMBER 4: BID OPTIONS

- (a) Price or Floor Price or Price Band, minimum Bid Lot and Discount (if applicable) may be disclosed in the Prospectus/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 /FPOs undertaken through the Book Building Process. In the case of Alternate Book Building Process for an FPO, the Bidders may Bid at Floor Price or any price above the Floor Price (For further details bidders may refer to (Section 5.6 (e))
- (c) **Cut-Off Price:** Retail Individual Investors or Employees or Retail Individual Shareholders can Bid at the Cut-off Price indicating their agreement to Bid for and purchase the Equity Shares at the Issue Price as determined at the end of the Book Building Process. Bidding at the Cut-off Price is prohibited for QIBs and NIIs and such Bids from QIBs and NIIs may be rejected.
- (d) **Minimum Application Value and Bid Lot:** The Issuer in consultation with the BRLMs may decide the minimum number of Equity Shares for each Bid to ensure that the minimum application value is within the range of ` 10,000 to ` 15,000. The minimum Bid Lot is accordingly determined by an Issuer on basis of such minimum application value.
- (e) **Allotment:** The allotment of specified securities to each RII shall not be less than the minimum Bid Lot, subject to availability of shares in the RII category, and the remaining available shares, if any, shall be allotted on a proportionate basis. For details of the Bid Lot, bidders may refer to the RHP/Prospectus or the advertisement regarding the Price Band published by the Issuer.

#### 4.1.4.1 Maximum and Minimum Bid Size

- (a) The Bidder may Bid for the desired number of Equity Shares at a specific price. Bids by Retail Individual Investors, Employees and Retail Individual Shareholders must be for such number of shares so as to ensure that the Bid Amount less Discount (as applicable), payable by the Bidder does not exceed ` 200,000.  
In case the Bid Amount exceeds ` 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.
- (b) For NRIs, a Bid Amount of up to ` 200,000 may be considered under the Retail Category for the purposes of allocation and a Bid Amount exceeding ` 200,000 may be considered under the Non-Institutional Category for the purposes of allocation.
- (c) Bids by QIBs and NIIs must be for such minimum number of shares such that the Bid Amount exceeds ` 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 Bidders and QIBs are not allowed to Bid at 'Cut-off Price'.
- (d) RII may revise their bids till closure of the bidding period or withdraw their bids until finalization of allotment. 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.
- (e) In case the Bid Amount reduces to ` 200,000 or less due to a revision of the Price Band, Bids by the Non-Institutional Bidders who are eligible for allocation in the Retail Category would be considered for allocation under the Retail Category.
- (f) For Anchor Investors, if applicable, the Bid Amount shall be least ` 10 crores. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from

domestic Mutual Funds at or above the price at which allocation is being done to other Anchor Investors. Bids by various schemes of a Mutual Fund shall be aggregated to determine the Bid Amount. A Bid cannot be submitted for more than 60% of the QIB Portion under the Anchor Investor Portion. Anchor Investors cannot withdraw their Bids or lower the size of their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after the Anchor Investor Bid/ Issue Period and are required to pay the Bid Amount at the time of submission of the Bid. In case the Anchor Investor Issue Price is lower than the Issue Price, the balance amount shall be payable as per the pay-in-date mentioned in the revised CAN. In case the Issue Price is lower than the Anchor Investor Issue Price, the amount in excess of the Issue Price paid by the Anchor Investors shall not be refunded to them.

- (g) A Bid cannot be submitted for more than the Issue size.
- (h) The maximum Bid by any Bidder including QIB Bidder should not exceed the investment limits prescribed for them under the applicable laws.
- (i) The price and quantity options submitted by the Bidder in the Bid cum Application Form may be treated as optional bids from the Bidder and may not be cumulated. After determination of the Issue Price, the number of Equity Shares Bid for by a Bidder at or above the Issue Price may be considered for allotment and the rest of the Bid(s), irrespective of the Bid Amount may automatically become invalid. This is not applicable in case of FPOs undertaken through Alternate Book Building Process (For details of bidders may refer to (Section 5.6 (e))

#### 4.1.4.2 Multiple Bids

- (a) Bidder should submit only one Bid cum Application Form. Bidder shall have the option to make a maximum of 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 Net Issue 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 Category.

#### 4.1.5 FIELD NUMBER 5 : CATEGORY OF BIDDERS

- (a) The categories of Bidders identified as per the SEBI ICDR Regulations, 2009 for the purpose of Bidding, allocation and allotment in the Issue are RIIs, NIIs and QIBs.
- (b) Up to 60% of the QIB Category can be allocated by the Issuer, on a discretionary basis subject to the criteria of minimum and maximum number of anchor investors based on allocation size, to the Anchor Investors, in accordance with SEBI ICDR Regulations, 2009, with one-third of the Anchor Investor Portion reserved for domestic Mutual Funds subject to valid Bids being received at or above the Issue Price. For details regarding allocation to Anchor Investors, bidders may refer to the RHP/Prospectus.
- (c) An Issuer can make reservation for certain categories of Bidders/Applicants as permitted under the SEBI ICDR Regulations, 2009. For details of any reservations made in the Issue, Bidders/Applicants may refer to the RHP/Prospectus.
- (d) The SEBI ICDR Regulations, 2009, specify the allocation or allotment that may be made to various categories of Bidders in an Issue depending upon compliance with the eligibility conditions. Details pertaining to allocation are disclosed on reverse side of the Revision Form. For Issue specific details in relation to allocation Bidder/Applicant may refer to the RHP/Prospectus.

#### 4.1.6 FIELD NUMBER 6: INVESTOR STATUS

- (a) Each Bidder/Applicant should check whether it is eligible to apply under applicable law and ensure that any prospective allotment to it in the Issue is in compliance with the investment restrictions under applicable law.
- (b) Certain categories of Bidders/Applicants, such as NRIs, FIIs, 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/Applicants are requested to refer to the RHP/Prospectus for more details.
- (c) Bidders/Applicants should check whether they are eligible to apply on non-repatriation basis or repatriation basis and should accordingly provide the investor status. Details regarding investor status are different in the Resident Bid cum Application Form and Non-Resident Bid cum Application Form.
- (d) Bidders/Applicants should ensure that their investor status is updated in the Depository records.

#### 4.1.7 FIELD NUMBER 7: PAYMENT DETAILS

- (a) All Bidders are required to make payment of the full Bid Amount (net of any Discount, as applicable) along-with the Bid cum Application Form. If the Discount is applicable in the Issue, the RIIs should indicate the full Bid Amount in the Bid cum Application Form and the payment shall be made for Bid Amount net of Discount. Only in cases where the RHP/Prospectus indicates that part payment may be made, such an option can be exercised by the Bidder. In case of Bidders specifying more than one Bid Option in the Bid cum Application Form, the total Bid Amount may be calculated for the highest of three options at net price, i.e. Bid price less Discount offered, if any.
- (b) Bidders who Bid at Cut-off price shall deposit the Bid Amount based on the Cap Price.
- (c) QIBs and NIIs can participate in the Issue only through the ASBA mechanism.



- (d) RIIs and/or Reserved Categories bidding in their respective reservation portion can Bid, either through the ASBA mechanism or by paying the Bid Amount through a cheque or a demand draft (“Non-ASBA Mechanism”).
- (e) Bid Amount cannot be paid in cash, through money order or through postal order.

#### 4.1.7.1 Instructions for non-ASBA Bidders:

- (a) Non-ASBA Bidders may submit their Bids with a member of the Syndicate or any of the Registered Brokers of the Stock Exchange. The details of Broker Centres along with names and contact details of the Registered Brokers are provided on the websites of the Stock Exchanges.
- (b) **For Bids made through a member of the Syndicate:** The Bidder may, with the submission of the Bid cum Application Form, draw a cheque or demand draft for the Bid Amount in favour of the Escrow Account as specified under the RHP/Prospectus and the Bid cum Application Form and submit the same to the members of the Syndicate at Specified Locations.
- (c) **For Bids made through a Registered Broker:** The Bidder may, with the submission of the Bid cum Application Form, draw a cheque or demand draft for the Bid Amount in favour of the Escrow Account as specified under the RHP/Prospectus and the Bid cum Application Form and submit the same to the Registered Broker.
- (d) If the cheque or demand draft accompanying the Bid cum Application Form is not made favoring the Escrow Account, the Bid is liable to be rejected.
- (e) Payments should be made by cheque, or demand draft drawn on any bank (including a co-operative bank), which is situated at, and is a member of or sub-member of the bankers’ clearing house located at the centre where the Bid cum Application Form is submitted. Cheques/bank drafts drawn on banks not participating in the clearing process may not be accepted and applications accompanied by such cheques or bank drafts are liable to be rejected.
- (f) The Escrow Collection Banks shall maintain the monies in the Escrow Account for and on behalf of the Bidders until the Designated Date.
- (g) Bidders are advised to provide the number of the Bid cum Application Form and PAN on the reverse of the cheque or bank draft to avoid any possible misuse of instruments submitted.

#### 4.1.7.2 Payment instructions for ASBA Bidders

- (a) ASBA Bidders may submit the Bid cum Application Form either
  - i. in physical mode to the Designated Branch of an SCSB where the Bidders/Applicants have ASBA Account, or
  - ii. in electronic mode through the internet banking facility offered by an SCSB authorizing blocking of funds that are available in the ASBA account specified in the Bid cum Application Form, or
  - iii. in physical mode to a member of the Syndicate at the Specified Locations, or
  - iv. Registered Brokers of the Stock Exchange
- (b) ASBA Bidders may specify the Bank Account number in the Bid cum Application Form. The Bid cum

Application Form submitted by an ASBA Bidder and which is accompanied by cash, demand draft, money order, postal order or any mode of payment other than blocked amounts in the ASBA Account maintained with an SCSB, may not be accepted.

- (c) Bidders should ensure that the Bid cum Application Form is also signed by the ASBA Account holder(s) if the Bidder is not the ASBA Account holder;
- (d) Bidders shall note that for the purpose of blocking funds under ASBA facility clearly demarcated funds shall be available in the account.
- (e) From one ASBA Account, a maximum of five Bids cum Application Forms can be submitted.
- (f) **ASBA Bidders bidding through a member of the Syndicate** should ensure that the Bid cum Application Form is submitted to a member of the Syndicate only at the Specified locations. ASBA Bidders should also note that Bid cum Application Forms submitted to a member of the Syndicate at the Specified locations may not be accepted by the Member of the Syndicate if the SCSB where the ASBA Account, as specified in the Bid cum Application Form, is maintained has not named at least one branch at that location for the members of the Syndicate to deposit Bid cum Application Forms (a list of such branches is available on the website of SEBI at <http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries>).
- (g) **ASBA Bidders bidding through a Registered Broker** should note that Bid cum Application Forms submitted to the Registered Brokers may not be accepted by the Registered Broker, if the SCSB where the ASBA Account, as specified in the Bid cum Application Form, is maintained has not named at least one branch at that location for the Registered Brokers to deposit Bid cum Application Forms.
- (h) **ASBA Bidders bidding directly through the SCSBs** should ensure that the Bid cum Application Form is submitted to a Designated Branch of a SCSB where the ASBA Account is maintained.
- (i) Upon receipt of the Bid cum Application Form, the Designated Branch of the SCSB may verify if sufficient funds equal to the Bid Amount are available in the ASBA Account, as mentioned in the Bid cum Application Form.
- (j) If sufficient funds are available in the ASBA Account, the SCSB may block an amount equivalent to the Bid Amount mentioned in the Bid cum Application Form and for application directly submitted to SCSB by investor, may enter each Bid option into the electronic bidding system as a separate Bid.
- (k) If sufficient funds are not available in the ASBA Account, the Designated Branch of the SCSB may not upload such Bids on the Stock Exchange platform and such bids are liable to be rejected.
- (l) Upon submission of a completed Bid cum Application Form each ASBA Bidder may be deemed to have agreed to block the entire Bid Amount and authorized the Designated Branch of the SCSB to block the Bid Amount specified in the Bid cum Application Form in the ASBA Account maintained with the SCSBs.
- (m) The Bid Amount may remain blocked in the aforesaid ASBA Account until finalisation of the Basis of allotment and consequent transfer of the Bid Amount against the Allotted Equity Shares to the Public Issue Account, or until withdrawal or failure of the Issue, or until withdrawal or rejection of the Bid, as the case may be.
- (n) SCSBs bidding in the Issue must apply through an Account maintained with any other SCSB; else their Bids are liable to be rejected.

#### 4.1.7.2.1 Unblocking of ASBA Account

- (a) Once the Basis of Allotment is approved by the Designated Stock Exchange, the Registrar to the Issue

may provide the following details to the controlling branches of each SCSB, along with instructions to unblock the relevant bank accounts and for successful applications transfer the requisite money to the Public Issue Account designated for this purpose, within the specified timelines: (i) the number of Equity Shares to be Allotted against each Bid, (ii) the amount to be transferred from the relevant bank account to the Public Issue Account, for each Bid, (iii) the date by which funds referred to in (ii) above may be transferred to the Public Issue Account, and (iv) details of rejected ASBA Bids, if any, along with reasons for rejection and details of withdrawn or unsuccessful Bids, if any, to enable the SCSBs to unblock the respective bank accounts.

- (b) On the basis of instructions from the Registrar to the Issue, the SCSBs may transfer the requisite amount against each successful ASBA 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 12 Working Days of the Bid/Issue Closing Date.

#### 4.1.7.3 Additional Payment Instructions for NRIs

The Non-Resident Indians who intend to make payment 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.

#### 4.1.7.4 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 applications for allocation under Non-Institutional Category. These applications are neither eligible for Discount nor fall under RII category.

#### 4.1.8 FIELD NUMBER 8: SIGNATURES AND OTHER AUTHORISATIONS

- (a) Only the First Bidder/Applicant is required to sign the Bid cum Application Form/Application Form. Bidders/Applicants should ensure that signatures are in one of the languages specified in the Eighth Schedule to the Constitution of India.
- (b) If the ASBA Account is held by a person or persons other than the ASBA Bidder/Applicant., then the Signature of the ASBA Account holder(s) is also required.
- (c) In relation to the ASBA Bids/Applications, signature has to be correctly affixed in the authorization/undertaking box in the Bid cum Application Form/Application Form, or an authorisation has to be provided to the SCSB via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the Bid cum Application Form/Application Form.
- (d) Bidders/Applicants must note that Bid cum Application Form/Application Form without signature of Bidder/Applicant and /or ASBA Account holder is liable to be rejected.

#### 4.1.9 ACKNOWLEDGEMENT AND FUTURE COMMUNICATION

- (a) Bidders should ensure that they receive the acknowledgment duly signed and stamped by a member of the Syndicate, Registered Broker or SCSB, as applicable, for submission of the Bid cum Application Form.
- (b) Applicants should ensure that they receive the acknowledgment duly signed and stamped by an Escrow Collection Bank or SCSB, as applicable, for submission of the Application Form.

- (c) All communications in connection with Bids/Applications made in the Issue should be addressed as under:
- i. In case of queries related to Allotment, non-receipt of Allotment Advice, credit of allotted equity shares, refund orders, the Bidders/Applicants should contact the Registrar to the Issue.
  - ii. In case of ASBA Bids submitted to the Designated Branches of the SCSBs, the Bidders/Applicants should contact the relevant Designated Branch of the SCSB.
  - iii. In case of queries relating to uploading of Syndicate ASBA Bids, the Bidders/Applicants should contact the relevant Syndicate Member.
  - iv. In case of queries relating to uploading of Bids by a Registered Broker, the Bidders/Applicants should contact the relevant Registered Broker
  - v. Bidder/Applicant may contact the Company Secretary and Compliance Officer or BRLM(s) in case of any other complaints in relation to the Issue.
- (d) The following details (as applicable) should be quoted while making any queries -
- i. full name of the sole or First Bidder/Applicant, Bid cum Application Form number, Applicants'/Bidders' DP ID, Client ID, PAN, number of Equity Shares applied for, amount paid on application.
  - ii. name and address of the member of the Syndicate, Registered Broker or the Designated Branch, as the case may be, where the Bid was submitted or
  - iii. In case of Non-ASBA bids cheque or draft number and the name of the issuing bank thereof
  - iv. In case of ASBA Bids, ASBA Account number in which the amount equivalent to the Bid Amount was blocked.

For further details, Bidder/Applicant may refer to the RHP/Prospectus and the Bid cum Application Form.

## 4.2 INSTRUCTIONS FOR FILING THE REVISION FORM

- (a) During the Bid/Issue Period, any Bidder/Applicant (other than QIBs and NIIs, who can only revise their bid upwards) who has registered his or her interest in the Equity Shares at a particular price level is free to revise his or her Bid within the Price Band using the Revision Form, which is a part of the Bid cum Application Form.
- (b) RII may revise their bids till closure of the bidding period or withdraw their bids until finalization of allotment.
- (c) Revisions can be made in both the desired number of Equity Shares and the Bid Amount by using the Revision Form.
- (d) The Bidder/Applicant can make this revision any number of times during the Bid/ Issue Period. However, for any revision(s) in the Bid, the Bidders/Applicants will have to use the services of the same member of the Syndicate, the Registered Broker or the SCSB through which such Bidder/Applicant had placed the original Bid. Bidders/Applicants are advised to retain copies of the blank Revision Form and the Bid(s) must be made only in such Revision Form or copies thereof.

A sample Revision form is reproduced below:

COMMON BID REVISION FORM FOR ASBA / NON-ASBA		XYZ LIMITED - PUBLIC ISSUE - R		FOR RESIDENT INDIAN, QIB, ELIGIBLE NRI's APPLYING ON A NON-REPATRIATION BASIS		
Logo		To, The Board of Directors XYZ Limited		BOOK BUILDING ISSUE INE523L01018		
		Bid cum Application Form No.				
SYNDICATE MEMBERS STAMP & CODE		BROKERS/AGENT'S STAMP & CODE		1. NAME & CONTACT DETAILS of Sole / First Applicant		
ESCROW BANK / SCSB BRANCH STAMP & CODE		SUB-BROKERS/SUB-AGENT'S STAMP & CODE		Mr. / Ms. _____		
BANK BRANCH SERIAL NO.		REGISTRAR'S / SCSB SERIAL NO.		Tel. No (with STD code) / Mobile _____		
				2. PAN OF SOLE / FIRST APPLICANT		
				3. BIDDER'S DEPOSITORY ACCOUNT DETAILS <input type="checkbox"/> NSDL <input type="checkbox"/> CDSL		
				For NSDL enter 8 digit DP ID followed by 8 digit Client ID / For CDSL enter 16 digit Client ID		
PLEASE CHANGE MY BID						
4. FROM (as per last Bid or Revision)						
Bid Options	No. of Equity Shares Bid (Bids must be in multiples of Bid Lot as advertised)			Price per Equity Share (₹) / "Cut-off" (Price in multiples of ₹ 1/- only)		
	(In Figures)			(In Figures)		
	7	6	5	4	3	
Option 1						
(OR) Option 2						
(OR) Option 3						
5. TO (Revised Bid)						
Bid Options	No. of Equity Shares Bid (Bids must be in multiples of Bid Lot as advertised)			Price per Equity Share (₹) / "Cut-off" (Price in multiples of ₹ 1/- only)		
	(In Figures)			(In Figures)		
	7	6	5	4	3	
Option 1						
(OR) Option 2						
(OR) Option 3						
6. PAYMENT DETAILS (Please tick (✓) any one of payment option A or B below)						
Additional Amount Paid (₹ in figures) _____ (₹ in words) _____						
<input type="checkbox"/> (A) CHEQUE/ DEMAND DRAFT (DD) <input type="checkbox"/> (B) ASBA						
Cheque/DD No. _____			Bank A/c No. _____			
Drawn on (Bank Name & Branch) _____			Bank Name & Branch _____			
I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ AND UNDERSTOOD THE TERMS AND CONDITIONS OF THIS BID REVISION FORM AND THE ATTACHED FORM 2A AND HEREBY AGREE AND CONFIRM THE "BIDDERS UNDERTAKING" AS GIVEN OVERLEAF. I/We (on behalf of joint applicants, if any) hereby confirm that I/We have read the Instructions for Filing up the Bid revision Form given overleaf.						
7A. SIGNATURE OF SOLE/ JOINT APPLICANT(S)		7B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(S) (AS PER BANK RECORDS) (FOR ASBA OPTION ONLY)		BROKER'S / SCSB BRANCH'S STAMP (Acknowledging upload of Bid in Stock Exchange system)		
Date : _____, 2011		I/We authorize the SCSB to do all acts as are necessary to make the Application in the Issue				
		1) _____				
		2) _____				
		3) _____				
TEAR HERE						
XYZ LIMITED BID REVISION FORM		Acknowledgement Slip for Syndicate Member / SCSB		Bid cum Application Form No.		
DPID / CLID		PAN				
Additional Amount Paid (₹)		Bank & Branch		Stamp & Signature of Banker		
Cheque / DD/ASBA Bank A/c No.						
Received from Mr./Ms.						
Telephone / Mobile		Email				
TEAR HERE						
XYZ LIMITED BID REVISION FORM	Option 1		Option 2		Option 3	
	No. of Equity Shares		Acknowledgement of Syndicate Member / SCSB		Name of Sole / First Applicant	
	Bid Price					
	Additional Amount Paid (₹)					
	Cheque / DD/ASBA Bank A/c No.					
Bank & Branch						
				Acknowledgement Slip for Bidder		
				Bid cum Application Form No.		

Instructions to fill each field of the Revision Form can be found on the reverse side of the Revision Form. Other than instructions already highlighted at paragraph 4.1 above, point wise instructions regarding filling up various fields of the Revision Form are provided below:

#### 4.2.1 **FIELDS 1, 2 AND 3: NAME AND CONTACT DETAILS OF SOLE/FIRST BIDDER/APPLICANT, PAN OF SOLE/FIRST BIDDER/APPLICANT & DEPOSITORY ACCOUNT DETAILS OF THE BIDDER/APPLICANT**

Bidders/Applicants should refer to instructions contained in paragraphs 4.1.1, 4.1.2 and 4.1.3.

#### 4.2.2 **FIELD 4 & 5: BID OPTIONS REVISION 'FROM' AND 'TO'**

- (a) Apart from mentioning the revised options in the Revision Form, the Bidder/Applicant must also mention the details of all the bid options given in his or her Bid cum Application Form or earlier Revision Form. For example, if a Bidder/Applicant has Bid for three options in the Bid cum Application Form and such Bidder/Applicant is changing only one of the options in the Revision Form, the Bidder/Applicant must still fill the details of the other two options that are not being revised, in the Revision Form. The members of the Syndicate, the Registered Brokers and the Designated Branches of the SCSBs may not accept incomplete or inaccurate Revision Forms.
- (b) In case of revision, Bid options should be provided by Bidders/Applicants in the same order as provided in the Bid cum Application Form.
- (c) In case of revision of Bids by RIIs, Employees and Retail Individual Shareholders, such Bidders/Applicants should ensure that the Bid Amount, subsequent to revision, does not exceed ` 200,000. In case the Bid Amount exceeds ` 200,000 due to revision of the Bid or for any other reason, the Bid may be considered, subject to eligibility, for allocation under the Non-Institutional Category, not being eligible for Discount (if applicable) and such Bid may be rejected if it is at the Cut-off Price. The Cut-off Price option is given only to the RIIs, Employees and Retail Individual Shareholders indicating their agreement to Bid for and purchase the Equity Shares at the Issue Price as determined at the end of the Book Building Process.
- (d) In case the total amount (i.e., original Bid Amount plus additional payment) exceeds ` 200,000, the Bid will be considered for allocation under the Non-Institutional Portion in terms of the RHP/Prospectus. If, however, the RII does not either revise the Bid or make additional payment and the Issue Price is higher than the cap of the Price Band prior to revision, the number of Equity Shares Bid for shall be adjusted downwards for the purpose of allocation, such that no additional payment would be required from the RII and the RII is deemed to have approved such revised Bid at Cut-off Price.
- (e) In case of a downward revision in the Price Band, RIIs and Bids by Employees under the Reservation Portion, who have bid at the Cut-off Price could either revise their Bid or the excess amount paid at the time of bidding may be unblocked in case of ASBA Bidders or refunded from the Escrow Account in case of non-ASBA Bidder.

#### 4.2.3 **FIELD 6: PAYMENT DETAILS**

- (a) With respect to the Bids, other than Bids submitted by ASBA Bidders/Applicants, any revision of the Bid should be accompanied by payment in the form of cheque or demand draft for the amount, if any, to be paid on account of the upward revision of the Bid.
- (b) All Bidders/Applicants are required to make payment of the full Bid Amount (less Discount (if applicable) along with the Bid Revision Form. In case of Bidders/Applicants specifying more than one Bid Option in the Bid cum Application Form, the total Bid Amount may be calculated for the highest of three options at net price, i.e. Bid price less discount offered, if any.
- (c) In case of Bids submitted by ASBA Bidder/Applicant, Bidder/Applicant 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 member of the Syndicate/Registered Broker or the same Designated Branch (as the case may be) through whom such Bidder/Applicant had placed the original Bid to enable the relevant SCSB to block the additional Bid Amount, if any.



- (d) In case of Bids, other than ASBA Bids, Bidder/Applicant, may make additional payment based on the cap of the revised Price Band (such that the total amount i.e., original Bid Amount plus additional payment does not exceed ₹ 200,000 if the Bidder/Applicant wants to continue to Bid at the Cut-off Price), with the members of the Syndicate / Registered Broker to whom the original Bid was submitted.
- (e) In case the total amount (i.e., original Bid Amount less discount (if applicable) plus additional payment) exceeds ₹ 200,000, the Bid may be considered for allocation under the Non-Institutional Category in terms of the RHP/Prospectus. If, however, the Bidder/Applicant does not either revise the Bid or make additional payment and the Issue Price is higher than the cap of the Price Band prior to revision, the number of Equity Shares Bid for may be adjusted downwards for the purpose of allotment, such that no additional payment is required from the Bidder/Applicant and the Bidder/Applicant is deemed to have approved such revised Bid at the Cut-off Price.
- (f) 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 in case of ASBA Bidders/Applicants or refunded from the Escrow Account in case of non-ASBA Bidder/Applicant.

#### 4.2.4 **FIELDS 7 : SIGNATURES AND ACKNOWLEDGEMENTS**

Bidders/Applicants may refer to instructions contained at paragraphs 4.1.8 and 4.1.9 for this purpose.

### 4.3 **INSTRUCTIONS FOR FILING APPLICATION FORM IN ISSUES MADE OTHER THAN THROUGH THE BOOK BUILDING PROCESS (FIXED PRICE ISSUE)**

#### 4.3.1 **FIELDS 1, 2, 3 NAME AND CONTACT DETAILS OF SOLE/FIRST BIDDER/APPLICANT, PAN OF SOLE/FIRST BIDDER/APPLICANT & DEPOSITORY ACCOUNT DETAILS OF THE BIDDER/APPLICANT**

Applicants should refer to instructions contained in paragraphs 4.1.1, 4.1.2 and 4.1.3.

#### 4.3.2 **FIELD 4: PRICE, APPLICATION QUANTITY & AMOUNT**

- (a) The Issuer may mention Price or Price band in this Prospectus. However a prospectus registered with RoC contains one price or coupon rate (as applicable).
- (b) **Minimum Application Value and Bid Lot:** The Issuer in consultation with the Lead Manager to the Issue (LM) may decide the minimum number of Equity Shares for each Bid to ensure that the minimum application value is within the range of ₹ 10,000 to ₹ 15,000. The minimum Lot size is accordingly determined by an Issuer on basis of such minimum application value.
- (c) Applications by RIIs, Employees and Retail Individual Shareholders, must be for such number of shares so as to ensure that the application amount payable does not exceed ₹ 200,000.
- (d) Applications by other investors must be for such minimum number of shares such that the application amount exceeds ₹ 200,000 and in multiples of such number of Equity Shares thereafter, as may be disclosed in the application form and the Prospectus, or as advertised by the Issuer, as the case may be.
- (e) An application cannot be submitted for more than the Issue size.
- (f) The maximum application by any Applicant should not exceed the investment limits prescribed for them under the applicable laws.
- (g) **Multiple Applications:** An Applicant should submit only one Application Form. Submission of a

second Application Form to either the same or to Collection Bank(s) or SCSB and duplicate copies of Application Forms bearing the same application number shall be treated as multiple applications and are liable to be rejected.

- (h) Applicants are requested to note the following procedures may be followed by the Registrar to the Issue to detect multiple applications:
  - i. All applications may be checked for common PAN as per the records of the Depository. For Applicants other than Mutual Funds and FII sub-accounts, Bids bearing the same PAN may be treated as multiple applications by a Bidder/Applicant and may be rejected.
  - ii. For applications from Mutual Funds and FII sub-accounts, submitted under the same PAN, as well as Bids on behalf of the PAN Exempted Applicants, the Application Forms may be checked for common DP ID and Client ID. In any such applications which have the same DP ID and Client ID, these may be treated as multiple applications and may be rejected.
- (i) The following applications may not be treated as multiple Bids:
  - i. Applications by Reserved Categories in their respective reservation portion as well as that made by them in the Net Issue portion in public category.
  - ii. Separate applications by Mutual Funds in respect of more than one scheme of the Mutual Fund provided that the Applications clearly indicate the scheme for which the Bid has been made.
  - iii. Applications by Mutual Funds, and sub-accounts of FIIs (or FIIs and its sub-accounts) submitted with the same PAN but with different beneficiary account numbers, Client IDs and DP IDs.

#### 4.3.3 **FIELD NUMBER 5 : CATEGORY OF APPLICANTS**

- (a) The categories of applicants identified as per the SEBI ICDR Regulations, 2009 for the purpose of Bidding, allocation and allotment in the Issue are RIIs, individual applicants other than RII's and other investors (including corporate bodies or institutions, irrespective of the number of specified securities applied for).
- (b) An Issuer can make reservation for certain categories of Applicants permitted under the SEBI ICDR Regulations, 2009. For details of any reservations made in the Issue, applicants may refer to the Prospectus.
- (c) The SEBI ICDR Regulations, 2009 specify the allocation or allotment that may be made to various categories of applicants in an Issue depending upon compliance with the eligibility conditions. Details pertaining to allocation are disclosed on reverse side of the Revision Form. For Issue specific details in relation to allocation applicant may refer to the Prospectus.

#### 4.3.4 **FIELD NUMBER 6: INVESTOR STATUS**

Applicants should refer to instructions contained in paragraphs 4.1.6.

#### 4.3.5 **FIELD 7: PAYMENT DETAILS**

- (a) All Applicants are required to make payment of the full Amount (net of any Discount, as applicable) along-with the Application Form. If the Discount is applicable in the Issue, the RIIs should indicate the full Amount in the Application Form and the payment shall be made for an Amount net of Discount. Only in cases where the Prospectus indicates that part payment may be made, such an option can be exercised by the Applicant.
- (b) RIIs and/or Reserved Categories bidding in their respective reservation portion can Bid, either through the ASBA mechanism or by paying the Bid Amount through a cheque or a demand draft ("Non-ASBA

Mechanism”).

- (c) Application Amount cannot be paid in cash, through money order or through postal order or through stock invest.

#### 4.3.5.1 Instructions for non-ASBA Applicants:

- (a) Non-ASBA Applicants may submit their Application Form with the Collection Bank(s).
- (b) For Applications made through a Collection Bank(s): The Applicant may, with the submission of the Application Form, draw a cheque or demand draft for the Bid Amount in favor of the Escrow Account as specified under the Prospectus and the Application Form and submit the same to the escrow Collection Bank(s).
- (c) If the cheque or demand draft accompanying the Application Form is not made favoring the Escrow Account, the form is liable to be rejected.
- (d) Payments should be made by cheque, or demand draft drawn on any bank (including a co-operative bank), which is situated at, and is a member of or sub-member of the bankers’ clearing house located at the centre where the Application Form is submitted. Cheques/bank drafts drawn on banks not participating in the clearing process may not be accepted and applications accompanied by such cheques or bank drafts are liable to be rejected.
- (e) The Escrow Collection Banks shall maintain the monies in the Escrow Account for and on behalf of the Applicants until the Designated Date.
- (f) Applicants are advised to provide the number of the Application Form and PAN on the reverse of the cheque or bank draft to avoid any possible misuse of instruments submitted.

#### 4.3.5.2 Payment instructions for ASBA Applicants

- (a) ASBA Applicants may submit the Application Form in physical mode to the Designated Branch of an SCSB where the Applicants have ASBA Account.
- (b) ASBA Applicants may specify the Bank Account number in the Application Form. The Application Form submitted by an ASBA Applicant and which is accompanied by cash, demand draft, money order, postal order or any mode of payment other than blocked amounts in the ASBA Account maintained with an SCSB, may not be accepted.
- (c) Applicants should ensure that the Application Form is also signed by the ASBA Account holder(s) if the Applicant is not the ASBA Account holder;
- (d) Applicants shall note that for the purpose of blocking funds under ASBA facility clearly demarcated funds shall be available in the account.
- (e) From one ASBA Account, a maximum of five Bids cum Application Forms can be submitted.
- (f) ASBA Applicants bidding directly through the SCSBs should ensure that the Application Form is submitted to a Designated Branch of a SCSB where the ASBA Account is maintained.
- (g) Upon receipt of the Application Form, the Designated Branch of the SCSB may verify if sufficient funds equal to the Application Amount are available in the ASBA Account, as mentioned in the Application Form.
- (h) If sufficient funds are available in the ASBA Account, the SCSB may block an amount equivalent to the Application Amount mentioned in the Application Form and may upload the details on the Stock Exchange Platform.
- (i) If sufficient funds are not available in the ASBA Account, the Designated Branch of the SCSB may not upload such Applications on the Stock Exchange platform and such Applications are liable to be rejected.
- (j) Upon submission of a completed Application Form each ASBA Applicant may be deemed to have

agreed to block the entire Application Amount and authorized the Designated Branch of the SCSB to block the Application Amount specified in the Application Form in the ASBA Account maintained with the SCSBs.

- (k) The Application Amount may remain blocked in the aforesaid ASBA Account until finalisation of the Basis of allotment and consequent transfer of the Application Amount against the Allotted Equity Shares to the Public Issue Account, or until withdrawal or failure of the Issue, or until withdrawal or rejection of the Application, as the case may be.
- (l) SCSBs applying in the Issue must apply through an ASBA Account maintained with any other SCSB; else their Applications are liable to be rejected.

#### 4.3.5.2.1 Unblocking of ASBA Account

- (a) Once the Basis of Allotment is approved by the Designated Stock Exchange, the Registrar to the Issue may provide the following details to the controlling branches of each SCSB, along with instructions to unblock the relevant bank accounts and for successful applications transfer the requisite money to the Public Issue Account designated for this purpose, within the specified timelines: (i) the number of Equity Shares to be Allotted against each Application, (ii) the amount to be transferred from the relevant bank account to the Public Issue Account, for each Application, (iii) the date by which funds referred to in (ii) above may be transferred to the Public Issue Account, and (iv) details of rejected ASBA Applications, if any, along with reasons for rejection and details of withdrawn or unsuccessful Applications, if any, to enable the SCSBs to unblock the respective bank accounts.
- (b) On the basis of instructions from the Registrar to the Issue, the SCSBs may transfer the requisite amount against each successful ASBA Application to the Public Issue Account and may unblock the excess amount, if any, in the ASBA Account.
- (c) In the event of withdrawal or rejection of the Application Form and for unsuccessful Applications, the Registrar to the Issue may give instructions to the SCSB to unblock the Application Amount in the relevant ASBA Account within 12 Working Days of the Issue Closing Date.

#### 4.3.5.3 Discount (if applicable)

- (a) The Discount is stated in absolute rupee terms.
- (b) RIIs, Employees and Retail Individual Shareholders are only eligible for discount. For Discounts offered in the Issue, applicants may refer to the Prospectus.
- (c) The Applicants entitled to the applicable Discount in the Issue may make payment for an amount i.e. the Application Amount less Discount (if applicable).

#### 4.3.6 FIELD NUMBER 8: SIGNATURES AND OTHER AUTHORISATIONS & ACKNOWLEDGEMENT AND FUTURE COMMUNICATION

Applicants should refer to instructions contained in paragraphs 4.1.8 & 4.1.9.

#### 4.4 SUBMISSION OF BID CUM APPLICATION FORM/ REVISION FORM/APPLICATION FORM

##### 4.4.1 Bidders/Applicants may submit completed Bid-cum-application form / Revision Form in the following manner:-

Mode of Application	Submission of Bid cum Application Form
Non-ASBA Application	1) To members of the Syndicate at the Specified Locations mentioned in the Bid cum Application Form
	2) To Registered Brokers

Mode of Application	Submission of Bid cum Application Form
ASBA Application	<p>(a) To members of the Syndicate in the Specified Locations or Registered Brokers at the Broker Centres</p> <p>(b) To the Designated branches of the SCSBs where the ASBA Account is maintained</p>

- (a) Bidders/Applicants should not submit the bid cum application forms/ Revision Form directly to the escrow collection banks. Bid cum Application Form/ Revision Form submitted to the escrow collection banks are liable for rejection.
- (b) Bidders/Applicants should submit the Revision Form to the same member of the Syndicate, the Registered Broker or the SCSB through which such Bidder/Applicant had placed the original Bid.
- (c) Upon submission of the Bid-cum-Application Form, the Bidder/Applicant will be deemed to have authorized the Issuer to make the necessary changes in the RHP and the Bid cum Application Form as would be required for filing Prospectus with the Registrar of Companies (RoC) and as would be required by the RoC after such filing, without prior or subsequent notice of such changes to the relevant Bidder/Applicant.
- (d) Upon determination of the Issue Price and filing of the Prospectus with the RoC, the Bid-cum-Application Form will be considered as the application form.

## SECTION 5: ISSUE PROCEDURE IN BOOK BUILT ISSUE

Book Building, in the context of the Issue, refers to the process of collection of Bids within the Price Band or above the Floor Price and determining the Issue Price based on the Bids received as detailed in Schedule XI of SEBI ICDR Regulations, 2009. The Issue Price is finalised after the 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.

### 5.1 SUBMISSION OF BIDS

- (a) During the Bid/Issue Period, ASBA Bidders/Applicants may approach the members of the Syndicate at the Specified Cities or any of the Registered Brokers or the Designated Branches to register their Bids. Non-ASBA Bidders/Applicants who are interested in subscribing for the Equity Shares should approach the members of the Syndicate or any of the Registered Brokers, to register their Bid.
- (b) Non-ASBA Bidders/Applicants (RIIs, Employees and Retail Individual Shareholders) bidding at Cut-off Price may submit the Bid cum Application Form along with a cheque/demand draft for the Bid Amount less discount (if applicable) based on the Cap Price with the members of the Syndicate/ any of the Registered Brokers to register their Bid.
- (c) In case of ASBA Bidders/Applicants (excluding NIIs and QIBs) bidding at Cut-off Price, the ASBA Bidders/Applicants may instruct the SCSBs to block Bid Amount based on the Cap Price less discount (if applicable). ASBA Bidders/Applicants may approach the members of the Syndicate or any of the Registered Brokers or the Designated Branches to register their Bids.
- (d) For Details of the timing on acceptance and upload of Bids in the Stock Exchanges Platform Bidders/Applicants are requested to refer to the RHP.

### 5.2 ELECTRONIC REGISTRATION OF BIDS

- (a) The Syndicate, the Registered Brokers and the SCSBs may register the Bids using the on-line facilities of the Stock Exchanges. The Syndicate, the Registered Brokers and the Designated Branches of the SCSBs 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 Syndicate, the Registered Broker and the Designated Branches of the SCSBs 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 members of the Syndicate, the Registered Brokers and the SCSBs are given up to one day after 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 for validation of the electronic bid details with the Depository's records.

### 5.3 BUILD UP OF THE BOOK

- (a) Bids received from various Bidders/Applicants through the Syndicate, Registered Brokers and the SCSBs may be electronically uploaded on the Bidding Platform of the Stock Exchanges' on a regular basis. The book gets built up at various price levels. This information may be available with the BRLMs at the end of the Bid/Issue Period.
- (b) Based on the aggregate demand and price for Bids registered on the Stock Exchanges Platform, a graphical representation of consolidated demand and price as available on the websites of the Stock Exchanges may be made available at the bidding centres during the Bid/Issue Period.

### 5.4 WITHDRAWAL OF BIDS

- (a) RIIs can withdraw their Bids until finalization of Basis of Allotment. In case a RII applying through the ASBA process 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 SCSB or the Syndicate Member or the Registered Broker, as applicable, who shall do the requisite, including unblocking of the funds by the SCSB in the ASBA Account.
- (b) In case a RII wishes to withdraw the Bid after the Bid/Issue Period, the same can be done by submitting a withdrawal request to the Registrar to the Issue until finalization of Basis of Allotment. The Registrar to the Issue shall give instruction to the SCSB for unblocking the ASBA Account on the Designated Date. QIBs and NIIs can neither withdraw nor lower the size of their Bids at any stage.

### 5.5 REJECTION & RESPONSIBILITY FOR UPLOAD OF BIDS

- (a) The members of the Syndicate, the Registered Broker and/or SCSBs are individually responsible for the acts, mistakes or errors or omission in relation to
  - i. the Bids accepted by the members of the Syndicate, the Registered Broker and the SCSBs,
  - ii. the Bids uploaded by the members of the Syndicate, the Registered Broker and the SCSBs,
  - iii. the Bid cum application forms accepted but not uploaded by the members of the Syndicate, the Registered Broker and the SCSBs, or
  - iv. With respect to Bids by ASBA Bidders/Applicants, Bids accepted and uploaded by SCSBs without blocking funds in the ASBA Accounts. It may be presumed that for Bids uploaded by the SCSBs, the Bid Amount has been blocked in the relevant Account.
- (b) The BRLMs and their affiliate Syndicate Members, as the case may be, may reject Bids if all the information required is not provided and the Bid cum Application Form is incomplete in any respect.
- (c) The SCSBs shall have no right to reject Bids, except in case of unavailability of adequate funds in the ASBA account or on technical grounds.
- (d) In case of QIB Bidders, only the (i) SCSBs (for Bids other than the Bids by Anchor Investors); and (ii) BRLMs and their affiliate Syndicate Members (only in the specified locations) have the right to reject bids. However, such rejection shall be made at the time of receiving the Bid and only after assigning a reason for such rejection in writing.
- (e) All bids by QIBs, NIIs & RIIs Bids can be rejected on technical grounds listed herein.



### 5.5.1 GROUND FOR TECHNICAL REJECTIONS

Bid cum Application Forms/Application Form can be rejected on the below mentioned technical grounds either at the time of their submission to the (i) authorised agents of the BRLMs, (ii) Registered Brokers, or (iii) SCSBs, or (iv) Collection Bank(s), or at the time of finalisation of the Basis of Allotment. Bidders/Applicants are advised to note that the Bids/Applications are liable to be rejected, inter-alia, on the following grounds, which have been detailed at various places in this GID:-

- (a) Bid/Application by persons not competent to contract under the Indian Contract Act, 1872, as amended, (other than minors having valid Depository Account as per Demographic Details provided by Depositories);
- (b) Bids/Applications by OCBs; and
- (c) In case of partnership firms, Bid/Application for Equity Shares made in the name of the firm. However, a limited liability partnership can apply in its own name;
- (d) In case of Bids/Applications under power of attorney or by limited companies, corporate, trust etc., relevant documents are not being submitted along with the Bid cum application form/Application Form;
- (e) Bids/Applications by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority;
- (f) Bids/Applications by any person outside India if not in compliance with applicable foreign and Indian laws;
- (g) DP ID and Client ID not mentioned in the Bid cum Application Form/Application Form;
- (h) PAN not mentioned in the Bid cum Application Form/Application Form except for Bids/Applications by or on behalf of the Central or State Government and officials appointed by the court and by the investors residing in the State of Sikkim, provided such claims have been verified by the Depository Participant;
- (i) In case no corresponding record is available with the Depositories that matches the DP ID, the Client ID and the PAN;
- (j) Bids/Applications for lower number of Equity Shares than the minimum specified for that category of investors;
- (k) Bids/Applications at a price less than the Floor Price & Bids/Applications at a price more than the Cap Price;
- (l) Bids/Applications at Cut-off Price by NIIs and QIBs;
- (m) Amount paid does not tally with the amount payable for the highest value of Equity Shares Bid for. With respect to Bids/Applications by ASBA Bidders, 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;
- (n) Bids/Applications for amounts greater than the maximum permissible amounts prescribed by the regulations;
- (o) In relation to ASBA Bids/Applications, submission of more than five Bid cum Application Forms/Application Form as per ASBA Account;
- (p) Bids/Applications for a Bid/Application Amount of more than ₹ 200,000 by RIIs by applying through non-ASBA process;
- (q) Bids/Applications for number of Equity Shares which are not in multiples of Equity Shares which are not in multiples as specified in the RHP;

- (r) Multiple Bids/Applications as defined in this GID and the RHP/Prospectus;
- (s) Bid cum Application Forms/Application Forms are not delivered by the Bidders/Applicants within the time prescribed as per the Bid cum Application Forms/Application Form, Bid/Issue Opening Date advertisement and as per the instructions in the RHP and the Bid cum Application Forms;
- (t) With respect to ASBA Bids/Applications, inadequate funds in the bank account to block the Bid/Application Amount specified in the Bid cum Application Form/ Application Form at the time of blocking such Bid/Application Amount in the bank account;
- (u) Bids/Applications where sufficient funds are not available in Escrow Accounts as per final certificate from the Escrow Collection Banks;
- (v) With respect to ASBA Bids/Applications, where no confirmation is received from SCSB for blocking of funds;
- (w) Bids/Applications by QIBs (other than Anchor Investors) and Non Institutional Bidders not submitted through ASBA process or Bids/Applications by QIBs (other than Anchor Investors) and Non Institutional Bidders accompanied with cheque(s) or demand draft(s);
- (x) ASBA Bids/Applications submitted to a BRLM at locations other than the Specified Cities and Bid cum Application Forms/Application Forms, under the ASBA process, submitted to the Escrow Collecting Banks (assuming that such bank is not a SCSB where the ASBA Account is maintained), to the issuer or the Registrar to the Issue;
- (y) Bids/Applications not uploaded on the terminals of the Stock Exchanges;
- (z) Bids/Applications by SCSBs wherein a separate account in its own name held with any other SCSB is not mentioned as the ASBA Account in the Bid cum Application Form/Application Form.

## 5.6 BASIS OF ALLOCATION

- (a) The SEBI ICDR Regulations, 2009 specify the allocation or Allotment that may be made to various categories of Bidders/Applicants in an Issue depending on compliance with the eligibility conditions. Certain details pertaining to the percentage of Issue size available for allocation to each category is disclosed overleaf of the Bid cum Application Form and in the RHP / Prospectus. For details in relation to allocation, the Bidder/Applicant may refer to the RHP / Prospectus.
- (b) Under-subscription in Retail category is allowed to be met with spill-over from any other category or combination of categories at the discretion of the Issuer and in consultation with the BRLMs and the Designated Stock Exchange and in accordance with the SEBI ICDR Regulations, 2009. Unsubscribed portion in QIB category is not available for subscription to other categories.
- (c) In case of under subscription in the Net Issue, spill-over to the extent of such under-subscription may be permitted from the Reserved Portion to the Net Issue. For allocation in the event of an under-subscription applicable to the Issuer, Bidders/Applicants may refer to the RHP.
- (d) **Illustration of the Book Building and Price Discovery Process**

*Bidders should note that this example is solely for illustrative purposes and is not specific to the Issue; it also excludes bidding by Anchor Investors.*

Bidders can bid at any price within the Price Band. For instance, assume a Price Band of ` 20 to ` 24 per share, Issue size of 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.

Bid Quantity	Bid Amount (₹)	Cumulative Quantity	Subscription
500	24	500	16.67%
1,000	23	1,500	50.00%
1,500	22	3,000	100.00%
2,000	21	5,000	166.67%
2,500	20	7,500	250.00%

The price discovery is a function of demand at various prices. The highest price at which the Issuer is able to Issue the desired number of Equity Shares is the price at which the book cuts off, i.e., ₹ 22.00 in the above example. The Issuer, in consultation with the BRLMs, may finalise the Issue Price at or below such Cut-Off Price, i.e., at or below ₹ 22.00. All Bids at or above this Issue Price and cut-off Bids are valid Bids and are considered for allocation in the respective categories.

(e) **Alternate Method of Book Building**

In case of FPOs, Issuers may opt for an alternate method of Book Building in which only the Floor Price is specified for the purposes of bidding (“Alternate Book Building Process”).

The Issuer may specify the Floor Price in the RHP or advertise the Floor Price at least one Working Day prior to the Bid/Issue Opening Date. QIBs may Bid at a price higher than the Floor Price and the Allotment to the QIBs is made on a price priority basis. The Bidder with the highest Bid Amount is allotted the number of Equity Shares Bid for and then the second highest Bidder is Allotted Equity Shares and this process continues until all the Equity Shares have been allotted. RIIs, NIIs and Employees are Allotted Equity Shares at the Floor Price and allotment to these categories of Bidders is made proportionately. If the number of Equity Shares Bid for at a price is more than available quantity then the allotment may be done on a proportionate basis. Further, the Issuer may place a cap either in terms of number of specified securities or percentage of issued capital of the Issuer that may be allotted to a single Bidder, decide whether a Bidder be allowed to revise the bid upwards or downwards in terms of price and/or quantity and also decide whether a Bidder be allowed single or multiple bids.

## SECTION 6: ISSUE PROCEDURE IN FIXED PRICE ISSUE

**Applicants may note that there is no Bid cum Application Form in a Fixed Price Issue.** As the Issue Price is mentioned in the Fixed Price Issue therefore on filing of the Prospectus with the RoC, the Application so submitted is considered as the application form.

Applicants may only use the specified Application Form for the purpose of making an Application in terms of the Prospectus which may be submitted through Syndicate Members/SCSB and/or Bankers to the Issue or Registered Broker.

ASBA Applicants may submit an Application Form either in physical form to the Syndicate Members or Registered Brokers or the Designated Branches of the SCSBs or in the electronic form to the SCSB or the Designated Branches of the SCSBs authorising blocking of funds that are available in the bank account specified in the Application Form only (“ASBA Account”). The Application Form is also made available on the websites of the Stock Exchanges at least one day prior to the Bid/Issue Opening Date.

In a fixed price Issue, allocation in the net offer to the public category is made as follows: minimum fifty per cent to Retail Individual Investors; and remaining to (i) individual investors other than Retail Individual Investors; and (ii) other Applicants including corporate bodies or institutions, irrespective of the number of specified securities applied for. The unsubscribed portion in either of the categories specified above may be allocated to the Applicants in the other category.

For details of instructions in relation to the Application Form, Bidders/Applicants may refer to the relevant section of the

GID.

## SECTION 7: ALLOTMENT PROCEDURE AND BASIS OF ALLOTMENT

The allotment of Equity Shares to Bidders/Applicants other than Retail Individual Investors and Anchor Investors may be on proportionate basis. For Basis of Allotment to Anchor Investors, Bidders/Applicants may refer to RHP/Prospectus. No Retail Individual Investor is will be allotted less than the minimum Bid Lot subject to availability of shares in Retail Individual Investor Category and the remaining available shares, if any will be allotted on a proportionate basis. The Issuer is required to receive a minimum subscription of 90% of the Issue (excluding any Offer for Sale of specified securities). However, in case the Issue is in the nature of Offer for Sale only, then minimum subscription may not be applicable.

### 7.1 ALLOTMENT TO RIIs

Bids received from the RIIs at or above the Issue Price may be grouped together to determine the total demand under this category. If the aggregate demand in this category is less than or equal to the Retail Category at or above the Issue Price, full Allotment may be made to the RIIs to the extent of the valid Bids. If the aggregate demand in this category is greater than the allocation to in the Retail Category at or above the Issue Price, then the maximum number of RIIs who can be Allotted the minimum Bid Lot will be computed by dividing the total number of Equity Shares available for Allotment to RIIs by the minimum Bid Lot ("Maximum RII Allottees"). The Allotment to the RIIs will then be made in the following manner:

- (a) In the event the number of RIIs who have submitted valid Bids in the Issue is equal to or less than Maximum RII Allottees, (i) all such RIIs shall be Allotted the minimum Bid Lot; and (ii) the balance available Equity Shares, if any, remaining in the Retail Category shall be Allotted on a proportionate basis to the RIIs who have received Allotment as per (i) above for the balance demand of the Equity Shares Bid by them (i.e. who have Bid for more than the minimum Bid Lot).
- (b) In the event the number of RIIs who have submitted valid Bids in the Issue is more than Maximum RII Allottees, the RIIs (in that category) who will then be allotted minimum Bid Lot shall be determined on the basis of draw of lots.

### 7.2 ALLOTMENT TO NIIs

Bids received from NIIs at or above the Issue Price may be grouped together to determine the total demand under this category. The allotment to all successful NIIs may be made at or above the Issue Price. If the aggregate demand in this category is less than or equal to the Non-Institutional Category at or above the Issue Price, full allotment may be made to NIIs to the extent of their demand. In case the aggregate demand in this category is greater than the Non-Institutional Category at or above the Issue Price, allotment may be made on a proportionate basis up to a minimum of the Non-Institutional Category.

### 7.3 ALLOTMENT TO QIBs

For the Basis of Allotment to Anchor Investors, Bidders/Applicants may refer to the SEBI ICDR Regulations, 2009 or RHP / Prospectus. Bids received from QIBs bidding in the QIB Category (net of Anchor Portion) at or above the Issue Price may be grouped together to determine the total demand under this category. The QIB Category may be available for allotment to QIBs who have Bid at a price that is equal to or greater than the Issue Price. Allotment may be undertaken in the following manner:

- (a) In the first instance allocation to Mutual Funds for up to 5% of the QIB Category may be determined as follows: (i) In the event that Bids by Mutual Fund exceeds 5% of the QIB Category, allocation to Mutual Funds may be done on a proportionate basis for up to 5% of the QIB Category; (ii) In the event that the aggregate demand from Mutual Funds is less than 5% of the QIB Category then all Mutual Funds may get full allotment to the extent of valid Bids received above the Issue Price; and (iii) Equity Shares remaining unsubscribed, if any and not allocated to Mutual Funds may be available for allotment to all QIBs as set out at paragraph 7.4(b) below;
- (b) In the second instance, allotment to all QIBs may be determined as follows: (i) In the event of oversubscription in the QIB Category, all QIBs who have submitted Bids above the Issue Price may be Allotted Equity Shares on a proportionate basis for up to 95% of the QIB Category; (ii) Mutual Funds, who have received allocation as per (a) above, for less than the number of Equity Shares Bid for by them,

are eligible to receive Equity Shares on a proportionate basis along with other QIBs; and (iii) Under-subscription below 5% of the QIB Category, if any, from Mutual Funds, may be included for allocation to the remaining QIBs on a proportionate basis.

#### 7.4 ALLOTMENT TO ANCHOR INVESTOR (IF APPLICABLE)

- (a) Allocation of Equity Shares to Anchor Investors at the Anchor Investor Issue Price will be at the discretion of the issuer subject to compliance with the following requirements:
  - i. not more than 60% of the QIB Portion will be allocated to Anchor Investors;
  - ii. one-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to other Anchor Investors; and
  - iii. allocation to Anchor Investors shall be on a discretionary basis and subject to:
    - a maximum number of two Anchor Investors for allocation up to ` 10 crores;
    - a minimum number of two Anchor Investors and maximum number of 15 Anchor Investors for allocation of more than ` 10 crores and up to ` 250 crores subject to minimum allotment of ` 5 crores per such Anchor Investor; and
    - a minimum number of five Anchor Investors and maximum number of 25 Anchor Investors for allocation of more than ` 250 crores subject to minimum allotment of ` 5 crores per such Anchor Investor.
- (b) A physical book is prepared by the Registrar on the basis of the Bid cum Application Forms received from Anchor Investors. Based on the physical book and at the discretion of the issuer in consultation with the BRLMs, selected Anchor Investors will be sent a CAN and if required, a revised CAN.
- (c) **In the event that the Issue Price is higher than the Anchor Investor Issue Price:** Anchor Investors will be sent a revised CAN within one day of the Pricing Date indicating the number of Equity Shares allocated to such Anchor Investor and the pay-in date for payment of the balance amount. Anchor Investors are then required to pay any additional amounts, being the difference between the Issue Price and the Anchor Investor Issue Price, as indicated in the revised CAN within the pay-in date referred to in the revised CAN. Thereafter, the Allotment Advice will be issued to such Anchor Investors.
- (d) **In the event the Issue Price is lower than the Anchor Investor Issue Price:** Anchor Investors who have been Allotted Equity Shares will directly receive Allotment Advice.

#### 7.5 BASIS OF ALLOTMENT FOR QIBs (OTHER THAN ANCHOR INVESTORS), NIIs AND RESERVED CATEGORY IN CASE OF OVER-SUBSCRIBED ISSUE

In the event of the Issue being over-subscribed, the Issuer may finalise the Basis of Allotment in consultation with the Designated Stock Exchange in accordance with the SEBI ICDR Regulations, 2009.

The allocation may be made in marketable lots, on a proportionate basis as explained below:

- (a) Bidders may be categorized according to the number of Equity Shares applied for;
- (b) The total number of Equity Shares to be Allotted to each category as a whole may be arrived at on a proportionate basis, which is the total number of Equity Shares applied for in that category (number of Bidders in the category multiplied by the number of Equity Shares applied for) multiplied by the inverse of the over-subscription ratio;
- (c) The number of Equity Shares to be Allotted to the successful Bidders may be arrived at on a proportionate basis, which is total number of Equity Shares applied for by each Bidder in that category multiplied by the inverse of the over-subscription ratio;
- (d) In all Bids where the proportionate allotment is less than the minimum bid lot decided per Bidder, the allotment may be made as follows: the successful Bidders out of the total Bidders for a category may be

determined by a draw of lots in a manner such that the total number of Equity Shares Allotted in that category is equal to the number of Equity Shares calculated in accordance with (b) above; and each successful Bidder may be Allotted a minimum of such Equity Shares equal to the minimum Bid Lot finalised by the Issuer;

- (e) If the proportionate allotment to a Bidder is a number that is more than the minimum Bid lot but is not a multiple of one (which is the marketable lot), the decimal may be rounded off to the higher whole number if that decimal is 0.5 or higher. If that number is lower than 0.5 it may be rounded off to the lower whole number. Allotment to all bidders in such categories may be arrived at after such rounding off; and
- (f) If the Equity Shares allocated on a proportionate basis to any category are more than the Equity Shares Allotted to the Bidders in that category, the remaining Equity Shares available for allotment may be first adjusted against any other category, where the Allotted Equity Shares are not sufficient for proportionate allotment to the successful Bidders in that category. The balance Equity Shares, if any, remaining after such adjustment may be added to the category comprising Bidders applying for minimum number of Equity Shares.

## 7.6 DESIGNATED DATE AND ALLOTMENT OF EQUITY SHARES

- (a) **Designated Date:** On the Designated Date, the Escrow Collection Banks shall transfer the funds represented by allocation of Equity Shares (other than ASBA funds with the SCSBs) from the Escrow Account, as per the terms of the Escrow Agreement, into the Public Issue Account with the Bankers to the Issue. The balance amount after transfer to the Public Issue Account shall be transferred to the Refund Account. Payments of refund to the Bidders shall also be made from the Refund Account as per the terms of the Escrow Agreement and the RHP.
- (b) **Issuance of Allotment Advice:** Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar shall upload the same on its website. On the basis of the approved Basis of Allotment, the Issuer shall pass necessary corporate action to facilitate the Allotment and credit of Equity Shares. Bidders/Applicants **are advised to instruct their Depository Participant to accept the Equity Shares that may be allotted to them pursuant to the Issue.**

Pursuant to confirmation of such corporate actions, the Registrar will dispatch Allotment Advice to the Bidders/Applicants who have been Allotted Equity Shares in the Issue.

- (c) The dispatch of Allotment Advice shall be deemed a valid, binding and irrevocable contract.
- (d) Issuer will ensure that: (i) the Allotment of Equity Shares; and (ii) credit of shares to the successful Bidders/Applicants Depository Account will be completed within 12 Working Days of the Bid/ Issue Closing Date. The Issuer also ensures the credit of shares to the successful Applicant's depository account is completed within two Working Days from the date of Allotment, after the funds are transferred from the Escrow Account to 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 12 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 12 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 RHP/Prospectus. The Designated Stock Exchange may be as disclosed in the RHP/Prospectus with which the



Basis of Allotment may be finalised.

If the Issuer fails to make application to the Stock Exchange(s) and obtain permission for listing of the Equity Shares, in accordance with the provisions of Section 40 of the Companies Act, 2013, the Issuer may be punishable with a fine which shall not be less than ` 5 lakhs but which may extend to ` 50 lakhs and every officer of the Issuer who is in default shall be punishable with imprisonment for a term which may extend to one year or with fine which shall not be less than ` 50,000 but which may extend to ` 3 lakhs, or with both.

If the permissions to deal in and for an official quotation of the Equity Shares are not granted by any of the Stock Exchange(s), the Issuer may forthwith repay, without interest, all moneys received from the Bidders/Applicants in pursuance of the RHP/Prospectus.

If such money is not repaid within the prescribed time after the Issuer becomes liable to repay it, then the Issuer and every director of the Issuer who is an officer in default may, on and from such expiry of such period, be liable to repay the money, with interest at such rate, as disclosed in the RHP/Prospectus.

### 8.2.2 NON RECEIPT OF MINIMUM SUBSCRIPTION

If the Issuer does not receive a minimum subscription of 90% of the Net Issue (excluding any offer for sale of specified securities), including devolvement to the Underwriters, within 60 days from the Bid/Issue Closing Date, the Issuer may forthwith, without interest refund the entire subscription amount received. In case the Issue is in the nature of Offer for Sale only, then minimum subscription may not be applicable.

If there is a delay beyond the prescribed time, then the Issuer and every director of the Issuer who is an officer in default may be liable to repay the money, with interest at the rate of 15% per annum.

### 8.2.3 MINIMUM NUMBER OF ALLOTTEES

The Issuer may ensure that the number of prospective Allottees to whom Equity Shares may be allotted may not be less than 1,000 failing which the entire application monies may be refunded forthwith.

### 8.2.4 IN CASE OF ISSUES MADE UNDER COMPULSORY BOOK BUILDING

In case an Issuer not eligible under Regulation 26(1) of the SEBI ICDR Regulations, 2009 comes for an Issue under Regulation 26(2) of SEBI (ICDR) Regulations, 2009 but fails to allot at least 75% of the Net Issue to QIBs, in such case full subscription money is to be refunded.

## 8.3 MODE OF REFUND

- (a) **In case of ASBA Bids/Applications:** Within 12 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 Bid/Application and also for any excess amount blocked on Bidding/Application.
- (b) **In case of Non-ASBA Bid/Applications:** Within 12 Working Days of the Bid/Issue Closing Date, the Registrar to the Issue may dispatch the refund orders for all amounts payable to unsuccessful Bidders/Applicants and also for any excess amount paid on Bidding/Application, after adjusting for allocation/ allotment to Bidders/Applicants.
- (c) In case of non-ASBA Bidders/Applicants, the Registrar to the Issue may obtain from the depositories the Bidders/Applicants' bank account details, including the MICR code, on the basis of the DP ID, Client ID and PAN provided by the Bidders/Applicants in their Bid cum Application Forms for refunds. Accordingly, Bidders/Applicants are advised to immediately update their details as appearing on the records of their DPs. Failure to do so may result in delays in dispatch of refund orders or refunds through electronic transfer of funds, as applicable, and any such delay may be at the Bidders/Applicants' sole risk and neither the Issuer, the Registrar to the Issue, the Escrow Collection Banks, or the Syndicate, may be liable to compensate the Bidders/Applicants for any losses caused to them due to any such delay, or liable to pay any interest for such delay. Please note that refunds, on account of our Company not receiving the minimum subscription of 90% of the Issue, shall be credited only to the bank account from which the Bid Amount was remitted to the Escrow Bank.

- (d) In the case of Bids from Eligible NRIs, FIIs and FPIs, refunds, if any, may generally be payable in Indian Rupees only and net of bank charges and/or commission. If so desired, such payments in Indian Rupees may be converted into U.S. Dollars or any other freely convertible currency as may be permitted by the RBI at the rate of exchange prevailing at the time of remittance and may be dispatched by registered post. The Issuer may not be responsible for loss, if any, incurred by the Bidder/Applicant on account of conversion of foreign currency.

### 8.3.1 Mode of making refunds for Bidders/Applicants other than ASBA Bidders/Applicants

The payment of refund, if any, may be done through various modes as mentioned below:

- (e) **NECS**—Payment of refund may be done through NECS for Bidders/Applicants having an account at any of the centers specified by the RBI. This mode of payment of refunds may be subject to availability of complete bank account details including the nine-digit MICR code of the Bidder/Applicant as obtained from the Depository;
- (f) **NEFT**—Payment of refund may be undertaken through NEFT wherever the branch of the Bidders/Applicants' bank is NEFT enabled and has been assigned the Indian Financial System Code ("IFSC"), which can be linked to the MICR of that particular branch. The IFSC Code may be obtained from the website of RBI as at a date prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the Bidders/Applicants have registered their nine-digit MICR number and their bank account number while opening and operating the demat account, the same may be duly mapped with the IFSC Code of that particular bank branch and the payment of refund may be made to the Bidders/Applicants through this method. In the event NEFT is not operationally feasible, the payment of refunds may be made through any one of the other modes as discussed in this section;
- (g) **Direct Credit**—Bidders/Applicants having their bank account with the Refund Banker may be eligible to receive refunds, if any, through direct credit to such bank account;
- (h) **RTGS**—Bidders/Applicants having a bank account at any of the centers notified by SEBI where clearing houses are managed by the RBI, may have the option to receive refunds, if any, through RTGS; and
- (i) For all the other Bidders/Applicants, including Bidders/Applicants who have not updated their bank particulars along with the nine-digit MICR code, the refund orders may be dispatched through speed post or registered post for refund orders. Such refunds may be made by cheques, pay orders or demand drafts drawn on the Refund Bank and payable at par at places where Bids are received.

Please note that refunds, on account of our Company not receiving the minimum subscription of 90% of the Issue, shall be credited only to the bank account from which the Bid Amount was remitted to the Escrow Bank.

For details of levy of charges, if any, for any of the above methods, Bank charges, if any, for cashing such cheques, pay orders or demand drafts at other centers etc Bidders/Applicants may refer to RHP/Prospectus.

### 8.3.2 Mode of making refunds for ASBA Bidders/Applicants

In case of ASBA Bidders/Applicants, the Registrar to the Issue may instruct the controlling branch of the SCSB to unblock the funds in the relevant ASBA Account for any withdrawn, rejected or unsuccessful ASBA 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 if refund orders are not dispatched or if, in a case where the refund or portion thereof is made in electronic manner, the refund instructions have not been given to the clearing system in the disclosed manner and/or demat credits are not made to Bidders/Applicants or instructions for unblocking of funds in the ASBA Account are not dispatched within the 12 Working days of the Bid/Issue Closing Date.

The Issuer may pay interest at 15% per annum for any delay beyond 15 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
Allotment/ Allot/ Allotted	The allotment of Equity Shares pursuant to the Issue to successful Bidders/Applicants
Allottee	An Bidder/Applicant to whom the Equity Shares are Allotted
Allotment Advice	Note or advice or intimation of Allotment sent to the Bidders/Applicants who have been allotted Equity Shares after the Basis of Allotment has been approved by the designated Stock Exchanges
Anchor Investor	A Qualified Institutional Buyer, applying under the Anchor Investor Portion in accordance with the requirements specified in SEBI ICDR Regulations, 2009.
Anchor Investor Portion	Up to 60% of the QIB Category which may be allocated by the Issuer in consultation with the BRLMs, to Anchor Investors on a discretionary basis. One-third of the Anchor Investor Portion is reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to Anchor Investors
Application Form	The form in terms of which the Applicant should make an application for Allotment in case of issues other than Book Built Issues, includes Fixed Price Issue
Application Supported by Blocked Amount/ (ASBA)/ASBA	An application, whether physical or electronic, used by Bidders/Applicants to make a Bid authorising an SCSB to block the Bid Amount in the specified bank account maintained with such SCSB
ASBA Account	Account maintained with an SCSB which may be blocked by such SCSB to the extent of the Bid Amount of the ASBA Bidder/Applicant
ASBA Bid	A Bid made by an ASBA Bidder
ASBA Bidder/Applicant	Prospective Bidders/Applicants in the Issue who Bid/apply through ASBA
Banker(s) to the Issue/ Escrow Collection Bank(s)/ Collecting Banker	The banks which are clearing members and registered with SEBI as Banker to the Issue with whom the Escrow Account(s) may be opened, and as disclosed in the RHP/Prospectus and Bid cum Application Form of the Issuer
Basis of Allotment	The basis on which the Equity Shares may be Allotted to successful Bidders/Applicants under the Issue
Bid	An indication to make an offer during the Bid/Issue Period by a prospective Bidder pursuant to submission of Bid cum Application Form or during the Anchor Investor Bid/Issue Period by the Anchor Investors, to subscribe for or purchase the Equity Shares of the Issuer at a price within the Price Band, including all revisions and modifications thereto. In case of issues undertaken through the fixed price process, all references to a Bid should be construed to mean an Application

Term	Description
Bid /Issue Closing Date	The date after which the Syndicate, Registered Brokers and the SCSBs may not accept any Bids for the Issue, which may be notified in an English national daily, a Hindi national daily and a regional language newspaper at the place where the registered office of the Issuer is situated, each with wide circulation. Applicants/bidders may refer to the RHP/Prospectus for the Bid/ Issue Closing Date
Bid/Issue Opening Date	The date on which the Syndicate and the SCSBs may start accepting Bids for the Issue, which may be the date notified in an English national daily, a Hindi national daily and a regional language newspaper at the place where the registered office of the Issuer is situated, each with wide circulation. Applicants/bidders may refer to the RHP/Prospectus for the Bid/ Issue Opening Date
Bid/Issue Period	Except in the case of Anchor Investors (if applicable), the period between the Bid/Issue Opening Date and the Bid/Issue Closing Date inclusive of both days and during which prospective Bidders/Applicants (other than Anchor Investors) can submit their Bids, inclusive of any revisions thereof. The Issuer may consider closing the Bid/ Issue Period for QIBs one working day prior to the Bid/Issue Closing Date in accordance with the SEBI ICDR Regulations, 2009. Applicants/bidders may refer to the RHP/Prospectus for the Bid/ Issue Period
Bid Amount	The highest value of the optional Bids indicated in the Bid cum Application Form and payable by the Bidder/Applicant upon submission of the Bid (except for Anchor Investors), less discounts (if applicable). In case of issues undertaken through the fixed price process, all references to the Bid Amount should be construed to mean the Application Amount
Bid cum Application Form	The form in terms of which the Bidder/Applicant should make an offer to subscribe for or purchase the Equity Shares and which may be considered as the application for Allotment for the purposes of the Prospectus, whether applying through the ASBA or otherwise. In case of issues undertaken through the fixed price process, all references to the Bid cum Application Form should be construed to mean the Application Form
Bidder/Applicant	Any prospective investor (including an ASBA Bidder/Applicant) who makes a Bid pursuant to the terms of the RHP/Prospectus and the Bid cum Application Form. In case of issues undertaken through the fixed price process, all references to a Bidder/Applicant should be construed to mean an Bidder/Applicant
Book Built Process/ Book Building Process/ Book Building Method	The book building process as provided under SEBI ICDR Regulations, 2009, in terms of which the Issue is being made
Broker Centres	Broker centres notified by the Stock Exchanges, where Bidders/Applicants can submit the Bid cum Application Forms/Application Form to a Registered Broker. The details of such broker centres, along with the names and contact details of the Registered Brokers are available on the websites of the Stock Exchanges.

Term	Description
BRLM(s)/ Book Running Lead Manager(s)/Lead Manager/ LM	The Book Running Lead Manager to the Issue as disclosed in the RHP/Prospectus and the Bid cum Application Form of the Issuer. In case of issues undertaken through the fixed price process, all references to the Book Running Lead Manager should be construed to mean the Lead Manager or LM
Business Day	Monday to Friday (except public holidays)
CAN/Confirmation of Allotment Note	The note or advice or intimation sent to each successful Bidder/Applicant indicating the Equity Shares which may be Allotted, after approval of Basis of Allotment by the Designated Stock Exchange
Cap Price	The higher end of the Price Band, above which the Issue Price and the Anchor Investor Issue Price may not be finalised and above which no Bids may be accepted
Client ID	Client Identification Number maintained with one of the Depositories in relation to demat account
Cut-off Price	Issue Price, finalised by the Issuer in consultation with the Book Running Lead Manager(s), which can be any price within the Price Band. Only RIIs, Retail Individual Shareholders and employees are entitled to Bid at the Cut-off Price. No other category of Bidders/Applicants are entitled to Bid at the Cut-off Price
DP	Depository Participant
DP ID	Depository Participant's Identification Number
Depositories	National Securities Depository Limited and Central Depository Services (India) Limited
Demographic Details	Details of the Bidders/Applicants including the Bidder/Applicant's address, name of the Applicant's father/husband, investor status, occupation and bank account details
Designated Branches	Such branches of the SCSBs which may collect the Bid cum Application Forms used by the ASBA Bidders/Applicants applying through the ASBA and a list of which is available on <a href="http://www.sebi.gov.in/cms/sebi_data/attachdocs/1316087201341.html">http://www.sebi.gov.in/cms/sebi_data/attachdocs/1316087201341.html</a>
Designated Date	The date on which funds are transferred by the Escrow Collection Bank(s) from the Escrow Account or the amounts blocked by the SCSBs are transferred from the ASBA Accounts, as the case may be, to the Public Issue Account or the Refund Account, as appropriate, after the Prospectus is filed with the RoC, following which the board of directors may Allot Equity Shares to successful Bidders/Applicants in the fresh Issue may give delivery instructions for the transfer of the Equity Shares constituting the Offer for Sale
Designated Stock Exchange	The designated stock exchange as disclosed in the RHP/Prospectus of the Issuer
Discount	Discount to the Issue Price that may be provided to Bidders/Applicants in accordance with the SEBI ICDR Regulations, 2009.
Prospectus	This Prospectus filed with SEBI in case of Fixed Price Issues and which may mention a price or a Price Band

Term	Description
Employees	Employees of an Issuer as defined under SEBI ICDR Regulations, 2009 and including, in case of a new company, persons in the permanent and full time employment of the promoting companies excluding the promoters and immediate relatives of the promoter. For further details Bidder/Applicant may refer to the RHP/Prospectus
Equity Shares	Equity shares of the Issuer
Escrow Account	Account opened with the Escrow Collection Bank(s) and in whose favour the Bidders/Applicants (excluding the ASBA Bidders/Applicants) may Issue cheques or drafts in respect of the Bid Amount when submitting a Bid
Escrow Agreement	Agreement to be entered into among the Issuer, the Registrar to the Issue, the Book Running Lead Manager(s), the Syndicate Member(s), the Escrow Collection Bank(s) and the Refund Bank(s) for collection of the Bid Amounts and where applicable, remitting refunds of the amounts collected to the Bidders/Applicants (excluding the ASBA Bidders/Applicants) on the terms and conditions thereof
Escrow Collection Bank(s)	Refer to definition of Banker(s) to the Issue
FCNR Account	Foreign Currency Non-Resident Account
First Bidder/Applicant	The Bidder/Applicant whose name appears first in the Bid cum Application Form or Revision Form
FII(s)	Foreign Institutional Investors as defined under the SEBI (Foreign Institutional Investors) Regulations, 1995 and registered with SEBI under applicable laws in India
Fixed Price Issue/Fixed Price Process/Fixed Price Method	The Fixed Price process as provided under SEBI ICDR Regulations, 2009, in terms of which the Issue is being made
Floor Price	The lower end of the Price Band, at or above which the Issue Price and the Anchor Investor Issue Price may be finalised and below which no Bids may be accepted, subject to any revision thereto
FPIs	Foreign Portfolio Investors as defined under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014
FPO	Further public offering
Foreign Venture Capital Investors or FVCIs	Foreign Venture Capital Investors as defined and registered with SEBI under the SEBI (Foreign Venture Capital Investors) Regulations, 2000
IPO	Initial public offering
Issue	Public Issue of Equity Shares of the Issuer including the Offer for Sale if applicable
Issuer/ Company	The Issuer proposing the initial public offering/further public offering as applicable
Issue Price	The final price, less discount (if applicable) at which the Equity Shares may be Allotted in terms of the Prospectus. The Issue Price may be decided by the Issuer in consultation with the Book Running Lead Manager(s)
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.



Term	Description
MICR	Magnetic Ink Character Recognition - nine-digit code as appearing on a cheque leaf
Mutual Fund	A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996
Mutual Funds Portion	5% of the QIB Category (excluding the Anchor Investor Portion) available for allocation to Mutual Funds only, being such number of equity shares as disclosed in the RHP/Prospectus and Bid cum Application Form
NECS	National Electronic Clearing Service
NEFT	National Electronic Fund Transfer
NRE Account	Non-Resident External Account
NRI	NRIs from such jurisdictions outside India where it is not unlawful to make an offer or invitation under the Issue and in relation to whom the RHP/Prospectus constitutes an invitation to subscribe to or purchase the Equity Shares
NRO Account	Non-Resident Ordinary Account
Net Issue	The Issue less reservation portion
Non-Institutional Investors or NIIs	All Bidders/Applicants, including sub accounts of FIIs registered with SEBI which are foreign corporate or foreign individuals and FPIs which are Category III foreign portfolio investors, that are not QIBs or RIBs and who have Bid for Equity Shares for an amount of more than ` 200,000 (but not including NRIs other than Eligible NRIs)
Non-Institutional Category	The portion of the Issue being such number of Equity Shares available for allocation to NIIs on a proportionate basis and as disclosed in the RHP/Prospectus and the Bid cum Application Form
Non-Resident	A person resident outside India, as defined under FEMA and includes Eligible NRIs, FIIs, FPIs and FVCIs
OCB/Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date had taken benefits under the general permission granted to OCBs under FEMA
Offer for Sale	Public offer of such number of Equity Shares as disclosed in the RHP/Prospectus through an offer for sale by the Selling Shareholder
Other Investors	Investors other than Retail Individual Investors in a Fixed Price Issue. These include individual applicants other than retail individual investors and other investors including corporate bodies or institutions irrespective of the number of specified securities applied for.
PAN	Permanent Account Number allotted under the Income Tax Act, 1961

Term	Description
Price Band	Price Band with a minimum price, being the Floor Price and the maximum price, being the Cap Price and includes revisions thereof. The Price Band and the minimum Bid lot size for the Issue may be decided by the Issuer in consultation with the Book Running Lead Manager(s) and advertised, at least two working days in case of an IPO and one working day in case of FPO, prior to the Bid/ Issue Opening Date, in English national daily, Hindi national daily and regional language at the place where the registered office of the Issuer is situated, newspaper each with wide circulation
Pricing Date	The date on which the Issuer in consultation with the Book Running Lead Manager(s), finalise the Issue Price
Prospectus	The prospectus to be filed with the RoC in accordance with Section 60 of the Companies Act, 1956 after the Pricing Date, containing the Issue Price, the size of the Issue and certain other information
Public Issue Account	An account opened with the Banker to the Issue to receive monies from the Escrow Account and from the ASBA Accounts on the Designated Date
QIB Category	The portion of the Issue being such number of Equity Shares to be Allotted to QIBs on a proportionate basis
Qualified Institutional Buyers or QIBs	As defined under SEBI ICDR Regulations, 2009
RTGS	Real Time Gross Settlement
Red Herring Prospectus/ RHP	The red herring prospectus issued in accordance with Section 32 of the Companies Act, 2013, which does not have complete particulars of the price at which the Equity Shares are offered and the size of the Issue. The RHP may be filed with the RoC at least three days before the Bid/Issue Opening Date and may become a Prospectus upon filing with the RoC after the Pricing Date. In case of issues undertaken through the fixed price process, all references to the RHP should be construed to mean the Prospectus
Refund Account(s)	The account opened with Refund Bank(s), from which refunds (excluding refunds to ASBA Bidders/Applicants), if any, of the whole or part of the Bid Amount may be made
Refund Bank(s)	Refund bank(s) as disclosed in the RHP/Prospectus and Bid cum Application Form of the Issuer
Refunds through electronic transfer of funds	Refunds through NECS, Direct Credit, NEFT, RTGS or ASBA, as applicable
Registered Broker	Stock Brokers registered with the Stock Exchanges having nationwide terminals, other than the members of the Syndicate
Registrar to the Issue/RTI	The Registrar to the Issue as disclosed in the RHP/Prospectus and Bid cum Application Form
Reserved Category/ Categories	Categories of persons eligible for making application/bidding under reservation portion

Term	Description
Reservation Portion	The portion of the Issue reserved for category of eligible Bidders/Applicants as provided under the SEBI ICDR Regulations, 2009
Retail Individual Investors / RIIs	Investors who applies or bids for a value of not more than ` 200,000.
Retail Individual Shareholders	Shareholders of a listed Issuer who applies or bids for a value of not more than ` 200,000.
Retail Category	The portion of the Issue being such number of Equity Shares available for allocation to RIIs which shall not be less than the minimum bid lot, subject to availability in RII category and the remaining shares to be allotted on proportionate basis.
Revision Form	The form used by the Bidders in an issue through Book Building process to modify the quantity of Equity Shares and/or bid price indicates therein in any of their Bid cum Application Forms or any previous Revision Form(s)
RoC	The Registrar of Companies
SEBI	The Securities and Exchange Board of India constituted under the Securities and Exchange Board of India Act, 1992
SEBI ICDR Regulations, 2009	The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009
Self Certified Syndicate Bank(s) or SCSB(s)	A bank registered with SEBI, which offers the facility of ASBA and a list of which is available on <a href="http://www.sebi.gov.in/cms/sebi_data/attachdocs/1316087201341.html">http://www.sebi.gov.in/cms/sebi_data/attachdocs/1316087201341.html</a>
Specified Locations	Refer to definition of Broker Centers
Stock Exchanges/ SE	The stock exchanges as disclosed in the RHP/Prospectus of the Issuer where the Equity Shares Allotted pursuant to the Issue are proposed to be listed
Syndicate	The Book Running Lead Manager(s) and the Syndicate Member
Syndicate Agreement	The agreement to be entered into among the Issuer, and the Syndicate in relation to collection of the Bids in this Issue (excluding Bids from ASBA Bidders/Applicants)
Syndicate Member(s)/SM	The Syndicate Member(s) as disclosed in the RHP/Prospectus
Underwriters	The Book Running Lead Manager(s) and the Syndicate Member(s)
Underwriting Agreement	The agreement amongst the Issuer, and the Underwriters to be entered into on or after the Pricing Date
Working Day	All days other than a Sunday or a public holiday on which commercial banks are open for business, except with reference to announcement of Price Band and Bid/Issue Period, where working day shall mean all days, excluding Saturdays, Sundays and public holidays, which are working days for commercial banks in India.

## **RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES**

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of GoI and FEMA. While the Industrial Policy, 1991 prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Under the Industrial Policy, unless specifically restricted, foreign investment is freely permitted in all sectors of Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. Foreign investment limit is allowed up to 100% under automatic route in our Company.

By way of Circular No. 53 dated December 17, 2003, the RBI has permitted FIIs to subscribe to shares of an Indian company in a public offer without the prior approval of the RBI, so long as the price of the equity shares to be issued is not less than the price at which the equity shares are issued to residents.

India's current Foreign Direct Investment ("FDI") Policy issued by the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, GOI ("DIPP") by circular 1 of 2014, with effect from April 17, 2014 ("Circular 1 of 2014"), consolidates and subsumes all previous press notes, press releases and clarifications on FDI issued by the DIPP. The Government usually updates the consolidated circular on FDI Policy once every Year and therefore, Circular 1 of 2014 will be valid until the DIPP issues an updated circular.

RBI has also issued Master Circular on Foreign Investment in India dated July 01, 2014 which is valid till June 30, 2015. In terms of the Master Circular, an Indian company may issue fresh shares to persons resident outside India (who are 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

### **Subscription by foreign investors (NRIs/FPIs)**

FPIs are permitted to subscribe to Equity Shares of an Indian Company in a public offer without the prior approval of the RBI, so long as the price of the Equity Shares to be issued is not less than the price at which the Equity Shares are issued to residents. , SEBI registered FPIs have been permitted to purchase shares of an Indian company through offer, subject to total FPI investment being within the individual FPI/sub account investment limit of 10 per cent subject to the total sectoral cap of all FPIs/sub-accounts put together being 24 per cent of the paid-up capital of the Indian company.

### **Representation from the Applicants**

No person shall make an Application in the Issue, unless such person is eligible to acquire Equity Shares of our Company in accordance with applicable laws, rules, regulations, guidelines and approvals.

Investors that make Application under the Issue will be required to confirm and will be deemed to have represented to our Company, the Underwriters, and their respective directors, officers, agents, affiliates and representatives, as applicable, 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, as applicable, accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire Equity Shares of our Company.

There is no reservation for Non Residents, NRIs, FPIs, foreign venture capital funds, multi-lateral and bilateral development financial institutions and any other foreign investor. All Non Residents, NRIs, FPIs and foreign venture capital funds, multi-lateral and bilateral development financial institutions and any other foreign investor applicants will be treated on the same basis with other categories for the purpose of allocation.

Transfers of equity shares previously required the prior approval of the FIPB. However, vide a RBI circular dated October 4, 2004 issued by the RBI, the transfer of shares between an Indian resident and a non-resident does not require the prior approval of the FIPB or the RBI, provided that (i) the activities of the investee company are under the automatic route under the foreign direct investment (FDI) Policy and transfer does not attract the provisions of the SEBI (Substantial

Acquisition of Shares and Takeovers) Regulations, 2011 (ii) the non-resident shareholding is within the sectoral limits under the FDI policy, and (iii) the pricing is in accordance with the regulations / guidelines prescribed by the SEBI/RBI.

As per the existing policy of the Government of India, OCBs cannot participate in this Issue.

The Equity Shares have not been and will not be registered under the US Securities Act of 1933 (*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), outside the United States to certain persons in offshore transactions in compliance with Regulations under the Securities Act. The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Our Company, LM and the Issue Management Team are not making any selling efforts in any jurisdiction outside India.

The above information is given for the benefit of the Applicants. The Company and the LM are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Prospectus. Applicants are advised to make their independent investigations and ensure that the number of Equity Shares Applied for do not exceed the applicable limits under laws or regulations.

## **SECTION VIII - MAIN PROVISIONS OF ARTICLES OF ASSOCIATION OF OUR COMPANY**

Pursuant to Sechedule II of Companies Act, and the SEBI (ICDR) Regulations, the Main provisions of the Articles of Association relating to voting rights, dividend, lien, forfeiture, restrictions on transfer and Transmission of equity shares or debentures, their consolidation or splitting are as provided below. Each provision below is numbered as per the corresponding article number in the articles of association and defined terms herein have the meaning given to them in the Articles of Association.

Article No.	Description
<b>Share Capital</b>	
1.	The authorized share capital of the Company shall be such amount and be divided into such shares as may, from time to time, be provided in the Memorandum of Association of the Company, with power to increase or reduce the capital of the Company and to divide the shares in the Capital for the time being into several classes and to attach thereto respectively such preferential, deferred, qualified or special rights and privileges or conditions as may be determined by or in accordance with the regulations of the Company and to vary, modify or abrogate any such rights, privileges or conditions in such manner as may, for the time being, be provided by the regulations of the Company.
<b>Shares under Control of the Board</b>	
2.	Subject to the provisions of the Act and these Articles, the shares in the capital of the Company 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 or (subject to the compliance with the provisions of Section 53 of the Companies Act, 2013) at a discount and at such time as they may from time to time think fit and with sanction of the Company in the General Meeting to give to any person or persons the option or right to call for any Shares either at par or premium during such time and for such consideration as the Directors think fit, and may issue and allot Shares in the capital of the Company on payment in full or part of any property sold and transferred or for any services rendered to the Company in the conduct of its business and any Shares which may so be allotted may be issued as fully paid up Shares and if so issued, shall be deemed to be fully paid Shares. Provided that option or right to call for Shares shall not be given to any person or persons without the sanction of the Company in the General Meeting.
<b>Shares for Consideration other than Cash</b>	
3.	Subject to the provisions of the Act and these Articles, the Board may issue and allot shares in the capital of the Company on payment in full or part for any property or assets of any kind whatsoever, sold or transferred, goods or machinery supplied or for any services rendered to the Company in conduct of its business and any shares which may be so allotted may be issued as fully paid up shares or partly fully paid up otherwise than for cash and if so issued, shall be deemed to be fully paid shares or partly paid shares, as the case maybe.
<b>Kinds of Share Capital</b>	
4.	<p>The Company may issue the following kinds of shares in accordance with these Articles, the Act, the Rules and other applicable bye-laws:</p> <ol style="list-style-type: none"> <li>Equity share capital: (i) with voting rights; and/or (ii) with differential rights as to dividend, voting or otherwise in accordance with the Rules; and</li> <li>Preference share capital.</li> </ol>
<b>Issue of Share Certificates</b>	
5.	<ol style="list-style-type: none"> <li>Every Member or allottee of Shares is entitled, without payment, to receive one certificate for all the Shares of the same class registered in his name.</li> <li>Any two or more joint allottees or holders of Shares shall, for the purpose of this Article, be treated as a single member and the certificate of any Share which may be the subject of joint ownership may be delivered to any one of such joint owners, on behalf of all of them</li> </ol>



	(iii) 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 the delivery of certificate, if any, relating to such share or to receive notice (which term shall be deemed to include all relevant documents) and any notice served on or sent to such person shall be deemed service on all the joint-holders.
<b>Limitation of time for issue of certificates</b>	
6.	<p>(i) Every Member shall be entitled, without payment to one or more certificates in marketable lots, for all the shares of each class or denomination registered in his name, or if the directors so approve (upon paying such fee as the Directors so time determine) to several certificates, each for one or more of such shares and the Company shall complete and have ready for delivery such certificates within two months from the date of allotment, unless the conditions of issue thereof otherwise provide, or within fifteen days of the receipt of application of registration of transfer, transmission, sub-division, consolidation or renewal of any of its Shares as the case may be. Every certificate of Shares shall be under the seal of the company and shall specify the number and distinctive numbers of Shares in respect of which it is issued and amount paid-up thereon and shall be in such form as the directors may prescribe and 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 or several joint holders shall be a sufficient delivery to all such holder.</p> <p>(ii) Every certificate shall be under the seal and shall specify the number and distinctive number of the Shares to which it relates and the amount paid-up thereon and shall be in such form as the Directors may prescribe and approve, provided that in respect of any share or shares held jointly by several persons, the Company shall not be bound to issue more than one certificate, and delivery of a certificate of shares to one or several joint holders shall be sufficient delivery to all such holders.</p>
7.	A person subscribing to shares offered by the Company shall have the option either to receive certificates for such shares or hold the shares in a dematerialized state with a depository. Where a person opts to hold any share with the depository, the Company shall intimate such depository the details of allotment of the shares to enable the depository to enter in its records the name of such person as the beneficial owner of that share.
<b>Issue of New Certificate in place of one defaced, lost or destroyed</b>	
8.	If any share certificate be worn out, defaced, mutilated or torn or if there be no further space on the back for endorsement of transfer, then upon production and surrender thereof to the Company, a new certificate may be issued in lieu thereof, and if any certificate is lost or destroyed then upon proof thereof to the satisfaction of the Company and on execution of such indemnity as the company deem adequate, a new certificate in lieu thereof shall be given. Every certificate under this Article shall be issued on payment of fees for each certificate as may be fixed by the Board of Directors. Every certificate under this Article shall be issued on payment of fees for each certificate as may be fixed by the Board. 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 rules made under the Securities Contracts (Regulation) Act, 1956 or any other Act, or rules applicable thereof in this behalf.
9.	The provisions of the foregoing Articles relating to issue of certificates apply <i>mutatis mutandis</i> to issue of certificates for any other securities including debentures of the Company.
10.	Except as required by law, no person shall be recognized by the Company as holding any share upon any trust, and the company shall not be bound by, or be compelled in any way to recognize (even when having notice thereof) any equitable, contingent, future or partial interest in any share, or any interest in any fractional part of a share, or (except only as by these regulations or by law otherwise provided) any other rights in respect of any share except an absolute right to the entirety thereof in the registered holder.
<b>Power to Pay Commission in connection to the Securities issued</b>	
11.	The Company may exercise the powers of paying commissions conferred by sub-section (6) of section

	40, provided that the rate per cent or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by that section and rules made thereunder.
12.	The rate or amount of the commission shall not exceed the rate or amount prescribed in rules made under sub-section (6) of section 40.
13.	The commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in the one way and partly in the other.
<b>Variation of the members' right</b>	
14.	<p>(i) If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of section 48, and whether or not the company is being wound up, be varied with the consent in writing of the holders of three-fourths of the issued shares of that class, or with the sanction of a special resolution passed at a separate meeting of the holders of the shares of that class.</p> <p>(ii) To every such separate meeting, the provisions of these regulations relating general meetings shall <i>mutatis mutandis</i> apply, but so that the necessary quorum shall be at least two persons holding at least one-third of the issued shares of the class in question.</p>
15.	The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further share ranking <i>pari passu</i> therewith Subject to the provisions of section 55, any preference shares may, with the sanction of a special resolution, be issued on the terms that they are to be redeemed on such terms and in such manner as the company before the issue of the shares may, by special resolution, determine
<b>Further issue of share capital</b>	
16.	<p>Where at any time, a company having a share capital proposes to increase its subscribed capital by the issue of further shares, such shares shall be offered-</p> <p>(a) to persons who, at the date of the offer, are holders of equity shares of the company in proportion, as nearly as circumstances admit, to the paid-up share capital on those shares by sending a letter of offer subject to the following conditions, namely:—</p> <p>(i) the offer shall be made by notice specifying the number of shares offered and limiting a time not being less than fifteen days and not exceeding thirty days from the date of the offer within which the offer, if not accepted, shall be deemed to have been declined;</p> <p>(ii) unless the articles of the company otherwise provide, the offer aforesaid shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to him or any of them in favour of any other person; and the notice referred to in clause (i) shall contain a statement of this right;</p> <p>(iii) after the expiry of the time specified in the notice aforesaid, or on receipt of earlier intimation from the person to whom such notice is given that he declines to accept the shares offered, the Board of Directors may dispose of them in such manner which is not dis-advantageous to the shareholders and the company;</p> <p>(b) to employees under a scheme of employees' stock option, subject to special resolution passed by company and subject to such conditions as may be prescribed; or</p> <p>(c) to any persons, if it is authorized by a special resolution, whether or not those persons include the persons referred to in clause (a) or clause (b), either for cash or for a consideration other than cash, if the price of such shares is determined by the valuation report of a registered valuer subject to such conditions as may be prescribed.</p> <p>(d) The notice referred to in sub-clause (a)(i) of Clause (1) shall be dispatched through registered post or speed post or through electronic mode to all the existing shareholders at least three days before the opening of the issue.</p> <p>(e) Nothing aforesaid shall apply to the increase of the subscribed capital of a company caused by the</p>

	<p>exercise of an option as a term attached to the debentures issued or loan raised by the company to convert such debentures or loans into shares in the company:</p> <p>Provided that the terms of issue of such debentures or loan containing such an option have been approved before the issue of such debentures or the raising of loan by a special resolution passed by the company in general meeting.</p>
<b>Sweat Equity Shares</b>	
17.	Subject to the provisions of the Act and other applicable provisions of law, the Company may with the approval of the shareholders by a special resolution in general meeting issue sweat equity shares in accordance with such rules and guidelines issued by the Securities and Exchange Board of India and/or other competent authorities for the time being and further subject to such conditions as may be prescribed in that behalf.
18.	Any debentures, debenture-stock or other securities may be issued subject to the provisions of the Act and these Articles, at a discount, premium or otherwise and may be issued on the condition that they shall be convertible into shares of any denomination and with any special 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 or other securities 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 way of a special resolution.
<b>Lien</b>	
19.	<p>(i) The Company shall have a first and paramount lien—</p> <p>(a) on every share (not being a fully paid share), for all monies (whether presently payable or not) called, or payable at a fixed time, in respect of that share; and</p> <p>(b) on all shares (not being fully paid shares) standing registered in the name of a single person, for all monies presently payable by him or his estate to the company:</p> <p>Provided that the Board of Directors may at any time declare any share to be wholly or in part exempt from the provisions of this clause.</p> <p>(ii) The Company's lien, if any, on a share shall extend to all dividends payable and bonuses declared from time to time in respect of such shares.</p>
<b>As to enforcing lien by Sale</b>	
20.	<p>The Company may sell, in such manner as the Board thinks fit, any shares on which the company has a lien:</p> <p>Provided that no sale shall be made—</p> <p>a) unless a sum in respect of which the lien exists is presently payable; or</p> <p>b) until the expiration of fourteen days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the share or the person entitled thereto by reason of his death or insolvency.</p>
<b>Validity of Sale</b>	
21.	<p>(i) To give effect to any such sale, the Board may authorise some person to transfer the shares sold to the purchaser thereof.</p> <p>(ii) The receipt of the Company for the consideration (if any) given for the share on the sale thereof shall (subject, if necessary, to execution of an instrument of transfer or a transfer by relevant system, as the case maybe) constitute a good title to the share and the purchaser shall be registered as the holder of the shares comprised in any such transfer.</p>

	(iii) The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.
<b>Application of Proceeds of Sale</b>	
22.	The proceeds of the sale shall be received by the Company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable. The residue, if any, shall, subject to a like lien for sums not presently payable as existed upon the shares before the sale, be paid to the person entitled to the shares at the date of the sale.
<b>Outsiders Lien not to affect Company's Lien</b>	
23.	In exercising its lien, the Company shall be entitled to treat the registered holder of any share as the absolute owner thereof and accordingly shall not (except as ordered by a court of competent jurisdiction or unless required by any statute) be bound to recognize any equitable or other claim to, or interest in, such share on the part of any other person, whether a creditor of the registered holder or otherwise. The Company's lien shall prevail notwithstanding that it has received notice of any such claim.
24.	The provisions of these Articles relating to lien shall <i>mutatis mutandis</i> apply to any other securities including debentures of the Company.
<b>Right of Director to Refuse Sub Division</b>	
25.	<p>(i) Notwithstanding anything contained elsewhere in these Articles, the Board may in their absolute discretion refuse sub-division of share certificates or debenture certificates into denominations of less than the marketable lots except where such sub-division is required to be made to comply with a statutory provision or an order of a competent court of law</p> <p>(ii) Notwithstanding anything contained elsewhere in these Articles, a certificate, if required, for a dematerialised share, debenture and other security shall be issued in the name of the Depository and all the provisions contained in these Articles in respect of the rights of a member/debenture holder of the Company shall <i>mutatis mutandis</i> apply to the Depository as if it were a member / debenture holder / security holder excepting that and notwithstanding that the Depository shall have been registered as the holder of a dematerialised share, debenture and other security, the person who is the beneficial owner of such shares, debentures and other securities shall be entitled to all other rights available to the registered holders of the shares, debentures and other securities in the Company as set out in the other provisions of these Articles.</p>
<b>Company entitled to dematerialise its shares, debentures and other securities</b>	
26.	<p>(i) Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialise its shares, debentures and other securities and to offer any shares, debentures or other securities proposed to be issued by it for subscription in a dematerialised form and on the same being done, the Company shall further be entitled to maintain a register of members/ debenture-holders/ other security-holders with the details of members/ debenture-holders/ other security-holders holding shares, debentures or other securities both in materialised and dematerialised form in any media as permitted by the Act.</p> <p>(ii) Every person subscribing to or holding securities of the Company shall have the option to receive security certificates or to hold the securities in electronic form with a Depository. If a person opts to hold his security with a Depository, the Company shall intimate such Depository the details of allotment of the security, and on receipt of the information, the Depository shall enter in its records the name of the allottee as the beneficial owner of the security.</p> <p>(iii) Save as herein otherwise provided, the Company shall be entitled to treat the person whose name appears as the beneficial owner of the shares, debentures and other securities in the records of the Depository as the absolute owner thereof as regards receipt of dividends or bonus on shares, interest/premium on debentures and other securities and repayment thereof or for service of notices and all or any other matters connected with the Company and accordingly the Company shall not</p>

	<p>(except as ordered by a court of competent jurisdiction or as by law required and except as aforesaid) be bound to recognize any benami trust or equity or equitable, contingent or other claim to or interest in such shares, debentures or other securities as the case may be, on the part of any other person whether or not it shall have express or implied notice thereof.</p> <p>(iv) In the case of transfer of shares, debentures or other securities where the Company has not issued any certificates and where such shares, debentures or other securities are being held in an electronic and fungible form, the provisions of the Depositories Act, 1996 shall apply. Provided that in respect of the shares and securities held by the Depository on behalf of a beneficial owner, provisions of Section 9 of the Depositories Act, 1996, shall apply so far as applicable</p> <p>(v) Every Depository shall furnish to the Company, information about the transfer of securities in the name of the beneficial owner at such intervals and in such manner as may be specified by the bye-laws of the Depository and the Company in that behalf.</p> <p>(vi) Except as specifically provided in these Articles, the provisions relating to joint holders of shares, calls, lien on shares, forfeiture of shares and transfer and transmission of shares shall be applicable to shares held in electronic form so far as they apply to shares in physical form subject however to the provisions of the Depositories Act, 1996.</p>
<b>Calls/Installments on shares to be duly paid</b>	
27.	<p>(i) If by the conditions of allotment of any shares, the whole or part of the amount of issue price thereof shall be payable by installments, then every such installment shall, when due, be paid to the Company by the person who, for the time being and from time to time, is or shall be the registered holder of the share or the legal representative of a deceased registered holder.</p> <p>(ii) Each member shall, subject to receiving at least fourteen days' notice specifying the time or times and place of payment, pay to the company, at the time or times and place so specified, the amount called on his shares.</p> <p>(iii) The Board may, from time to time, at its discretion, extend the time fixed for the payment of any call in respect of one or more members as the Board may deem appropriate in any circumstances.</p> <p>(iv) A call may be revoked or postponed at the discretion of the Board.</p> <p>(v) All calls shall be made on a uniform basis on all shares falling under the same class.</p> <p>(vi) Neither a judgment nor a decree in favour of the Company for calls or other moneys due in respect of any shares nor any part payment or satisfaction thereof nor the receipt by the Company of a portion of any money which shall from time to time be due from any member in respect of payment of any such money shall preclude the forfeiture of such shares as herein provided.</p> <p>(vii) The provisions of these Articles relating to calls on shares shall <i>mutatis mutandis</i> apply to any other securities including debentures of the Company.</p>
28.	A call shall be deemed to have been made at the time when the resolution of the Board authorizing the call was passed and may be required to be paid by installments.
29.	If by the conditions of allotment of any shares, the whole or part of the amount of issue price thereof shall be payable by installments, then every such installment shall, when due, be paid to the Company by the person who, for the time being and from time to time, is or shall be the registered holder of the share or the legal representative of a deceased registered holder.
30.	The joint holders of a share shall be jointly and severally liable for and in respect of all calls or installments and other payments which ought to be made in respect of such share.
<b>When Interest on Call Payable</b>	

31.	<p>(i) If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest thereon from the day appointed for payment thereof to the time of actual payment at ten per cent per annum or at such lower rate, if any, as the Board may determine.</p> <p>(ii) The Board shall be at liberty to waive payment of any such interest wholly or in part.</p>
<b>Sums Deemed to be on Call</b>	
32.	<p>(i) Any sum which by the terms of issue of a share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium, shall, for the purposes of these regulations, be deemed to be a call duly made and payable on the date on which by the terms of issue such sum becomes payable.</p> <p>(ii) In case of non-payment of such sum, all the relevant provisions of these regulations as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.</p>
<b>Payment on anticipation of call may carry Interest</b>	
33.	The Board may, if it thinks fit, receive from any member willing to advance the same, all or any part of the monies uncalled and unpaid upon any shares held by him; and upon all or any of the monies so advanced, may (until the same would, but for such advance, become presently payable) pay interest at such rate as may be agreed upon between the Board and the member paying the sum in advance. Nothing contained in this clause shall confer on the member (a) any right to participate in profits or dividends; or (b) any voting rights in respect of the moneys so paid by him until the same would, but for such payment, become presently payable by him.
<b>Transfer of shares</b>	
34.	The Company shall cause to be kept a Register and Index of Members in accordance with all applicable provisions of the Act and the Depositories Act, 1996 with details of Shares held in physical and dematerialized forms in any medium as may be permitted by law, including in any form of electronic medium. The Company shall be entitled to keep in any state or country outside India, a branch Register of Members resident in that state or country.
35.	<p>(i) The instrument of transfer of any Shares shall be in such form as may be prescribed under the Act and in writing and all the applicable provisions of the Act for the time being in force shall be duly complied with in respect of all transfers of shares and the registrations thereof.</p> <p>(ii) The instrument of transfer of any share in the company shall be duly stamped and executed by or on behalf of both the transferor and transferee. The instrument of transfer duly stamped and executed by the transferor or the transferee shall be delivered to the Company in accordance with the provisions of the Act. The instrument of transfer shall be accompanied by such evidence as the Board may require to prove the title of transferor and his right to transfer the Shares and every registered instrument of transfer shall remain in the custody of the Company until destroyed by order of the Board. The transferor shall be deemed to be the holder of such Shares until the name of the transferee shall have been entered in the Register of Members in respect thereof. Before the registration of a transfer the certificate or certificates of the Shares must be delivered to the Company. The transfer of the Shares shall be effected within one month from the date of the lodging the transfer with the Company.</p>
36.	<p>The Board may decline to recognize any instrument of transfer unless—</p> <p>(a) the instrument of transfer is in the form as prescribed in rules made under sub-section (1) of section 56;</p> <p>(b) the instrument of transfer is accompanied by the certificate of the shares to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer; and</p> <p>(c) the instrument of transfer is in respect of only one class of shares.</p>



37.	Notwithstanding anything contained contrary in these Articles, the shareholders shall have full, absolute, unrestricted and unfettered right to transfer, pledge, create lien, charge, mortgage and otherwise encumber the shares of the Company in favour of the lenders or in favour of any person/s acting for the benefit of the lenders as security for the loans and such lenders or the person/s acting for the benefit of the lenders, as the case may be, shall have full, absolute, unrestricted and unfettered right to sell the shares so pledged, charged and/or under the security interest and/or transfer in their name, in the name of their nominees or in the name of third person, at their sole and absolute discretion in accordance with the terms of financing/ security/ debenture documents. The Company shall immediately give effect to such transfer of share and/ or sale of the shares and register the name of the lenders or the person acting for the benefit of the lender or transferee or the subsequent purchaser as shareholder.
38.	Nothing contained contrary in these Articles shall apply to any transfer or sale of shares which are charged, pledged or under the security interest as security for the loans or the transfer, sale or appropriation of shares by the lenders or by any person/s acting for the benefit of the lenders and the Company/Director shall immediately without demur register the name of the lenders or the person acting for the benefit of the lenders or any such person to whom the lenders or the person acting for the benefit of the lenders have sold or transferred the shares pursuant to its right available in any of the financing and/or security documents or the subsequent transferee.
39.	On giving not less than seven days' previous notice in accordance with section 91 and rules made thereunder, the registration of transfers may be suspended at such times and for such periods as the Board may from time to time determine: Provided that such registration shall not be suspended for more than thirty days at any one time or for more than forty-five days in the aggregate in any year.
<b>Directors may refuse to register transfer</b>	
40.	Subject to the provisions of Section 58 & 59 of the Companies Act, 2013, these Articles and other applicable provisions of the Act and Section 22A of the Securities Contracts (Regulation) Act, 1956 or any other law for the time being in force, the Board may refuse whether in pursuance of any power of the company under these Articles or otherwise to register the transfer of, or the transmission by operation of law of the right to, any Shares or interest of a Member in or Debentures of the Company. The Company shall within a period of thirty days from the date on which the instrument of transfer, or the intimation of such transmission, as the case may be, was delivered to Company, send notice of the refusal to the transferee and the transferor or to the person giving intimation of such transmission, as the case may be, giving reasons for such refusal. Provided That the registration of a transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever except where the Company has a lien on Shares.
<b>Transmission of shares</b>	
41.	(i) On the death of any one or more of the joint holders, the survivor or survivors shall be the only person or persons recognized by the Company as having any title to the share but the Directors may require such evidence of death as they may deem fit, and nothing herein contained shall be taken to release the estate of a deceased joint-holder from any liability on shares held by him jointly with any other person  (ii) Nothing in clause (i) shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons.
42.	(i) Any person becoming entitled to a share in consequence of the death or insolvency of a member may, upon such evidence being produced as may from time to time properly be required by the Board and subject as hereinafter provided, elect, either-  (a) to be registered himself as holder of the share; or  (b) to make such transfer of the share as the deceased or insolvent member could have made.

	<p>(ii) The Board shall, in either case, have the same right to decline or suspend registration as it would have had, if the deceased or insolvent member had transferred the share before his death or insolvency.</p> <p>(iii) The Company shall be fully indemnified by such person from all liability, if any, by actions taken by the Board to give effect to such registration or transfer.</p>
43.	<p>(i) If the person so becoming entitled shall elect to be registered as holder of the share himself, he shall deliver or send to the company a notice in writing signed by him stating that he so elects.</p> <p>(ii) If the person aforesaid shall elect to transfer the share, he shall testify his election by executing a transfer of the share.</p> <p>(iii) All the limitations, restrictions and provisions of these regulations relating to the right to transfer and the registration of transfers of shares shall be to any such notice or transfer as aforesaid as if the death or insolvency of the member had not occurred and the notice or transfer were a transfer signed by that member.</p>
44.	<p>A person becoming entitled to a share by reason of the death or insolvency of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share, except applicable that he shall not, before being registered as a member in respect of the share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the company:</p> <p>Provided that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the share, until the requirements of the notice have complied with.</p>
45.	No fee shall be charged for registration of transfer, transmission, probate, succession certificate and Letters of administration, Certificate of Death or Marriage, Power of Attorney or similar other document.
46.	The provisions of these Articles relating to transmission by operation of law shall <i>mutatis mutandis</i> apply to any other securities including debentures of the Company.
<b>Forfeiture of shares</b>	
47.	If a member fails to pay any call, or installment of a call, on the day appointed for payment thereof, the Board may, at any time thereafter during such time as any part of the call or installment remains unpaid, serve a notice on him requiring payment of so much of the call or installment as is unpaid, together with any interest which may have accrued.
48.	The notice aforesaid shall (a) name a further day (not being earlier than the expiry of fourteen days from the date of service of the notice) on or before which the payment required by the notice is to be made; and (b) state that, in the event of non-payment on or before the day so named, the shares in respect of which the call was made shall be liable to be forfeited.
49.	If the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may, at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect
50.	A forfeited share shall be deemed to be the property of the Company and may be sold, re-allotted or otherwise disposed off to any person on such terms and in such manner as the Board thinks fit. At any time before a sale or disposal as aforesaid, the Board may cancel the forfeiture on such terms as it thinks fit.
51.	A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares, but shall, notwithstanding the forfeiture, remain liable to pay to the company all monies which, at the date of forfeiture, were presently payable by him to the company in respect of the shares. The liability of such person shall cease if and when the Company shall have received payment in full of all such monies in respect of the shares.

52.	All such monies payable shall be paid together with interest thereon at such rate as the Board may determine, from the time of forfeiture until payment or realisation. The Board may, if it thinks fit, but without being under any obligation to do so, enforce the payment of the whole or any portion of the monies due, without any allowance for the value of the shares at the time of forfeiture or waive payment in whole or in part.
53.	The forfeiture of a share shall involve extinction at the time of forfeiture, of all interest in and all claims and demands against the Company, in respect of the share and all other rights incidental to the share.
54.	<p>(i) A duly verified declaration in writing that the declarant is a Director, the Manager or the Secretary, of the Company, and that a share in the Company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share;</p> <p>(ii) The Company may receive the consideration, if any, given for the share on any sale or disposal thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed of;</p> <p>(iii) The transferee shall thereupon be registered as the holder of the share; and</p> <p>(iv) The transferee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the share.</p>
55.	The provisions of these regulations as to forfeiture shall apply in the case of non-payment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the nominal value of the share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.
56.	Upon any sale, re-allotment or other disposal under the provisions of the preceding Articles, the certificate or certificates originally issued in respect of the Shares shall (unless the same shall on demand by the Company have been previously surrendered to, 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 entitled thereto.
<b>Alteration of capital</b>	
57.	The Company may, from time to time, by ordinary resolution increase the authorized share capital by such sum as it thinks expedient;
<b>Powers to alter Share Capital</b>	
58.	<p>Subject to the provisions of section 61, the company may, by ordinary resolution,—</p> <p>(a) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;</p> <p>(b) convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination;</p> <p>(c) sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the memorandum;</p> <p>(d) cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person.</p>
<b>Shares may be converted into Stocks</b>	
59.	<p>Where shares are converted into stock,—</p> <p>(a) the holders of stock may transfer the same or any part thereof in the same manner as, and subject</p>

	<p>to the same regulations under which, the shares from which the stock arose might before the conversion have been transferred, or as near thereto as circumstances admit:</p> <p>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.</p> <p>(b) the holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, voting at meetings of the company, and other matters, as if they held the shares from which the stock arose; but no such privilege or advantage (except participation in the dividends and profits of the company and in the assets on winding up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage.</p> <p>(c) such of the regulations of the company as are applicable to paid-up shares shall apply to stock and the words “share” and “shareholder” in those regulations shall include “stock” and “stock-holder” respectively.</p>
<b>Reduction of Share Capital</b>	
60.	<p>The company may, by special resolution, reduce in any manner and with, and subject to, any incident authorised and consent required by law,—</p> <p>(a) its share capital;</p> <p>(b) any capital redemption reserve account; or</p> <p>(c) any share premium account.</p>
61.	<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 shares of any denomination, and with any privileges and conditions as to redemption, surrender, drawing, allotment of shares and attending (but not voting) at a 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 a general meeting by special resolution.</p>
<b>Capitalisation of profits</b>	
62.	<p>(i) The company in general meeting may, upon the recommendation of the Board, resolve—</p> <p>(a) that it is desirable to capitalise any part of the amount for the time being standing to the credit of any of the company’s reserve accounts, or to the credit of the profit and loss account, or otherwise available for distribution; and</p> <p>(b) that such sum be accordingly set free for distribution in the manner specified in clause (ii) amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.</p> <p>(ii) The sum aforesaid shall not be paid in cash but shall be applied, subject to the provision contained in clause (iii), either in or towards—</p> <p>(A) paying up any amounts for the time being unpaid on any shares held by such members respectively;</p> <p>(B) paying up in full, unissued shares of the company to be allotted and distributed, credited as fully paid-up, to and amongst such members in the proportions aforesaid;</p> <p>(C) partly in the way specified in sub-clause (A) and partly in that specified in sub-clause (B);</p>

	<p>(D) a securities premium account and a capital redemption reserve account may, for the purposes of this regulation, be applied in the paying up of unissued shares to be issued to members of the company as fully paid bonus shares;</p> <p>the Board shall give effect to the resolution passed by the company in pursuance of this regulation.</p>
63.	<p>(i) 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 capitalised thereby, and all allotments and issues of fully paid shares if any; and</p> <p>(b) generally do all acts and things required to give effect thereto.</p> <p>(ii) The Board shall have power—</p> <p>(a) to make such provisions, by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit, for the case of shares becoming distributable in fractions; and</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 capitalisation, or as the case may require, for the payment by the company on their behalf, by the application thereto of their respective proportions of profits resolved to be capitalised, of the amount or any part of the amounts remaining unpaid on their existing shares;</p> <p>(iii) Any agreement made under such authority shall be effective and binding on such members.</p>
<b>Buy-back of shares</b>	
64.	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>Power to borrow</b>	
65.	<p>Subject to the provisions of Sections 73, 179 and 180, and other applicable provisions of the Act and these Articles, the Board may, from time to time, at its discretion by resolution passed at the meeting of a Board:</p> <p>(i) accept or renew deposits from Shareholders;</p> <p>(ii) borrow money by way of issuance of Debentures;</p> <p>(iii) borrow money otherwise than on Debentures;</p> <p>(iv) accept deposits from Shareholders either in advance of calls or otherwise; and</p> <p>(v) generally raise or borrow or secure the payment of any sum or sums of money for the purposes of the Company.</p> <p>Provided, however, that where the money to be borrowed together with the Power to borrow money already borrowed (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) exceed the aggregate of the Paid-up capital of the Company and its free reserves (not being reserves set apart for any specific purpose), the Board shall not borrow such money without the consent of the Company by way of a Special Resolution in a General Meeting. Provided further that the Board may delegate the power specified in (c) herein above (i.e. to borrow money otherwise than on debentures) to a committee constituted for the purpose.</p>
<b>Securing payment or repayment of Moneys borrowed</b>	
66.	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>Bonds, Debentures etc. to be under the control of the Directors</b>	
67.	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>Mortgage of uncalled Capital</b>	
68.	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>Indemnity may be given</b>	
69.	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>General meetings</b>	
70.	All general meetings other than annual general meeting shall be called extraordinary general meeting.
71.	A general meeting of a Company may be called by giving not less than clear twenty-one days notice either in writing or through electronic mode in such manner as may be prescribed in the Act or rules made thereunder.
72.	<p>(i) The Board may, whenever it thinks fit, call an extraordinary general meeting.</p> <p>(ii) If at any time directors capable of acting who are sufficient in number to form a quorum are not within India, any director or any two members of the company may call an extraordinary general meeting in the same manner, as nearly as possible, as that in which such a meeting may be called by the Board.</p> <p>(iii) The Board of Directors shall call an extraordinary general meeting, upon a requisition in writing by any member or members holding in the aggregate not less than one-tenth of such of the paid-up capital as on that date carries the right of voting. Any valid requisition so made by Members must state the object or objects of the meeting proposed to be called, and must be signed by the requisitionists and be deposited at the registered office of the Company, provided that such requisition may consist of several documents in like form each signed by one or more requisitionists. Upon the receipt of any such requisition, the Board of Directors shall forthwith call an extraordinary general meeting and if they do not proceed within twenty-one days from the date of the requisition being deposited to cause a meeting to be called on a day not later than forty-five days from the date of deposit of the requisition, the requisitionists may themselves call the meeting, within a period of three months from the date of the requisition. Any meeting called under the foregoing Articles by the requisitionists shall be called in the same manner, as nearly as possible, as that in which meetings are to be called by the Board.</p>
<b>Proceedings at general meetings</b>	
73.	(i) No business shall be transacted at any general meeting unless a quorum of members is present at



	the time when the meeting proceeds to business.
	(ii) The quorum for the general meetings shall be as provided in section 103 as amended from time to time.
74.	The Chairperson, if any, of the Board shall preside as Chairperson at every general meeting of the company.
75.	If there is no such Chairperson, or if he is not present within fifteen minutes after the time appointed for holding the meeting, or is unwilling to act as chairperson of the meeting, the directors present shall elect one of their members to be Chairperson of the meeting.
76.	If at any meeting no director is willing to act as Chairperson or if no director is present within fifteen minutes after the time appointed for holding the meeting, the members present shall choose one of their members to be Chairperson of the meeting.
77.	No business shall be discussed at any general meeting except the election of a Chairman, whilst the chair is vacant.
<b>Adjournment of meeting</b>	
78.	<p>(i) The Chairperson may, with the consent of any meeting at which a quorum is present, and shall, if so directed by the meeting, adjourn the meeting from time to time and from place to place.</p> <p>(ii) No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.</p> <p>(iii) When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting.</p> <p>(iv) Save as aforesaid, and as provided in section 103 of the Act, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.</p>
79.	In the case of an equality of votes, whether on a show of hands or on a poll, the Chairman of the meeting at which the show of hands takes place or at which poll is demanded shall be entitled to a second or casting vote.
80.	The Company shall cause minutes of the proceedings of every general meeting of any class of members or creditors and every resolution passed by postal ballot to be prepared and signed in such manner as may be prescribed by the Rules and kept by making within thirty days of the conclusion of every such meeting concerned or passing of resolution by postal ballot entries thereof in books kept for that purpose with their pages consecutively numbered.
81.	There shall not be included in the minutes any matter which, in the opinion of the Chairperson of the meeting: (a) is or could reasonably be regarded, as defamatory of any person; or (b) is irrelevant or immaterial to the proceedings; or (c) is detrimental to the interests of the Company.
82.	The Chairperson shall exercise an absolute discretion in regard to the inclusion or non-inclusion of any matter in the minutes on the grounds specified in the aforesaid clause.
83.	The minutes of the meeting kept in accordance with the provisions of the Act shall be evidence of the proceedings recorded therein.
84.	A member of the Company may participate in a General Meeting through the electronic mode, subject to compliance of section 110 of the Act and such other circulars as may be prescribed.
<b>Voting rights</b>	
85.	<p>Subject to any rights or restrictions for the time being attached to any class or classes of shares,—</p> <p>(a) on a show of hands, every member present in person shall have one vote; and</p> <p>(b) on a poll, the voting rights of members shall be in proportion to his share in the paid-up equity share capital of the company.</p>

86.	A member may exercise his vote at a meeting by electronic means in accordance with section 108 and shall vote only once.
87.	<p>(i) Any one of two or more joint holders may vote at any meeting either personally or by attorney or by proxy in respect of such shares as if he were solely entitled thereto and if more than one of such joint holders be present at any meeting personally or by proxy or by attorney then that one of such persons so present whose name stands first or higher (as the case may be) on the register in respect of such shares shall alone be entitled to vote in respect thereof but the other or others of the joint holders shall be entitled to vote in preference to a joint holder present by attorney or by proxy although the name of such joint holder present by any attorney or proxy stands first or higher (as the case may be) in the register in respect of such shares.</p> <p>(ii) Several executors or administrators of a deceased member in whose (deceased member) sole name any share stands, shall for the purpose of this clause be deemed joint-holders</p>
88.	A member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee or other legal guardian, and any such committee or guardian may, on a poll, vote by proxy.
89.	Any business other than that upon which a poll has been demanded may be proceeded with, pending the taking of the poll.
90.	No member shall be entitled to vote at any general meeting unless all calls or other sums presently payable by him in respect of shares in the company have been paid.
91.	<p>(i) No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes.</p> <p>(ii) Any such objection made in due time shall be referred to the Chairperson of the meeting, whose decision shall be final and conclusive.</p>
<b>Proxy</b>	
92.	The instrument appointing a proxy and the power-of-attorney or other authority, if any, under which it is signed or a notarized 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.
93.	An instrument appointing a proxy shall be in the form as prescribed in the rules made under section 105.
94.	<p>A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death or insanity of the principal or the revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the shares in respect of which the proxy is given:</p> <p>Provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received by the company at its office before the commencement of the meeting or adjourned meeting at which the proxy is used.</p>
<b>Board of Directors</b>	
95.	Until otherwise determined by a General Meeting of the Company and subject to the provisions of Section 152 of the Act, the number of Directors (including Debentures and Alternate Directors) shall not be less than three or more than fifteen.
96.	<p>The First Directors of the Company are:</p> <p>[1]Shri Hiralal Gordhanbhai Changela</p> <p>[2]Shri Ravjibhai Ramjibhai Dadhania</p> <p>[3]Shri Dilipkumar Gordhanbhai Changela</p>
97.	The Board shall have the power to appoint/re-appoint from time to time any of its members as Chairman and Managing Director or Manager of the Company for a fixed term not exceeding five years at a time and upon such terms and conditions as the Board thinks fit. The appointment and terms and conditions,

	including remuneration of Managing Director or Manager or Whole-Time Director shall be in accordance with Section 197 and Schedule V of the Companies Act, 2013. The Managing Director or Manager or Whole-Time Director who are in whole-time employment in the Company shall be subject to supervision and control of the Board of Directors of the Company.
<b>Same individual may be Chairperson and Managing Director/ Chief Executive Officer</b>	
98.	The same individual may, at the same time, be appointed as the Chairperson of the Company as well as the Managing Director or Chief Executive Officer of the Company.
<b>Nominee Directors</b>	
99.	<p>(i) The Company may agree with any financial institution or any authority or person or State Government that in consideration of any loan or financial assistance of any kind whatsoever, which may be rendered by it to the Company, it shall till such time as the loan or financial assistance is outstanding have power to nominate one or more Directors on the Board of the Company and from time to time remove and reappoint such Directors and to fill in any vacancy caused by the death or resignation of such Directors otherwise ceasing to hold office. Such nominee Directors shall not be required to hold any qualification shares nor shall they be liable to retire by rotation.</p> <p>(ii) The Director, including Alternate and Nominee Directors, if any, shall be entitled to sitting fees, for participating/attending Board Meeting or Meeting of Committee of Board of Directors, a sum not exceeding such sum as may be fixed by the Board of Directors, from time to time. However, the same shall not exceed the maximum sum as is permissible under the provisions of the Act or Guidelines issued by appropriate authority, from time to time.</p>
<b>Directors not liable to retire by rotation</b>	
100.	Subject to the provisions of the Act, the Board shall have the power to determine the directors whose period of office is or is not liable to determination by retirement of directors by rotation.
<b>Remuneration of the Directors</b>	
101.	<p>(i) The remuneration of the Directors shall, in so far as it consists of a monthly payment, be deemed to accrue from day-to-day.</p> <p>(ii) In addition to the remuneration payable to them in pursuance of the Act, the Directors may be paid all travelling, hotel and other expenses properly incurred by them —</p> <p>(a) in attending and returning from meetings of the Board of Directors or any committee thereof or general meetings of the company; or</p> <p>(b) in connection with the business of the company.</p>
102.	The fees payable to the Director for attending the meeting of the Board or committee thereof shall be decided by the Board of Directors from time to time within the maximum limits of such fees that may be prescribed under the Act or the Rules.
103.	The Board may pay all expenses incurred in getting up and registering the Company.
104.	The Company may exercise the powers conferred on it by section 88 with regard to the keeping of a foreign register; and the Board may (subject to the provisions of that (section) make and vary such regulations as it may think fit respecting the keeping of any such register.
105.	All cheques, promissory notes, drafts, <i>hundis</i> , bills of exchange and other negotiable instruments, and all receipts for monies paid to the company, shall be signed, drawn, accepted, endorsed, or otherwise executed, as the case may be, by such person and in such manner as the Board shall from time to time by resolution determine.
106.	Every director present at any meeting of the Board or of a committee thereof shall sign his name in a book to be kept for that purpose.
<b>Appointment of Additional Director</b>	
107.	(i) Subject to the provisions of section 149 and section 161, the Board shall have the power at any time, and from time to time, to appoint a person as an additional director, provided that the number of the directors and additional directors together shall not at any time exceed the maximum strength fixed

	<p>for the Board by the articles.</p> <p>(ii) Such person shall hold office only up to the date of the next annual general meeting of the company but shall be eligible for appointment by the company as a director at that meeting subject to the provisions of the Act.</p> <p>(iii) The Board shall have the power, at any time, and from time to time, to appoint a person, not being a person holding any alternate directorship for any other director in the company, to act as an alternate director for a director during his absence for a period of not less than 3 (three) from India. An alternate director appointed under this Article shall not hold office as such for a period longer than that permissible to the director in whose place he has been appointed and shall vacate office if and when the original director returns to the State in which the meetings of the Board are ordinarily held.</p> <p>(iv) The Board shall appoint persons as directors being nominees of an institution in pursuance of an agreement with such institution in accordance with the provisions of sub-section (3) of Section 161 of the Act.</p> <p>(v) The Board shall have the power at any time, and from time to time, to appoint any other person to be a Director to fill a casual vacancy provided that the total number of directors shall not at any time exceed the maximum as fixed hereinafter. Any person appointed to fill a casual vacancy shall hold office only up to the date up to which the director in whose place he is appointed would have held office if it had not been vacated as aforesaid.</p>
<b>General powers of the Company vested in the Board</b>	
108.	The management of the business of the Company shall be vested in the Board and the Board may exercise all such powers, and do all such acts and things, as the Company is by the memorandum of association or otherwise authorized to exercise and do, and, not hereby or by the statute or otherwise directed or required to be exercised or done by the Company in general meeting but subject nevertheless to the provisions of the Act and other laws and of the memorandum of association and these Articles and to any regulations, not being inconsistent with the memorandum of association and these Articles or the Act, from time to time made by the Company in general meeting provided that no such regulation shall invalidate any prior act of the Board which would have been valid if such regulation had not been made
<b>Proceedings of the Board</b>	
109.	<p>(i) The Board of Directors may meet for the conduct of business, adjourn and otherwise regulate its meetings, as it thinks fit. A Director may, and the Manager or Secretary on the requisition of a director shall, at any time, summon a meeting of the Board.</p> <p>(ii) A director may, and the manager or secretary on the requisition of a director shall, at any time, summon a meeting of the Board.</p> <p>(iii) Subject to the provisions of the Act, the Board of Directors may convene their meeting/s via teleconference or video conference or vide any other Audio / Visual mode etc. Further, subject to applicable laws, a meeting may also be held with some Directors present in person and others by means of participating through video conference, teleconference or any other similar audio / visual means and the presence of one or more Directors by conference, teleconference or any other similar means at a meeting shall be included when determining quorum and voting. The provisions relating to notice, agenda, quorum and minutes stated herein shall mutatis mutandis apply to the meetings held through such audio-visual media.</p> <p>(iv) The Company may maintain a book in respect of attendance of every director present at any meeting of the Board or of a committee thereof.</p>
110.	(i) Save as otherwise expressly provided in the Act, questions arising at any meeting of the Board shall

	<p>be decided by a majority of votes.</p> <p>(ii) In case of an equality of votes, the Chairperson of the Board, if any, shall have a second or casting vote.</p>
111.	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.
112.	<p>(i) The quorum for a meeting of the Board of Directors shall be one third of its total strength or two directors whichever is higher. If a quorum shall not be present within fifteen minutes from the time appointed for holding a meeting of the Directors it shall be adjourned until such date and time as the Directors present shall appoint.</p> <p>(ii) With reference to Article 68(i) aforesaid, any Director attending meeting of Board of Directors or its committee via teleconference or video conference or vide any other Audio / Visual mode be considered as present in person for the purpose of calculating the quorum for the same.</p>
113.	<p>(i) The Board may elect a Chairperson of its meetings and determine the period for which he is to hold office.</p> <p>(ii) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the directors present may choose one of their number to be Chairperson of the meeting.</p>
114.	<p>(i) The Board may, subject to the provisions of the Act, delegate any of its powers to committees consisting of such member or members of its body as it thinks fit.</p> <p>(ii) Any committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may be imposed on it by the Board.</p>
115.	<p>(i) A committee may elect a Chairperson of its meetings.</p> <p>(ii) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the members present may choose one of their members to be Chairperson of the meeting.</p>
116.	<p>(i) A committee may meet and adjourn as it thinks fit.</p> <p>(ii) Questions arising at any meeting of a committee shall be determined by a majority of votes of the members present, and in case of an equality of votes, the Chairperson shall have a second or casting vote.</p>
117.	All acts done in any meeting of the Board or of a committee thereof or by any person acting as a director, shall, notwithstanding that it may be afterwards discovered that there was some defect in the appointment of any one or more of such directors or of any person acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such director or such person had been duly appointed and was qualified to be a director.
118.	Save as otherwise expressly provided in the Act, a resolution in writing, signed by all the members of the Board or of a committee thereof, for the time being entitled to receive notice of a meeting of the Board or committee, shall be valid and effective as if it had been passed at a meeting of the Board or committee, duly convened and held.
<b>Chief Executive Officer, Manager, Company Secretary or Chief Financial Officer</b>	
119.	<p>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 thinks fit; and any chief executive officer, manager, company secretary or chief financial officer so appointed</p>

	<p>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>
120.	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.
<b>Statutory Registers</b>	
121.	The Company shall keep and maintain at its registered office all statutory registers namely, register of charges, register of members, register of debenture holders, register of any other security holders, the register and index of beneficial owners and annual return, register of loans, guarantees, security and acquisitions, register of investments not held in its own name and register of contracts and arrangements for such duration as the Board may, unless otherwise prescribed, decide, and in such manner and containing such particulars as prescribed by the Act and the Rules. The registers and copies of annual return shall be open for inspection during 11.00 a.m. to 1.00 p.m. on all working days, other than Saturdays, at the registered office of the Company by the persons entitled thereto on payment, where required, of such fees as may be fixed by the Board but not exceeding the limits prescribed by the Rules.
<b>The Seal</b>	
122.	<p>(i) The Board shall provide for the safe custody of the seal.</p> <p>(iii) The seal of the company shall not be affixed to any instrument except by the authority of a resolution of the Board or of a committee of the Board authorised by it in that behalf, and except in the presence of at least two directors and of the secretary or such other person as the Board may appoint for the purpose; and those two director 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>
123.	The Company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board.
124.	The Board may, before recommending any dividend, set aside out of the profits of the company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the company may be properly applied, including provision for meeting contingencies or for equalizing dividends; and pending such application, may, at the like discretion, either be employed in the business of the company or be invested in such investments (other than shares of the company) as the Board may, from time to time, thinks fit. The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.
125.	<p>(i) Subject to the rights of persons, if any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid, but if and so long as nothing is paid upon any of the shares in the company, dividends may be declared and paid according to the amounts of the shares.</p> <p>(ii) No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this regulation as paid on the share.</p> <p>(iii) All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly.</p>
126.	The Board may deduct from any dividend payable to any member all sums of money, if any, presently payable by him to the company on account of calls or otherwise in relation to the shares of the company.
127.	Any dividend, interest or other monies payable in cash in respect of shares maybe paid by cheque or warrant sent through the post directed to the registered address of the holder or, in the case of joint



	holders, to the registered address of that one of the joint holders who is first named on the register of members, or to such person and to such address as the holder or joint holders may in writing direct. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.
128.	Any one of two or more joint holders of a share may give effective receipts for any dividends, bonuses or other monies payable in respect of such share.
129.	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.
130.	No dividend shall bear interest against the company.
131.	The Board of Directors may from time to time pay to the Members such interim dividends as in their judgment the position of the Company justifies.
<b>Unpaid or unclaimed dividend</b>	
132.	<p>(i) Where the Company has declared a dividend but which has not been paid or claimed within 30 days from the date of declaration, to any shareholder entitled to the payment of dividend, the Company shall within seven days from the date of expiry of the said period of thirty days, transfer the total amount of dividend which remains unpaid or unclaimed within the said period of thirty days, to a special account to be opened by the Company in that behalf in any scheduled bank, to be called unpaid dividend Account.</p> <p>(ii) Any money transferred to the unpaid dividend account of a company which remains unpaid or unclaimed for a period of seven years from the date of such transfer, shall be transferred by the company to the Fund known as Investor Education and Protection Fund established under section 205 of the Companies Act, 1956.</p> <p>(iii) No unclaimed or unpaid dividend shall be forfeited by the Board before the claim becomes barred by law and that such forfeiture, when effected, will be annulled in appropriate cases;</p>
<b>Accounts</b>	
133.	<p>(i) The Board shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations, the accounts and books of the company, or any of them, shall be open to the inspection of members not being directors.</p> <p>(ii) No member (not being a director) shall have any right of inspecting any account or book or document of the company except as conferred by law or authorised by the Board or by the company in general meeting.</p>
<b>Winding up</b>	
134.	<p>Subject to applicable law:</p> <p>(i) If the company shall be wound up whether voluntarily or otherwise, 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 <i>divided</i> 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 and Insurance</b>	
135.	(i) Every officer of the company shall be indemnified out of the assets of the company against any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or in which relief is granted to him by the court or the Tribunal.

	<p>(ii) Subject to the provisions of the Act, every Director, managing director, wholetime director, manager, company secretary and other officer of the Company shall be indemnified by the Company out of the funds of the Company, to pay all costs, losses and expenses (including travelling expense) which such Director, manager, company secretary and officer may incur or become liable for by reason of any contract entered into or act or deed done by him in his capacity as such Director, manager, company secretary or officer or in any way in the discharge of his duties in such capacity including expenses.</p> <p>(iii) Subject as aforesaid, every Director, managing director, manager, company secretary or other officer of the Company shall be indemnified against any liability incurred by him in defending any proceedings, whether civil or criminal in which judgment is given in his favour or in which he is acquitted or discharged or in connection with any application under applicable provisions of the Act in which relief is given to him by a court or such authority</p> <p>(iv) The Company may take and maintain any insurance as the Board may think fit on behalf of its present and/or former Directors and key managerial personnel for indemnifying all or any of them against any liability for any acts in relation to the Company for which they may be liable but have acted honestly and reasonably.</p>
<b>General Power</b>	
136.	Wherever in the Act or the Rules, it has been provided that the Company shall have any right, privilege or authority or that the Company could carry out any transaction only if the Company is so authorized by its articles, then and in that case this Article authorizes and empowers the Company to have such rights, privileges or authorities and to carry such transactions as have been permitted by the Act, without there being any specific Article in that behalf herein provided.
<b>Secrecy Clause</b>	
137.	Subject to the provisions of the Act, no member shall be entitled to require discovery of any information respecting any detail of the Company's trading or any matter in the nature of a trade secret, mystery of trade or secret process which may relate to the conduct of the business of the Company and which in the opinion of the Board of Directors it may be inexpedient in the interest of the Company to communicate to the public.

## **SECTION IX: OTHER INFORMATION**

### **MATERIAL CONTRACTS AND DOCUMENTS FOR VISHAL BEARINGS LIMITED**

The following Contracts (not being contracts entered into in the ordinary course of business carried on by our Company or entered into more than two years before the date of this Prospectus) which are or may be deemed material have been entered or to be entered into by our Company. These Contracts, copies of which have been attached to the copy of this Prospectus, delivered to the Registrar of Companies, Gujarat, Dadra and Nagar Haveli for registration and also the documents for inspection referred to hereunder, may be inspected at the Registered Office of our Company situated at Survey No 22/1, Plot No 1, Shapar Village Road, Shapar (Veraval), Rajkot - 360 024, India from 10.00 a.m. to 5.00 p.m. from the date of this Prospectus to until the date of Closing of the Issue.

#### **Material Contracts for the Issue**

1. Memorandum of Understanding dated 12<sup>th</sup> June, 2015 executed between our Company and Karvy Computershare Private Limited, Registrar to the Issue.
2. Memorandum of Understanding dated 22<sup>nd</sup> June, 2015 between our Company and Hem Securities Limited, Lead Manager (LM) to the Issue.
3. Escrow Agreement dated 7<sup>th</sup> July, 2015 between our Company, the LM, the Registrar to the Issue and the Escrow Collection Bank(s).
4. Underwriting Agreement dated 22<sup>nd</sup> June, 2015 between our Company, the LM and the Underwriter.
5. Market Making Agreement dated 22<sup>nd</sup> June, 2015 between Our Company, the LM and the Market Maker.

#### **Material Documents**

1. Certified copies of the updated Memorandum of Association and Articles of Association of our Company, as amended from time to time;
2. Copy of Certificate of Incorporation and Fresh Certificate of Incorporation of Vishal Bearings Limited ;
3. Copy of the Board Resolution passed at the meeting of Board of Directors held on 30<sup>th</sup> May, 2015 for authorizing the Issue and other related matters.
4. Copy of the Special Resolution passed by the shareholders of our Company under Section 62(1)(c) of the Companies Act, 2013, at the Annual General Meeting held on 9<sup>th</sup> June, 2015 for authorizing the Issue and other related matters.
5. Peer Review Auditors Report dated 18<sup>th</sup> June 2015, on Restated Financial Statements of our Company for the years ended March 31, 2015, 2014, 2013, 2012 and 2011.
6. Copy of the Certificate dated 15<sup>th</sup> June, 2015 by M/s. P. Ghanshyam & Co., Statutory Auditor of our Company regarding the Statement of Possible Tax Benefits as mentioned in this Prospectus.
7. Copy of Certificate from the Peer Review Auditors of our Company, M/s SVK & Associates, Chartered Accountants, dated 18<sup>th</sup> June, 2015 regarding the Eligibility of the Issue.
8. Copy of Annual Report of the Company for the Period ended March 31, 2015, 2014, 2013, 2012 and 2011.
9. Consents of the Lead Manager, Legal Advisor to the Issue, Registrar to the Issue, Market Maker, Underwriter, Escrow Collection Bank(s) and Refund Bank(s), Statutory Auditor of the Company, Peer Review Auditor, Promoters of our Company, Directors of our Company, Company Secretary and Compliance Officer, Chief Financial Officer, Bankers to our Company, as referred to, in their respective capacities.
10. Copy of certificate dated 22<sup>nd</sup> June, 2015 received from M/s SVK & Associates, Chartered Accountants regarding sources and deployment of funds.
11. Agreement among NSDL, the Company and the Registrar to the Issue dated 24<sup>th</sup> June, 2015
12. Agreement among CDSL, the Company and the Registrar to the Issue dated 23<sup>rd</sup> June, 2015
13. Due Diligence Certificate dated 24<sup>th</sup> June, 2015, and September 15, 2015 received by the Company from Hem Securities Limited, the Lead Manager to BSE Limited and SEBI.
14. Copy of approval Letter dated 14<sup>th</sup> July, 2015 from BSE bearing no. DCS/IPO/NP/IP/434/2015-16 to use the name of BSE in this offer document for listing of Equity Shares on BSE SME Platform.

Any of the contracts or documents mentioned in this Prospectus may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without reference to the shareholders subject to compliance of the provisions contained in the Companies Act and other relevant statutes.

**DECLARATION**

We 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 guidelines issued by Securities and Exchange Board of India established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Prospectus is contrary to the provisions of the Companies Act, the Securities and Exchange Board of India Act, 1992 or the rules made thereunder or guidelines issued, as the case may be. We further certify that all the disclosures and statements made in this Prospectus are true and correct.

**SIGNED BY ALL THE DIRECTORS OF OUR COMPANY:**

<b>Mr. Dilipkumar Changela</b> <i>Managing Director</i> <i>DIN:- 00247302</i>	Sd/-
<b>Mr. Hiralal Changela</b> <i>Whole Time Director</i> <i>DIN:- 00247292</i>	Sd/-
<b>Mr. Vrajlal Changela</b> <i>Whole Time Director</i> <i>DIN:- 00247295</i>	Sd/-
<b>Mr. Rakesh Savani</b> <i>Non-Executive Independent Director</i> <i>DIN :- 07191075</i>	Sd/-
<b>Mr. Niteshkumar Patel</b> <i>Non-Executive Independent Director</i> <i>DIN:- 01854443</i>	Sd/-
<b>Ms. Urja Ghetiya</b> <i>Non-Executive Independent Director</i> <i>DIN:- 07191068</i>	Sd/-

**SIGNED BY:**

<b>Mr. Vishal Changela</b> <i>Chief Financial Officer</i>	Sd/-
<b>Ms. Dimpi Sampat</b> <i>Company Secretary &amp; Compliance Officer</i>	Sd/-

**Place: - Rajkot****Date: - September 16, 2015**

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