



## PERFECT INFRAENGINEERS LIMITED

Our Company was originally incorporated as 'Perfect Aircon Engineering Private Limited' pursuant to a Certificate of Incorporation dated May 16, 1996 issued by the Registrar of Companies, Bombay, Maharashtra. Subsequently Our Company changed its constitution from private to public pursuant to which a Fresh Certificate of Incorporation was issued on April 19 2005, by the Registrar of Companies, Mumbai, Maharashtra. Thereafter Our Company changed its name to 'Perfect Infraengineers Limited' pursuant to a Fresh Certificate of Incorporation Consequent upon Change of Name dated May 11, 2009 issued by the Registrar of Companies, Mumbai, Maharashtra. The Corporate Identification Number of Our Company is U29190MH1996PLC099583. For more information on changes in our name and registered office, please refer to the section "History and Other Corporate Matters" on page 107 of this Prospectus.

**Registered Office:** Plot No. R-637, TTC Industrial Area, Rabale, Thane Belapur Road Navi Mumbai; **Telefax:** +91 22 27606264

**Corporate Office:** 168, Bhanusali Chambers, Sant Tukaram Road, Masjid Bandar (E), Mumbai - 400 009, Maharashtra, India

**Contact Person:** Mr. Vijay Mulwani, Company Secretary and Compliance Officer

**Telefax:** +91 22 25002538; **E-mail:** vijay@perfectinfra.com; **Website:** www.perfectinfra.com

### OUR PROMOTERS: MR. NIMESH MEHTA & MS. MANISHA MEHTA

**PUBLIC ISSUE OF 25,08,000 EQUITY SHARES OF A FACE VALUE OF ₹ 10/- EACH (THE "EQUITY SHARES") OF PERFECT INFRAENGINEERS LTD. (THE "COMPANY" OR THE "ISSUER") FOR CASH AT A PRICE OF ₹ 23/- PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF ₹ 13/- PER EQUITY SHARE), AGGREGATING TO ₹ 576.84 LACS (THE "ISSUE") OF WHICH 1,26,000 EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH WILL BE RESERVED FOR SUBSCRIPTION BY MARKET MAKER TO THE ISSUE ("MARKET MAKER RESERVATION PORTION"). THE ISSUE LESS THE MARKET MAKER RESERVATION PORTION I.E. ISSUE OF 23,82,000 EQUITY SHARES OF FACE VALUE OF ₹ 10/- EACH IS HEREINAFTER REFERRED TO AS THE "NET ISSUE". THE ISSUE AND NET ISSUE SHALL CONSTITUTE 32.53% AND 30.90% RESPECTIVELY OF THE POST ISSUE PAID UP CAPITAL OF OUR COMPANY.**

**THE FACE VALUE OF THE EQUITY SHARE IS ₹ 10 EACH AND THE ISSUE PRICE IS 2.3 TIMES OF THE FACE VALUE**

**The Issue is being made in accordance with Chapter XB of the SEBI Regulations.** In terms of Rule 19(2)(b)(i) of the Securities Contracts Regulations Rules, 1957, as amended ("SCRR"), this is an issue for at least 25% of the post-Issue paid-up equity share capital. The Issue is being made through the Fixed Price Process wherein 1,26,000 Equity Shares shall be reserved for Market Maker. 11,94,000 Equity Shares will be available for allocation on a proportionate basis to Retail Individual Applicants, subject to valid applications being received from them at the Issue Price. For further details, please refer to the section "Issue Procedure" beginning on page 219 of this Prospectus

### RISK IN RELATION TO THE FIRST ISSUE

This being the first public issue of our Company, there has been no formal market for the Equity Shares of our Company. The face value of the Equity Shares is ₹10/- and the Issue Price is 2.3 times of the face value. The Issue Price (has been determined and justified by our Company and the Lead Managers as stated in "Basis for Issue Price" beginning on page 64 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 our Company or regarding the price at which the Equity Shares will be traded after listing.

### GENERAL RISK

Investment in equity and equity related securities involve a high degree of risk and investors should not invest any funds in this Issue/offer unless they can afford to take the risk of losing their investment. Investors are advised to read "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 have not been recommended or approved by 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 statement of "Risk Factors" beginning on page 12 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 this Issue, that the information contained in this Prospectus is true and correct in all material respects 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 of the Company, including those being offered through this Prospectus, are proposed to be listed on the SME Platform of NSE i.e., "EMERGE" and traded in the SME Continuous Normal Market. Our Company has received an 'in-principle' approval from NSE for the listing of the Equity Shares pursuant to the letter dated August 20, 2015. For the purpose of this Issue, the Designated Stock Exchange shall be NSE.

### IPO GRADING

This Issue has been graded by CRISIL Limited and has been assigned "4/5" (pronounced four out of five), indicating that the fundamentals of our Company are superior compared to other SMEs in India through its report dated August 04, 2015. The IPO grading is assigned on a five point scale from 1 to 5 with an "SME 5/ 5" indicating excellent fundamentals and an "SME 1/5" indicating poor fundamentals. Please refer to the section titled "General Information" beginning on Page 39 of this Prospectus for more information.

### LEAD MANAGERS TO THE ISSUE

#### KEYNOTE

##### **Keynote Corporate Services Limited**

The Ruby, 9th Floor, Senapati Bapat Marg,

Dadar (West), Mumbai 400 028

**Telephone:** +91 22 3026 6000 – 10

**Facsimile:** +91 22 3026 6088

**E-mail:** mbd@keynoteindia.net

**Website:** www.keynoteindia.net

**SEBI Registration No:** INM000003606



##### **Small Industries Development Bank of India**

SME Development Centre, Plot No. C-11,

'G' Block, Bandra Kurla Complex,

Bandra (East), Mumbai – 400051

**Telephone:** +91 22 67531100

**Facsimile:** +91 22 67531236

**E-mail:** equity@sidbi.in

**Website:** www.sidbi.in

**SEBI Registration No:** INM000012086

### REGISTRAR TO THE ISSUE



##### **Karvy Computershare Private Limited**

Karvy Selenium Tower B, Plot 31-32,

Gachibowli, Financial District,

Nanakramguda, Hyderabad 500 032.

**Toll free No.** 1-800-3454001;

**Tel:** 91 40 67162222;

**Fax:** 91 40 23431551;

**Email:** karisma.karvy@karvy.com

**SEBI Registration No.:** INR000000221

### ISSUE PROGRAMME

**ISSUE OPENS ON: FRIDAY, OCTOBER 30, 2015**

**ISSUE CLOSES ON: WEDNESDAY, NOVEMBER 04, 2015**

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## SECTION I – GENERAL

### DEFINITIONS AND ABBREVIATIONS

This Prospectus uses certain definitions and abbreviations which, unless the context otherwise requires, shall have the meaning as provided below. References to any legislation, act or regulation shall be to such legislation, act or regulations as amended from time to time.

#### GENERAL TERMS

Term	Description
<b>“The Company”, “our Company” and “the Issuer” / Perfect</b>	Perfect Infraengineers Limited, a company incorporated under the Companies Act, 1956 and having its Registered Office at Plot No. R-637, TTC Industrial Area, Rabale, Thane Belapur Road Navi Mumbai
<b>“We”, “us”</b>	Unless the context otherwise requires, refers to Perfect Infraengineers Limited, as described in this Prospectus

#### ISSUER RELATED TERMS

Term	Description
<b>Articles / Articles of Association</b>	Articles of Association of our Company, as amended from time to time, unless the context otherwise specifies
<b>Auditor</b>	Godbole Bhawe & Co., Chartered Accountants, the statutory auditor of our Company
<b>Board / Board of Directors</b>	The board of directors of our Company or a Committee authorized to act on their behalf
<b>Certificate Of Incorporation</b>	The certificate of incorporation of our Company
<b>Compliance Officer</b>	Mr. Vijay Mulwani, Company Secretary & Compliance Officer
<b>Corporate Office</b>	The Corporate office of our Company, located at 168, Bhanusali Chambers, Sant Tukaram Road, Masjid Bandar (E), Mumbai - 400 009, Maharashtra, India
<b>Director(s)</b>	The Director(s) of our Company, unless otherwise specified
<b>Equity Shareholder(s)</b>	Person(s) holding Equity Shares of our Company unless the context otherwise specifies
<b>Equity Shares</b>	Equity Shares of our Company of face value of ₹ 10 each, unless otherwise specified in the context thereof
<b>Key Management Personnel / KMP</b>	Key Management Personnel of our Company as per the SEBI Regulations
<b>Listing Agreement</b>	The equity listing agreement to be entered into by our Company with the Stock Exchange, including all amendments made thereto from time to time
<b>MD / Managing Director</b>	The Managing Director of our Company Mr. Nimesh Mehta
<b>Memorandum / Memorandum of Association</b>	Memorandum of Association of our Company, as amended
<b>Registered Office</b>	The Registered Office of our Company, located at Plot No. R-637, TTC Industrial Area, Rabale, Thane Belapur Road Navi Mumbai
<b>ROC / RoC</b>	Registrar of Companies, Mumbai, Maharashtra

#### CONDITIONAL TERMS

Term	Description
<b>&amp;</b>	And
<b>Act / Companies Act</b>	Companies Act, 2013, as amended and superseded from time to time and Companies Act, 1956 to the extent applicable
<b>AIF</b>	Alternate Investment Fund
<b>AS</b>	Accounting Standard as issued by the Institute of Chartered

Term	Description
	Accountants of India
<b>B. Sc.</b>	Bachelor of Science
<b>B.A.</b>	Bachelor of Arts
<b>B.Com.</b>	Bachelor of Commerce
<b>B.E.</b>	Bachelor of Engineering
<b>BFSI</b>	Banking, Financial Services and Insurance
<b>BIFR</b>	Board of Industrial and Financial Restructuring
<b>Bn</b>	Billion
<b>BSE</b>	Bombay Stock Exchange
<b>C.S.</b>	Company Secretary
<b>CBEC</b>	Central Board of Excise and Customs
<b>CDSL</b>	Central Depository Services (India) Limited
<b>CIN</b>	Company Identification Number
<b>CIS</b>	Commonwealth of Independent States
<b>CMIE</b>	Centre for Monitoring Indian Economy Private Limited
<b>CPI</b>	Consumer Price Index
<b>CSO</b>	Central Statistics Office (India)
<b>CY</b>	Calendar Year
<b>Depositories Act</b>	The Depositories Act, 1996, as amended
<b>Depository/(ies)</b>	A depository registered with SEBI under the SEBI (Depository and Participant) Regulations, 1996, as amended
<b>DIN</b>	Director Identification Number
<b>DISM</b>	Diploma in Information and System Management
<b>DP ID</b>	Depository Participant's Identity
<b>DP/ Depository Participant</b>	A depository participant as defined under the Depositories Act, 1996
<b>DRs</b>	Depository Receipts
<b>EBIDTA</b>	Earnings before Interest, Depreciation, Tax and Amortization
<b>ECS</b>	Electronic Clearing Service
<b>EGM</b>	Extra-Ordinary General Meeting
<b>EPA</b>	Environment Protection Act, 1986, as amended
<b>EPFA</b>	Employees Provident Funds and Miscellaneous Provisions Act, 1952
<b>EPS</b>	Unless otherwise specified, Earnings Per Share, i.e., profit after tax for a fiscal year divided by the weighted average number of Equity Shares outstanding during that fiscal year
<b>ESIA</b>	The Employee's State Insurance Act, 1948
<b>ESIC</b>	Compensation payable under the Employee's State Insurance Act, 1948
<b>ETC.</b>	Et cetera
<b>FAQs</b>	Frequently Asked Questions
<b>FCNR</b>	Foreign Currency Non Resident
<b>FDI</b>	Foreign Direct Investment
<b>FEMA</b>	Foreign Exchange Management Act, 1999, as amended
<b>FII(s)</b>	Foreign Institutional Investor as defined and registered with SEBI under the SEBI (Foreign Institutional Investors) Regulations, 1995, as amended
<b>FIPB</b>	Foreign Investment Promotion Board
<b>FPI</b>	Food Processing Industry
<b>FY (s)/ Fiscal(s) / Fiscal Year(s)/ Financial Year(s)</b>	Year ended March 31
<b>GDP</b>	Gross Domestic Product
<b>Gen</b>	Generation
<b>GoI / Government / Central Government</b>	Government of India
<b>HNI</b>	High Net worth Individual
<b>HR</b>	Human Resource
<b>HUF</b>	Hindu Undivided Family
<b>I T Rules 1962</b>	Income Tax Rules, 1962



Term	Description
<b>IFRS</b>	International Financial Reporting Standards
<b>IFSC</b>	Indian Financial System Code
<b>Income Tax Act / Direct Taxes</b>	The Income Tax Act, 1961, along with rules and regulations there under, as amended
<b>Indian GAAP</b>	Generally Accepted Accounting Principles in India
<b>INR</b>	Indian Rupees
<b>IPO</b>	Initial Public Offer as defined under relevant laws
<b>IRDA</b>	Insurance Regulatory and Development Authority
<b>IST</b>	Indian Standard Time
<b>IT</b>	Information Technology
<b>M. Sc.</b>	Master of Science
<b>M. Tech.</b>	Master of Technology
<b>MBA</b>	Master of Business Administration
<b>MICR</b>	Magnetic Ink Character Recognition
<b>MoU</b>	Memorandum of Understanding
<b>MSMED Act</b>	Micro, Small and Medium Enterprises Development Act, 2006
<b>N. A.</b>	Not Applicable
<b>NAV</b>	Net Asset Value
<b>NEFT</b>	National Electronic Fund Transfer
<b>No.</b>	Number
<b>NRE</b>	Non-Resident External
<b>NRI</b>	Non Resident Indian, is a person resident outside India, who is a citizen of India or a person of Indian origin and shall have the same meaning as ascribed to such term in the Foreign Exchange Management (Deposit) Regulations, 2000, as amended
<b>NRO</b>	Non-Resident Ordinary
<b>NSDL</b>	National Securities Depository Limited
<b>NSE</b>	The National Stock Exchange of India Limited
<b>NSSO</b>	National Sample Survey Organization
<b>OCB(s) / Overseas Corporate Bodies</b>	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 was eligible to undertake transactions pursuant to the general permission granted to OCBs under the FEMA. OCBs are not allowed to invest in this Issue
<b>p.a.</b>	per annum
<b>P/E</b>	Price Earnings Ratio
<b>PAN</b>	Permanent Account Number
<b>PAT</b>	Profit after Tax
<b>PBT</b>	Profit Before Tax
<b>PGA</b>	Payment of Gratuity Act
<b>PGDM</b>	Post Graduate Diploma in Management
<b>PGDBM</b>	Post Graduate Diploma in Business Management
<b>PR</b>	Public Relations
<b>PSB</b>	Public Sector Banks
<b>R&amp;D</b>	Research and Development
<b>RBI</b>	Reserve Bank of India
<b>RoNW</b>	Return on Network
<b>RTGS</b>	Real Time Gross Settlement
<b>SC</b>	Securitisation Companies
<b>SCB</b>	Scheduled Commercial Banks
<b>SCRA</b>	Securities Contracts (Regulation) Act, 1956, as amended
<b>SCR</b>	Securities Contracts (Regulation) Rules, 1957, as amended
<b>SEBI</b>	Securities and Exchange Board of India constituted under the SEBI Act

<b>Term</b>	<b>Description</b>
<b>SEBI Act</b>	Securities and Exchange Board of India Act 1992, as amended
<b>SEBI Regulations</b>	SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended
<b>SME</b>	Small and Medium Enterprise
<b>Sr.</b>	Serial
<b>State Government</b>	The government of a state of India
<b>STT</b>	Securities Transaction Tax
<b>Trade Marks Act</b>	Trade Marks Act, 1999
<b>ULIP</b>	Unit Linked Insurance Plan
<b>USD/US\$/ US Dollar(s)</b>	United States Dollar(s)
<b>VAT</b>	Value Added Tax
<b>VC</b>	Venture Capital
<b>VCC</b>	Venture Capital Companies
<b>Viz.</b>	Videlicet
<b>Vs.</b>	Versus

**ISSUE RELATED TERMS**

<b>Term</b>	<b>Description</b>
<b>Allot/Allotment/Allotted</b>	Unless the context otherwise requires, the allotment of Equity Shares pursuant to the Issue to successful Applicants
<b>Allotment Advice</b>	Note or advice or intimation of Allotment sent to Applicants who are to be Allotted Equity Shares after the Basis of Allotment has been approved by the Designated Stock Exchange
<b>Allottee</b>	A successful Applicant to whom the Equity Shares are Allotted
<b>Applicant</b>	Any prospective investor who makes an application for Equity Shares in terms of the Prospectus
<b>Application Amount</b>	The amount indicated in the Application Form and payable by an Applicant on submission of an Application Form in the Issue and in the case of ASBA Applicants, the amount mentioned in the ASBA Application Form
<b>Application Form</b>	The form used by an Applicant (including ASBA Applicants) to apply for the Equity Shares in terms of the Prospectus
<b>ASBA / Application Supported by Blocked Amount</b>	An application, whether physical or electronic, used by an Applicant to apply for Equity Shares authorising a SCSB to block the Application Amount in their specified bank account maintained with the SCSB. ASBA is mandatory for Non Retail Applicants participating in the Issue
<b>ASBA Account</b>	An account maintained with the SCSBs and specified in the Application Form for blocking the amount mentioned in the Application Form
<b>ASBA Applicant</b>	Prospective investors in this Issue who intend to apply through ASBA
<b>Banker to the Issue / Escrow collection Bank(s)</b>	The banks which are clearing members and registered with SEBI as bankers to an issue with whom the Escrow Account will be opened, in this case being ICICI Bank Limited
<b>Basis of Allotment</b>	The basis on which Equity Shares will be Allotted to successful Applicants under the Issue and which is described in paragraph titled “Basis of Allotment” forming a part of section “Issue Procedure” on page 219 of this Prospectus
<b>Broker Centre</b>	Broker centres notified by the Stock Exchange, where Applicants can submit the Application Forms to a Registered Broker. The details of such broker centres, along with the names and contact details of the Registered Brokers, are available on the websites of the Stock Exchange
<b>Client ID</b>	Client identification number of the Applicant’s beneficiary account
<b>Controlling Branch(es)</b>	Such branch(es) of the SCSB which coordinates applications under

Term	Description
	the Issue with the Lead Managers, the Registrar to the Issue and the Stock Exchange and a list of which is available at <a href="http://www.sebi.gov.in/pmd/scsb.html">http://www.sebi.gov.in/pmd/scsb.html</a>
<b>Demographic Details</b>	The demographic details of the Applicants such as their address, occupation and bank account details as maintained by their respective Depository Participants
<b>Designated Branch(es)</b>	Such branches of the SCSBs which shall collect the Application Form used by ASBA Applicants and a list of which is available on <a href="http://www.sebi.gov.in/pmd/scsb.html">http://www.sebi.gov.in/pmd/scsb.html</a>
<b>Designated Date</b>	The date on which funds are transferred from the Escrow Account or the amount blocked by the SCSB is transferred from the ASBA Account, 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 shall Allot Equity Shares to successful Applicants in the Issue
<b>Draft Prospectus</b>	The draft prospectus dated July 10, 2015 issued in accordance with Section 26 of the Companies Act, 2013.
<b>Eligible NRI</b>	NRIs from jurisdictions outside India where it is not unlawful to make an issue or invitation under the Issue and in relation to whom this Prospectus constitutes an invitation to subscribe to the Equity Shares
<b>Eligible QFIs</b>	QFIs from such jurisdictions outside India where it is not unlawful to make an offer or invitation under the Issue and in relation to whom this Prospectus constitutes an invitation to purchase the Equity Shares offered thereby and who have opened demat accounts with SEBI registered qualified depository participants.
<b>Escrow Account</b>	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
<b>Escrow Agreement</b>	Agreement to be entered into by our Company, the Registrar to the Issue, the Lead Managers and the Escrow Collection Bank(s) and the Refund Banks for collection of the Application Amounts and where applicable, refunds of the amounts collected to the Applicants (excluding the ASBA Applicants) on the terms and conditions thereof
<b>First Applicant</b>	The Applicant whose name appears first in the Application Form
<b>Issue</b>	The public issue of 25,08,000 Equity Shares for cash at a price of ₹ 23/- per Equity Share aggregating up to ₹ 576.84 Lacs
<b>Issue Agreement</b>	The agreement entered into on June 17, 2015 between our Company and the Lead Managers, pursuant to which certain arrangements are agreed to in relation to the Issue
<b>Issue Closing Date</b>	November 04, 2015
<b>Issue Opening Date</b>	October 30, 2015
<b>Issue Period</b>	The period between the Issue Opening Date and the Issue Closing Date inclusive of both days, during which Applicants can submit their applications, including any revisions thereof
<b>Issue Price</b>	The price at which Equity Shares will be issued, transferred and Allotted in terms of the Prospectus
<b>Issue Proceeds</b>	The proceeds of the Issue that are available to our Company
<b>Lead Managers</b>	The lead managers to the Issue, in this case being Keynote Corporate Services Limited (Keynote) and Small Industries Development Bank of India (SIDBI)
<b>Main Board</b>	A recognized stock exchange having nationwide trading terminals, other than SME Exchange as defined under Regulation 106N of the SEBI Regulations; in this Issue being NSE
<b>Market Maker</b>	Keynote Capitals Limited will act as the market maker and has

<b>Term</b>	<b>Description</b>
	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 a period as may be notified by amendment to SEBI Regulations
<b>Market Maker Reservation Portion</b>	126000 Equity Shares of face value of ₹ 10 each, reserved for the Market Maker
<b>Mutual Funds</b>	A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996, as amended
<b>Non Institutional Applicants</b>	All Applicants that are not QIBs or Retail Individual Applicants and who have applied for Equity Shares for an amount more than ₹ 2,00,000 (but not including NRIs other than eligible NRIs)
<b>Non – Resident</b>	A person resident outside India, as defined under FEMA and includes an NRI
<b>Non Retail Applicants</b>	Individual Applicants other than Retail Individual Applicants, including QIBs and Non Institutional Applicants, irrespective of the number of Equity Shares applied for.
<b>Non Retail Portion</b>	The portion of the Issue being available for allocation on a proportionate basis to Non Retail Applicant(s)
<b>Offer Document</b>	Shall mean the 'Draft Prospectus' or the 'Prospectus', as the case may be
<b>Prospectus</b>	The Prospectus filed with the RoC in accordance with Section 26 of the Companies Act, 2013
<b>Public Issue Account</b>	Account opened with the Bankers to the Issue to receive monies from the Escrow Account on the Designated Date
<b>Qualified Foreign Investors / QFIs</b>	Non-resident investors, other than SEBI registered FIIs or sub-accounts or SEBI registered FVCIs, who meet 'know your client' requirements prescribed by SEBI and are resident in a country which is (i) a member of Financial Action Task Force or a member of a group which is a member of Financial Action Task Force; and (ii) a signatory to the International Organisation of Securities Commission's Multilateral Memorandum of Understanding or a signatory of a bilateral memorandum of understanding with SEBI Provided that such non-resident investor shall not be resident in a country which is listed in the public statements issued by Financial Action Task Force from time to time on: (i) jurisdictions having a strategic anti-money laundering/combating the financing of terrorism deficiencies to which counter measures apply; and (ii) jurisdictions that have not made sufficient progress in addressing the deficiencies or have not committed to an action plan developed with the Financial Action Task Force to address the deficiencies
<b>Qualified Institutional Buyers /QIBs</b>	Qualified institutional buyers as defined under Regulation 2(1)(zd) of the SEBI Regulations
<b>Refund Account(s)</b>	The account opened with Escrow Collection Bank(s), from which refunds, if any, of the whole or part of the Application Amount (excluding to the ASBA Applicant) shall be made
<b>Refund Banker</b>	ICICI Bank Limited
<b>Refunds through electronic transfer of funds</b>	Refunds through NECS, Direct Credit, NEFT, RTGS, as applicable
<b>Registrar/Registrar to the Issue</b>	Registrar to the Issue, in this case being Karvy Computershare Private Limited
<b>Retail Individual Applicant(s)</b>	Individual Applicants (including HUFs applying through their Karta, Eligible NRIs and Resident Retail Individual Applicants) who have not applied for Equity Shares for an amount more than ₹ 2,00,000 in the Issue
<b>Retail Portion</b>	The portion of the Issue consisting of 11,94,000 Equity Shares, available for allocation on a proportionate basis to Retail Individual Applicant(s)

Term	Description
<b>Self Certified Syndicate Bank or SCSB</b>	The Banks which are registered with SEBI under SEBI (Bankers to an Issue) Regulations, 1994 and offers services of ASBA, including blocking of bank account and a list of which is available on <a href="http://www.sebi.gov.in">http://www.sebi.gov.in</a>
<b>SME Continuous Market</b>	The regular trading hours of Equity Shares on the SME Platform of the NSE
<b>SME Exchange</b>	A trading platform of a recognised stock exchange having nationwide trading terminals permitted by the SEBI to list the specified securities issued in accordance with Chapter XB of SEBI Regulations; in this Issue being the SME Platform
<b>SME Platform</b>	The SME Platform of NSE i.e. “EMERGE” which was approved by SEBI as an SME Exchange on October 14, 2011 for listing of equity shares offered under Chapter XB of the SEBI Regulations
<b>Stock Exchange / Designated Stock Exchange</b>	NSE / SME Platform of the NSE i.e. “EMERGE”
<b>Takeover Code</b>	SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended
<b>TRS</b>	The transaction registration slip or document issued by a Banker to the Issue or the SCSB (only on demand), as the case may be, to the Applicant as proof of registration of the application
<b>Underwriters</b>	Keynote Corporate Services Limited, Small Industries Development Bank of India and Indian Overseas Bank
<b>Underwriting Agreement</b>	The agreement among the Underwriter and our Company to be entered into on or after the Pricing Date
<b>Working Days</b>	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 Closing Date and listing of the Equity Shares on the Stock Exchange, “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

#### INDUSTRY RELATED TERMS

Term	Description
<b>APDRP</b>	Accelerated Power Development and Reforms Programme
<b>AC&amp;R</b>	Air Conditioning and Refrigeration
<b>AHU</b>	Air Handling Unit
<b>AHRI</b>	Air-Conditioning, Heating and Refrigeration Institute
<b>AC</b>	Alternating Current
<b>BTG</b>	Boiler Turbine Generator
<b>BEE</b>	Bureau of Energy Efficiency
<b>CAGR</b>	Compound Annual Growth Rate
<b>CFO</b>	Chief Financial Officer
<b>CII</b>	Confederation of Indian Industry
<b>CPWD</b>	Central Public Works Department
<b>DSM</b>	Demand Side Management
<b>DC</b>	Direct Current
<b>DX</b>	Direct Expansion
<b>EE</b>	Electrical Equipment
<b>ECBC</b>	Energy Conservation Building Code
<b>EAC</b>	Environmental Appraisal Committee
<b>EIA</b>	Environmental Impact Assessment
<b>EOU</b>	Export Oriented Unit
<b>EPC</b>	Engineering Procurement and Construction
<b>EPCG</b>	Export Promotion Capital Good
<b>FCU</b>	Fan Coil Unit

Term	Description
<b>GRIHA</b>	Green Rating for Integrated Habitat Assessment
<b>GW</b>	Giga Watts
<b>HRU</b>	Heat Recovery Unit
<b>HVAC</b>	Heating, Ventilation, and Air Conditioning
<b>IGBC</b>	Indian Green Building Council
<b>ISHRAE</b>	Indian Society of Heating, Refrigerating, and Air
<b>ISO</b>	International Organization for Standardization
<b>KVA</b>	Kilovolt Ampere
<b>LEED</b>	Leadership in Energy and Environmental Design
<b>MIDC</b>	Maharashtra Industrial Development Corporation
<b>MGNREGA</b>	Mahatma Gandhi National Rural Employment Guarantee Act
<b>MEP</b>	Mechanical, Electrical and Plumbing
<b>MoEF</b>	Ministry of Environment and Forests
<b>MNRE</b>	Ministry of New and Renewable Energy
<b>NAPCC</b>	National Action Plan on Climate Change
<b>PTAC</b>	Packaged Terminal Air Conditioner
<b>RGVY</b>	Rajiv Gandhi Grameen Vidyutikaran Yojana
<b>RAMA</b>	Refrigeration and Air-conditioning Manufacturers' Association
<b>RTU</b>	Roof Top Unit
<b>RAC</b>	Room Air Conditioner
<b>SEZ</b>	Special Economic Zone
<b>SEAC</b>	State Environmental Appraisal Committee
<b>TERI</b>	The Energy and Resources Institute
<b>VAM</b>	Vapour Absorption Machine
<b>VRF</b>	Variable Refrigerant Flow
<b>VRV</b>	Variable Refrigerant Volume

The words and expression used but not defined in this Prospectus will have the same meaning as assigned to such terms under the Companies Act, SEBI Act, SCRA, Depositories Act and the rules and regulations made there under. Notwithstanding the foregoing, terms in “*Main Provisions of Articles of Association*”, “*Statement of Tax Benefits*” and “*Financial Statements*” on pages 247, 66 and 131 respectively of this Prospectus, shall have the meanings given to such terms in these respective sections.



## PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA

### Financial Data

Unless stated otherwise, the financial data in this Prospectus is derived from the audited financial statements of our Company, prepared in accordance with Indian GAAP and the Companies Act and restated in accordance with the SEBI Regulations and Indian GAAP which are set out in the section “*Financial Statements*” on page 131 of this Prospectus.

There are significant differences between Indian GAAP, IFRS and U.S. GAAP. This Prospectus does not contain a reconciliation of our financial statements to IFRS or U.S. GAAP nor does it include any information in relation to the differences between Indian GAAP, IFRS and U.S. GAAP.

Accordingly, the degree to which the Indian GAAP financial statements included in this Prospectus will provide meaningful information is entirely dependent on the reader’s level of familiarity with Indian accounting practices, Indian GAAP and the Companies Act. Any reliance by persons not familiar with Indian accounting practices, Indian GAAP and the Companies Act on the financial disclosures presented in this Prospectus should accordingly be limited. Our Company urges you to consult your own advisors regarding such differences and their impact on our Company’s financial data. For details in connection with risks involving difference between Indian GAAP and IFRS, please refer to the section “*Risk Factors*” on page 12 of this Prospectus. Any percentage amounts, as set forth in the sections “*Risk Factors*”, “*Our Business*”, “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” on pages 12, 90 and 181 respectively of this Prospectus and elsewhere in this Prospectus, unless otherwise indicated, have been calculated on the basis of the restated financial statements of our Company. The Fiscal Year of our Company commences on April 1 of each year and ends on March 31 of the following year. All references to a particular Fiscal Year are to the 12 month period ending March 31 of that year.

In this Prospectus, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding-off.

### Currency and units of Presentation

All references to “Rupees”, “Rs.”, “₹” or “INR” are to Indian Rupees, the official currency of the Republic of India. All references to “US\$”, “USD” or “US Dollars” are to United States Dollars, the official currency of the United States of America. In this Prospectus, our Company has presented certain numerical information in “lacs” and “Crore” units. One lac represents 1,00,000 and one Crore represents 1,00,00,000.

### Exchange Rates

This Prospectus contains translations of certain US Dollar and other currency amounts into Indian Rupees that have been presented solely to comply with the requirements of the SEBI Regulations. Such conversions should not be considered as a representation that such US Dollar amounts have been, could have been or could be converted into Rupees at any particular rate, the rates stated above or at all.

### Industry and Market Data

Unless stated otherwise, industry and market data used throughout this Prospectus has been obtained from industry publications and government data. Industry publications generally state that the information contained in those publications have been obtained from sources believed to be reliable but their accuracy and completeness are not guaranteed and their reliability cannot be assured. Although our Company believes that industry data used in this Prospectus is reliable, neither our Company nor the Lead Managers have independently verified such information or ascertained the underlying economic assumptions contained therein. The data used from these sources may have been reclassified by us for purposes of presentation. The extent to which the market and industry data used in this Prospectus is meaningful depends on the reader’s familiarity with and understanding of the methodologies used in compiling such data. There are no standard data gathering methodologies in the industry in which we conduct our business, as methodologies and assumptions may vary widely among different market and industry sources.

## FORWARD LOOKING STATEMENTS

This Prospectus contains certain forward-looking statements. These forward-looking statements generally can be identified by words or phrases like ‘will’, ‘aim’, ‘will likely result’, ‘believe’, ‘expect’, ‘will continue’, ‘anticipate’, ‘estimate’, ‘intend’, ‘plan’, ‘contemplate’, ‘seek to’, ‘future’, ‘objective’, ‘goal’, ‘project’, ‘should’, ‘will pursue’ and similar expressions or variations of such expressions, that are ‘forward looking statements’. Similarly, the statements that describe our objectives, plans or goals are also forward-looking statements. All forward-looking statements are subject to risks, uncertainties and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement.

Actual results may differ materially from those suggested by the forward-looking statements due to risks or uncertainties associated with the expectations with respect to, but not limited to, regulatory changes pertaining to the industries in India in which our Company has businesses and its ability to respond to them, its ability to successfully implement its strategy, its growth and expansion, technological changes, its exposure to market risks, general economic and political conditions in India which have an impact on its business activities or investments, the monetary and fiscal policies of India, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and globally, changes in domestic laws, regulations and taxes and changes in competition in its industry. Important factors that could cause actual results to differ materially from our Company’s expectations include, but are not limited to, the following:

- General economic and business conditions in India;
- Our ability to manage our growth and scalability effectively;
- Our ability to provide better services than our competition;
- Our ability to maintain and enhance awareness of our brand;
- Changes in government policies and regulatory actions that apply to or affect our business;
- Unprecedented and challenging global economic conditions; and
- Changes in political and social conditions in India.

For further discussion of factors that could cause our actual results to differ, please refer to the sections “Risk Factors”, “Our Business” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” on page 12, 90 and 181 respectively of this Prospectus.

By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated.

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

## SECTION II –RISK FACTORS

*An investment in Equity Shares involves a high degree of risk. You should carefully consider all the information in this Prospectus, including the risks and uncertainties described below, before making an investment in the Equity Shares. The risks described below are not the only ones relevant to the country, the industry in which our Company operates in India, our Company or our Equity Shares. Additional risks and uncertainties not presently known to us or that we currently believe to be immaterial may also have a material adverse effect on our business, results of operations and financial condition. If any of the following risks, or other risks that are not currently known or are deemed immaterial, actually occur, our business, results of operations and financial condition could suffer, the trading price of our Equity Shares could decline and you may lose all or part of your investment. Prospective investors should consult their tax, financial and legal advisors about the particular consequences of an investment in this Issue.*

*Unless otherwise stated in the relevant risk factors set forth below, we are not in a position to specify or quantify the financial or other implications of any of the risks mentioned herein. In making an investment decision, prospective investors must rely on their own examination of our Company and the terms of the Issue, including merits and risks involved.*

*This Prospectus also contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including considerations described below and in “Forward Looking Statements” on page 11 of this Prospectus. To obtain a better understanding of our business, you should read this section in conjunction with other sections of this Prospectus, including “Our Business”, “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and “Financial Statements” on pages 90, 181 and 131, respectively, together with all other financial information contained in this Prospectus. Unless otherwise stated, the financial data in this section is derived from and should be read in conjunction with our audited restated financial statements prepared in accordance with Indian GAAP and restated in accordance with the SEBI Regulations.*

### I. INTERNAL RISK FACTORS

#### 1. Our Company & our Promoter are involved in certain legal proceedings, which if determined, against us could have adverse impact on the business and financial results of our Company.

Our Company & our Promoter are involved in certain legal proceedings, which if determined, against us could have adverse impact on the business and financial results of our Company. These proceedings are pending at different levels before various courts, tribunals, affiliate tribunals, enquiry officers, etc. For details kindly refer chapter titled —Outstanding Litigation and Material Developments” at page no. 189. A classification of the legal proceedings instituted against and by our Company, our Promoter, the monetary amount involved, wherever quantifiable, in these cases is mentioned in brief below.

Litigation against Our Company		
Nature of Cases	Nos. of outstanding Cases	Amount involved (in lacs ₹)
Civil	1	0.15
Civil Notices	1	0.34
<b>Total</b>	<b>2</b>	<b>0.49</b>

Litigation against Promoter of our Company		
Nature of Cases	Nos. of outstanding Cases	Amount involved (₹)
Civil	1	Not ascertainable
<b>Total</b>	<b>1</b>	Not ascertainable

Litigation by Promoter		
Nature of Cases	Nos. of outstanding Cases	Amount involved (₹)
Civil	2	Not ascertainable
<b>Total</b>	<b>2</b>	Not ascertainable

*Note: All amounts mentioned above are approximate.*

We cannot provide any assurance that these matters will be decided in favour of the above mentioned entities or persons. Further, there is no assurance that similar proceedings will not be initiated against the above mentioned entities or persons in the future.

**2. *Condonation before the Ministry of Corporate Affairs with respect to delayed filing of Form 23/MGT 14 with RoC.***

Our Company had made certain preferential allotments, for which the approval was sought under section 81(1A) and also a special resolution in respect of remuneration payable to the Whole Time Directors was passed on March 25, 2010. In respect of these allotments and the special resolution, we were required to file Form 23 with RoC as prescribed. There has been a delay in filing these forms. On becoming aware of the same we have filed application(s) for condonation of delay in filing the relevant resolutions before the Ministry of Corporate Affairs.

The Ministry has condoned the delay vide its order dated September 15, 2015 bearing file no. 17/23/2015 relating to filling of Form 23/MGT 14 for intimation of said allotments to the ROC. Further, our Company has received an order dated October 05, 2015 bearing file no. 17/23/2015 from Ministry which is subject to the payment of requisite fee and additional fee applicable to the respective forms. Our Company has filed Form MGT 14 relating to special resolution in respect of remuneration payable to the Whole Time Directors after receiving the said order dated October 05, 2015 and filling of Form 23/MGT 14 relating to preferential allotments made is in process.

**3. *Our Company has several contingent liabilities which if materialises may adversely affect the financial position of the Company.***

As on April 30, 2015 our Company has contingent liabilities of ₹ 231.53lacs towards bank guarantees / LCs issued to customers, not provided for. The said contingent liabilities if materialises may adversely affect the financial position / working capital requirement of the Company.

**4. *Our Company does not have registrations as required under respective shops and establishment Acts applicable in certain places where we have establishment.***

Our Company has commercial establishments at Ghaziabad (Uttar Pradesh), Bhiwandi (Thane), Ghatkopar, (Mumbai), Shakarpur (Delhi) and Hyderabad in respect of which we have not obtained registration under the relevant shop and establishment laws. Our Company and/or promoter may be subjected to actions by the relevant authority.

**5. *We require number of approvals, licenses, registration and permits for our business and failure to obtain or renew them in a timely manner may adversely affect our operations.***

We require several statutory and regulatory permits, licenses and approvals to operate in the manufacturing business, some of which our Company has either received or applied for. Many of these approvals are granted for fixed periods of time and need renewal from time to time. Non-renewal of the said permits and licenses would adversely affect our Company's operations, thereby having a material adverse effect on our business, results of operations and financial condition. There can be no assurance that the relevant authorities will issue any of such permits or approvals in the time-frame anticipated by us or at all. We had applied for a fresh factory license for our premise situated at Rabale. Details of the same is as mentioned below:

Nature of License / Approval	Issuing Authority	Date of Application	Premise
Factories License	Deputy Director Industrial Safety and Health, Thane	April 27, 2015	Plot No. R-637, TTC Industrial Area, Rabale, Thane Belapur Road Navi Mumbai

Although we have received the aforementioned factory license from 'Joint Director, Industrial Safety & Health' vide its letter no. PLN/ 120/ 2015/ SLC/ 1267/ Thn. dated May 25, 2015 the same is subject to "No Objection Certificate" from the Director of Industries under Mumbai Metropolitan Regional Plan Policy. We are yet to apply for the same.

Further, the Certificate of Registration under Karnataka Tax on profession, Trades, Callings and Employment Act 1976, Employees Provident Fund and Miscellaneous Provisions Act 1952, Maharashtra Value Added Tax Act 2002 are in the erstwhile name of Our Company, we are yet to apply to the relevant authority for the change of name. For

details, please see chapters titled “Key Industry Regulations and Policies in India” and “Government and Other Approvals” at pages 99 and 193 respectively of this Draft Prospectus.

**6. *There are certain discrepancies noticed in some of our corporate records relating to forms filed with the Registrar of Companies.***

We have noticed certain discrepancies in some of our corporate records relating to RoC forms filed with the Registrar of Companies in relation to the allotment of securities made on August 01, 1996, November 30, 2002, March 20, 2008, March 27, 2010 & March 29, 2010. We cannot assure that the relevant authority may not initiate any proceeding against our Company in the future for the same.

Our Company has not filed the requisite Form 5 INV as required in terms of the provisions of Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amount lying with companies) Rules, 2012 for the Financial Years 2012, 2013 and 2014. The unclaimed dividend amount pertaining to these years was Rs.0.05 Lacs, Rs. 0.07 Lacs and Rs. 0.07 Lacs, respectively. However, as on date there is no outstanding and unclaimed dividend lying with the Company.

Till date, we have not received any communications from any authority, in relation to the said discrepancies. However, we cannot assure you that, the relevant authority may not initiate any proceedings against us in the future for such discrepancies and if such proceeding is initiated against our Company and our Promoters the same might cause prejudice to our company. Further we may be subjected to penal liabilities.

**7. *We have experienced negative cash flows in previous years. Any operating losses or negative cash flows in the future could adversely affect our results of operations and financial conditions.***

The details of Cash flows of our Company are as follows:

Particulars	For the period ended April 30, 2015	INR in Lacs For the year Ended 31 <sup>st</sup> of				
		March 2015	March 2014	March 2013	March 2012	March 2011
Net cash (used in) / from Operating Activities	14.72	(30.41)	40.61	76.98	(0.10)	125.35
Net cash (used in) / from Investing Activities	(3.75)	(240.25)	(87.67)	(64.17)	(16.70)	(115.60)
Net cash (used in) / from Financing Activities	(11.16)	254.91	65.04	3.38	18.98	8.55
Net increase / (decrease) in cash and cash equivalents	(0.20)	(15.74)	17.98	16.19	2.18	18.29

Cash flow of a Company is a key indicator to show the extent of cash generated from operations to meet capital expenditure, pay dividends, repay loans and to make new investments without raising finance from external resources. Any operating losses or negative cash flows could adversely affect our results of operations and financial conditions. If we are not able to generate sufficient cash flows, it may adversely affect our business and financial operations. For more information, regarding Cash flows, please refer Annexure III in chapter titled “Auditor’s Report on Financial Information” beginning on page 181 of this Prospectus.

**8. *Our Company has availed financial facility in the nature of Cash Credit and Term Loan from our bankers, which includes several restrictive covenants, for which prior written approval of Bank would be required.***

We have availed financial facility in the nature of Cash Credit and Term Loan from some of the banks/ financial institutions. The sanction letter/ agreement contain restrictive covenants among other things require us to obtain their written permission for the issue. These covenants may have an adverse effect on the functioning and fundraising plans of our Company.

9. ***We propose to utilise a portion of the Proceeds of the Issue for investment in our subsidiary, Perfect Control Panel Pvt. Ltd. ("Perfect Control"). Any delay in the execution of the project by our subsidiary may affect its business and financials, thereby affecting our consolidated results.***

We propose to utilise ₹ 100 lacs out of the Proceeds of the Issue as equity investment into our subsidiary viz. 'Perfect Control'. Perfect Control proposes to setup a facility which will have an in-house assembly and manufacturing of electrical panels, both high tension and low tension. Any failure or delay on our part to mobilize the required funds from the Issue Proceeds may delay our investment into the subsidiary which may consecutively delay the development plans of our subsidiary and it may also be subject to risks on account of inflation in the price of plant & machinery that it requires. The same is expected to affect the business and financials of our, thereby affecting our consolidated results. For further details, please refer to the section titled "Objects of the Issue" appearing on page no 60 of this Prospectus.

10. ***We have not registered our trademark or logo nor have we made any application to register the same. If we are unable to protect our trademarks and trade-names, others may be able to use our trademarks and trade-names to compete more effectively.***

We have neither obtained trademark registrations for our name or logo nor have we applied to register our name or logo. We cannot assure you that we will be able to obtain such registrations in a timely manner, in case we determine to apply in the later course of time. As a result, we may be unable to prevent use of these names or variations thereof by any other party or ensure that we will continue to have a right to use it. We further cannot assure you that any third party will not infringe upon our trademark, logo and/or trade name in a manner that may have a material adverse effect on our business prospects, reputation and goodwill.

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

Our Director Ms. Sharmila Singh has promoted Acurate Aircon Pvt. Ltd and Accurate Services (proprietary firm), These entities are engaged in the similar line of business as of our Company. We have not entered into any non-compete agreement with any of these entities. We cannot assure you that our Director who has common interest in said entities will not favour the interest of the said entities or such entities will not expand, which may adversely affect our business and results of operations.

12. ***We do not, own the Registered Office (manufacturing unit), Corporate Office and few of the premises from where we are currently operating and the same has been taken on lease. Any failure on our part to meet the terms of those lease agreements, arrangements could jeopardise our interest severely.***

We do not own our registered office cum manufacturing unit (situated at Plot No. R-637, TTC Industrial Area, Rabale) and the same is on lease from MIDC for a period of 95 years, starting from July 01, 1992. We have our corporate office situated at R.R. No. 1071 Elphinston Estate, Masjid Bunder where Ms. Manisha Mehta, one of the promoters of our Company is a legal heir to the original lessees. The said lease by Bombay Post Trust has expired. Accordingly the Bombay Port Trust i.e; the original lessor has filed a suit for eviction against the lessees and their legal heirs. Ms. Manisha Mehta had applied for inclusion of her name as a defendant to the suit being the legal heir and interested party to the aforesaid proceedings. The said application has been rejected by the Hon'ble court of small causes vide their order dated September 01, 2012 interalia on the ground of lack of documentary evidence on her part to establish her legacy. Ms. Manisha Mehta is in the process of filing a fresh application for rejoinder of party in the said matter.

Further, we have not entered into any formal agreement/ arrangement with the owners of the premises situated at Ghatkopar, Shakarpur (Delhi) and Manikonda (Hyderabad).from where Our Company is currently operating. If the owners of these premises revoke their current arrangements in future or proposes any unfavourable terms, the same could jeopardise our interest.

If any of the owners of these leased/license/ arranged premises do not renew the agreements/ arrangements under which we occupy the premises or the pending litigation in this regard is decided adversely, we may suffer a disruption in our operations and might have to relocate. For further details, please see the section "Litigation" beginning on page 189 of this Prospectus and "Our Business" beginning on page no 90 of the Prospectus.



**13. *There is no formal agreement between our Company and our subsidiary viz; Perfect Control Panel Pvt. Ltd. for usage of the premises at Rabale, Navi Mumbai.***

The premises situated at Plot No. R-637, TTC Industrial Area, Rabale is used jointly by our Company and our subsidiary viz; Perfect Control Panel Pvt. Ltd. There is no formal agreement between our Company and our subsidiary for using the same. Absence of such arrangement may limit / hinder our expansion plans, and in that case either we or our subsidiary may be required to look for a larger space.

**14. *Our Promoters, Director have given personal guarantees in relation to Credit facility (Fund and non fund based) for both short term and long term loan provided to our Company by ICICI Bank, Deutsche Bank, Axis Bank and other financial institutions. In event of default on the debt obligations, the personal guarantees may be invoked thereby adversely affecting our Promoter's, Directors' ability to manage the affairs of our Company and consequently impact our business, prospects, financial condition and results of operations.***

Our Company has been sanctioned Credit facilities (fund based and non fund based) of Rs. 1204.70 Lacs from ICICI Bank, Rs. 38.76 Lacs from Deutsche Bank and Rs. 18.26 Lacs from Bajaj Finance Ltd., Rs. 29.43 Lacs from Tata Capital Financial Services, Rs. 49.66 Lacs from Axis Bank and Rs. 117.35 Lacs from SIDBI to our Company. Terms and conditions of the said facility stipulate that the facility shall be secured by a personal guarantee of our Promoters, Directors. In event of default on the debt obligations, the personal guarantees may be invoked thereby adversely affecting our Promoters' ability to manage the affairs of our Company and consequently impact our business, prospects, financial condition and results of operations. For further details in relation to above borrowings please refer section titled "Financial Information" beginning at page no. 131 of this Draft Prospectus.

**15. *Our Company have availed certain unsecured loans that are recallable by the lenders at any time.***

Our Company have availed certain unsecured loans that are recallable on demand by the lenders. In such cases, the lender is empowered to require repayment of the facility at any point in time during the tenor. In case the loan is recalled on demand by the lender and our Company is unable to repay the outstanding amounts under the facility at that point, it would constitute an event of default under the respective loan agreements. See "Financial Indebtedness" on page 187.

**16. *Projects included in our order book may be changed, delayed, cancelled or not fully paid for by our clients, which could materially harm our cash flow position, revenues or profits.***

Currently we have an order book of over Rs. 5200 Lacs. Although projects in our order book represent business that we may consider firm on the date of such order book, cancellations, delays or scope adjustments may occur. Due to changes that may occur in project scope and schedule, we cannot predict with certainty when or if the projects in our order book will be completed. In addition, even where a project proceeds as scheduled, it is possible that contracting parties may default and fail to pay amounts owed or dispute the amounts owed to us. Any delay, cancellation or payment default could materially harm our cash flow position, revenues and profits, and adversely affect the trading price of the Equity Shares.

**17. *We require high working capital for our smooth day to day operations of business and any discontinuance or our inability to acquire adequate working capital timely and on favorable terms may have an adverse effect on our operations, profitability and growth prospects.***

We operate in a working capital intense industry therefore our business demands substantial funds towards working capital requirements. Presently, we have been availing the working capital facility amounting to ₹ 600 Lacs, sanctioned by our bankers viz; ICICI Bank and others which we feel that the same is sufficient as on date. We propose to raise ₹ 425 lacs from the present public issue to part finance our working capital requirement. However, in future if there are insufficient cash flows to meet our working capital requirement or we are unable to arrange the same from other sources or there are delays in disbursement of arranged funds, or we are unable to procure funds on favorable terms, it may result into our inability to finance our working capital needs on a timely basis which may have an adverse effect on our operations, profitability and growth prospects.

**18. Our Group Company has incurred losses in the last three fiscal years.**

Our Group Company Accurate Aircon Pvt. Ltd. has incurred losses in the last three fiscal years as set forth below:  
(Rs. In lacs)

Fiscal year		
FY 2013-14	FY 2012-13	FY 2011-12
(0.08)	(0.12)	(0.22)

For further information, please see the section “Our Promoter and Group Companies of our Promoter” beginning on page 126 of this Prospectus.

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

We have, in the course of our business, entered into transactions with related parties including entities forming part of our Promoter and group companies. There can be no assurance that we could not have achieved more favorable terms had such transactions not been entered into with related parties. Such related party transactions may give rise to potential conflicts of interest with respect to dealings between us and the related parties. Furthermore, it is likely that we will continue to enter into related party transactions in the future. There can be no assurance that such transactions, individually or in the aggregate, will not have an adverse effect on our financial condition and results of operations.

For details of related party transactions entered into by us please see “Auditor’s Report – Related Party Transaction” on page 155 of this Prospectus.

**20. Our insurance coverage may not adequately protect us against certain operating risks and this may have as adverse effect on the results of our business.**

We are insured for a number of the risks associated with our manufacturing business, through policies such as Standard Fire and Allied Perils Insurance, Workman Compensation Insurance, etc. We believe we have got our assets adequately insured; however 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 cover all material losses. To the extent that we suffer any loss or damage that is not covered by insurance or exceeds our insurance coverage, our business and results of operations could be adversely affected. We may also be subject to claims resulting from defects in the engineering design and commissioning of our products. Our policy of covering these risks through insurance may not always be effective or adequate. Failure to effectively cover ourselves against the associated risks for any of these reasons including other unforeseen circumstances could expose us to substantial costs and potentially lead to material losses.

**21. The success of our business operations depends largely upon our Promoter Directors and Key Managerial Personnel, the loss of any of them may negatively impact our business operations and financial conditions.**

Our success is highly dependent on the expertise and services of our Promoter Directors, Mr. Nimesh Mehta, Mrs. Manisha Mehta and key managerial personnel. Our ability to successfully function and meet future business challenges partly depends on our ability to attract and retain the key managerial personnel. We cannot assure you that we will be able to retain any or all of the key members of our management. The loss of the services of any key member of our management team could have an adverse effect on our ability to implement new projects and expand our business. For further details of our Promoter Directors and key managerial personnel, please refer to the section “Our Management” on page 90 of the Prospectus.

**22. One of our Group entity promoted by our promoters has initiated the process of ‘strike off’ of its name under FTE Scheme.**

The Board Directors of one of our Group entities, M/s. Accurate Aircon Private Limited, which is also promoted by our Promoters and have our Promoters and their relatives as directors on its board, have initiated the process of ‘strike off’ of its name under FTE Scheme under the provisions of Section 560 of the Companies Act, 1956. It is stated that, M/s. Accurate Aircon Private Limited as on date has not initiated/made any application before any statutory, judicial or other authorities in this regard. Once, the application is made the authorities might subject our Promoters of any liabilities.

**23. *Our Promoters, Directors and Key Managerial Persons may have interest in our Company, other than reimbursement of expenses incurred or remuneration.***

Apart for receipt of remuneration and re-imbursement of expenses incurred by them, our Promoters, Directors and key management personnel may be deemed to be interested to the extent of the Equity Shares held by them, rent and rent deposit received by them or otherwise; or their relatives or our Group Entities, and benefits deriving from their directorship in our Company. Our Promoters and directors are interested in the certain transactions entered into between our Company and themselves as well as between our Company and our Group Entities. For further details, please refer to the chapters titled “ Our Business” , “Our Promoters” and “Our Management”, beginning on page 90, 126 and 113 respectively and the Annexure XXXIII titled “Related Party Transactions” under chapter titled “Restated Financial statements” beginning on page 181 of this Prospectus.

**24. *Any change in interest rates and banking policies may have an adverse impact on our Company’s operations and profitability.***

Our Company has taken Credit facilities from various banks and financial institutions and is dependent on the same for arranging the long term financing for its business operations. Accordingly, any change in the existing banking policies or increase in interest rates may have an adverse impact on the Company’s operations and profitability.

**25. *There is no monitoring agency appointed by our Company and the deployment of funds is at the discretion of our Management and our Board of Directors, though it shall be monitored by our Audit Committee.***

As per SEBI (ICDR) Regulations, 2009, as amended, appointment of monitoring agency is required only for Issue size above Rs. 50,000 Lakhs. Hence, we have not appointed any monitoring agency to monitor the utilization of Issue proceeds. However, the audit committee of our Board will monitor the utilization of Issue proceeds in terms of Clause 52 of SME Listing Agreement. Further, our Company shall inform about material deviations in the utilization of Issue proceeds to the NSE and shall also simultaneously make the material deviations / adverse comments of the audit committee public.

**26. *Our funding requirements and deployment of the Proceeds of the Issue are based on management estimates and have not been independently appraised.***

We intend to use the proceed of the Issue for purposes described in the section “Objects of the Issue” beginning on page 60 of this Prospectus. Except as disclosed in the section “Objects of the Issue”, our funding requirements and the deployment of the Net Proceeds of the Fresh Issue are based on management estimates, current quotations from suppliers and our current business plans and such fund requirements and intended use of proceeds have not been appraised by any bank or financial institution. Because of the competitive and dynamic nature of the businesses that we operate, we may need to revise our expenditure and fund requirements due to changes in the cost structure, changes in estimates, changes in quotations, exchange rate fluctuations and external factors, which may not be within the control of our management. In the event of an increase in expenditure and fund requirements, we intend to try and meet these increased requirements through our internal accruals and additional debt or equity arrangements. This may entail rescheduling or revising the planned expenditure and fund requirements and increasing or decreasing the expenditure for a particular purpose at the discretion of our Board.

**27. *Our Promoter and the members of our Promoter Group will continue to retain significant control in the Company after the Issue, which will enable them to influence the outcome of matters submitted to shareholders for approval. Our Promoter and the members of our Promoter Group may have interests that are adverse to the interests of our other shareholders and may take positions with which our other shareholders do not agree.***

As of September 30, 2015, our Promoter and the members of our Promoter Group held approximately 96.80% of the issued equity share capital of the Company. After completion of the Issue, our Promoter and the members of our Promoter Group will hold 65.31 % of the equity shares capital of the Company and continue to retain a significant control of the Company. As a result, our Promoter and our Promoter Group will have the ability to control our business, including matters relating to any sale of all or substantially all of our assets, the timing and distribution of dividends and the election or termination of appointment of our officers and directors. This control could delay, defer or prevent a change in control of the Company, impede a merger, consolidation, takeover or other business combination involving the Company, or discourage a potential acquirer from making a tender offer or otherwise attempting to obtain control of the Company even if it is in the Company’s best interest. In addition, for so long as our Promoter and the members of our Promoter Group continue to exercise significant control over the Company they may influence the material policies of the Company in a manner that could conflict with the interests of our

other shareholders. Our Promoter and the members of our Promoter Group may have interests that are adverse to the interests of our other shareholders and may take positions with which our other shareholders do not agree.

**28. *Our business is subject to various operating risks at our factory, the occurrence of which can affect our results of operations and consequently, financial condition of our Company.***

Our business operations are subject to operating risks, such as breakdown or failure of equipments used at our factory, interruption in power supply, shortage of consumables, performance below expected levels of output or efficiency, natural disasters, obsolescence, labour disputes, industrial accidents, our inability to respond to technological advancements and emerging realty industry standards and practices along with the need to comply with the directives of relevant government authorities. The occurrence of these risks, if any, could significantly affect our operating results, and the slowdown / shutdown of business operations may have a material adverse effect on our business operations and financial conditions.

**29. *Our results of operations could be adversely affected by strikes, work stoppages or increased wage demands by our employees or other disputes with our employees or our contractors' employees.***

Our operations are dependent on labour force. None of our employees are affiliated with any labour unions. However, there can be no assurance that our employees will not form a union, join any existing union or otherwise organize themselves. India has stringent labour legislation that protects the interests of workers, including legislation that sets forth detailed procedures for the establishment of unions, dispute resolution and employee removal and legislation that imposes certain financial obligations on employers upon retrenchment. Although, we currently have harmonious relations with our employees and they are not unionized at present, there can be no assurance that we will continue to have such relations. If our relations with our employees are strained, it may become difficult for us to maintain our existing labour policies, and our business may be adversely affected.

## **II. RISKS RELATED TO OUR EQUITY SHARES AND EQUITY SHARE HOLDERS**

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

Our revenues are dependent on various factors such as future earnings, financial condition, cash flows, working capital requirements, capital expenditures and restrictive covenants in our financing arrangements. Our business is capital intensive and we may plan to make additional capital expenditures undertake new projects. Our ability to pay dividends is also restricted under certain financing arrangements that we have entered into and expect to enter into. The combination of these factors may result in significant variations in our revenues and profits and thereby may impact our ability to pay dividends.

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

Under current Indian tax laws and regulations, capital gains arising from the sale of Equity Shares in an Indian Company are generally taxable in India. Any gain realized on the sale of listed Equity Shares on a stock exchange held for more than 12 months will not be subject to capital gains tax in India if Securities Transaction Tax ("STT") has been paid on the transaction. STT will be levied on and collected by a domestic stock exchange on which the Equity Shares are sold. Any gain realised on the sale of Equity Shares held for more than 12 months to an Indian resident, which are sold other than on a recognized stock exchange and on which no STT has been paid, will be subject to long term capital gains tax in India. Further, any gain realized on the sale of listed Equity Shares held for a period of 12 months or less will be subject to short term capital gains tax in India. For more details, please refer to "Statement of Tax Benefits" on page 66 of this Prospectus.

**32. *We cannot assure you that our Equity Shares will be listed on the SME Platform of NSE in a timely manner or at all, which may restrict your ability to dispose of the Equity Shares.***

In terms of Chapter XB of the SEBI (ICDR) Regulations, 2009, as amended from time to time, we are not required to obtain any in-principle approval for listing of our Equity Shares issued. We have only applied to NSE (SME Platform – NSE EMERGE) to use its name as the Stock Exchange in this Offer Document for listing our Equity Shares on the SME Platform of NSE. Permission for listing of the Equity Shares will be granted only after the Equity Shares offered in this Issue have been allotted. Approval from NSE will require all relevant documents authorizing the issuing of the Equity Shares to be submitted to it. There could be a failure or delay in listing the Equity Shares on the SME Platform of NSE. Further, certain procedural and regulatory requirements of SEBI and the Stock

Exchanges are required to be completed before the Equity Shares are listed and trading commences. Trading in the Equity Shares is expected to commence within 12 Working Days from the Issue Closing Date. However, we cannot assure you that the trading in the Equity Shares will commence in a timely manner or at all. Any failure or delay in obtaining the approvals would restrict your ability to dispose of your Equity Shares.

**33. *The price of our Equity Shares may be volatile, or an active trading market for our Equity Shares may not develop.***

Prior to this Issue, there has been no public market for our Equity Shares. Keynote Capitals Limited is acting as Market Maker for the Equity Shares of our Company. However, the trading price of our Equity Shares may fluctuate after this Issue due to a variety of factors, including our results of operations and the performance of our business, competitive conditions, general economic, political and social factors, the performance of the Indian and global economy and significant developments in India's fiscal regime, volatility in the Indian and global securities market, performance of our competitors, the Indian Capital Markets, changes in the estimates of our performance or recommendations by financial analysts and announcements by us or others regarding contracts, acquisitions, strategic partnerships, joint ventures, or capital commitments. In addition, if the stock markets experience a loss of investor confidence, the trading price of our Equity Shares could decline for reasons unrelated to our business, financial condition or operating results. The trading price of our Equity Shares might also decline in reaction to events that affect other companies in our industry even if these events do not directly affect us. Each of these factors, among others, could materially affect the price of our Equity Shares. There can be no assurance that an active trading market for our Equity Shares will develop or be sustained after this Issue, or that the price at which our Equity Shares are initially offered will correspond to the prices at which they will trade in the market subsequent to this Issue. For further details of the obligations and limitations of Market Makers, please refer to the section titled "General Information – Details of the Market Making Arrangement for this Issue" on page 43 of this Prospectus.

### **III. EXTERNAL RISK FACTORS**

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

Our business and financial performance could be adversely affected by unfavourable changes in or interpretations of existing, or the promulgation of new, laws, rules and regulations applicable to us and our business. Please refer to the section "Key Industry Regulations and Policies" on page 99 of this Prospectus for details of the laws currently applicable to us. There can be no assurance that the Government may not implement new regulations and policies which will require us to obtain approvals and licenses from the Government and other regulatory bodies or impose onerous requirements and conditions on our operations. Any such changes and the related uncertainties with respect to the implementation of the new regulations may have a material adverse effect on our business, financial condition and results of operations. In addition, we may have to incur capital expenditures to comply with the requirements of any new regulations, which may also materially harm our results of operations.

The Companies Act, 2013 received assent from the President of India on August 30, 2013. The Companies Act, 2013 provides, *inter alia*, for significant changes to the regulatory framework governing the issue of capital by companies, corporate governance, audit matters and corporate social responsibility. On September 12, 2013, certain provisions of this legislation were notified. Pursuant to this notification, there is uncertainty regarding certain procedures as the Companies Act, 2013 is currently not in effect in its entirety and the Companies Act, 1956 continues to be applicable. Therefore, our business and operations may be adversely affected and subject to regulatory uncertainty when the Companies Act, 2013 is notified in its entirety. The application of various Indian and international sales, value-added and other tax laws, rules and regulations to our products and services, currently or in the future, is subject to interpretation by the applicable taxation authorities. If such tax laws, rules and regulations are amended, new adverse laws, rules or regulations are adopted or current laws are interpreted adversely to our interests, the results could increase our tax payments (prospectively or retrospectively) and/or subject us to penalties and, if we pass on such costs to our customers and advertisers, it may result in a decrease in the demand for our products and services. Further, changes in capital gains tax or tax on capital market transactions or sale of shares could affect investor returns. As a result, any such changes or interpretations could have an adverse effect on our business and financial performance.

**35. *Seasonality and weather conditions may adversely affect our business.***

Our business operations may be adversely affected by severe weather, which may require us to evacuate personnel or curtail services and may result in damage to a portion of our equipment or facilities, resulting in the suspension of



operations. In addition, such weather may prevent us from delivering materials to our project sites in accordance with contract schedules or generally affect our schedule. The collection and transportation operations in the MEP and HVAC business may be affected during adverse weather conditions resulting in disruption of operations. Our operations may also be adversely affected by difficult working conditions such as high altitudes or difficult terrains and extremely high temperatures during summer months and during monsoon. During periods of curtailed activity due to adverse weather conditions, we may continue to incur operating expenses, but our revenues from operations may be delayed or reduced.

- 36. *Our Equity Shares have never been publicly traded and the Issue may not result in an active or liquid market for our Equity Shares. Further, the price of our Equity Shares may be volatile and you may be unable to sell your Equity Shares at or above the Issue Price, or at all.***

Prior to the Issue, there has been no public market for our Equity Shares and an active trading market on the Indian stock exchanges may not develop or be sustained after the Issue. Listing and quotation does not guarantee that a market for our Equity Shares will develop, or if developed, the liquidity of such market for the Equity Shares. The Issue Price of the Equity Shares may not be indicative of the market price of the Equity Shares at the time of commencement of trading of the Equity Shares or at any time thereafter. The market price of the Equity Shares may be subject to significant fluctuations in response to, among other factors, variations in our operating results, market conditions specific to the industry we operate in, developments relating to India and volatility in the stock exchanges and securities markets elsewhere in the world.

- 37. *Significant differences exist between Indian GAAP and IFRS, including with respect to valuation methods and accounting practices in the credit rating industry, which may be material to investors' assessments of our financial condition.***

As stated in the reports of the Auditor included in this Prospectus at page 131 of this Prospectus, the restated financial statements included in this Prospectus are based on financial information that is based on the audited financial statements that are prepared and presented in conformity with Indian GAAP and restated in accordance with the SEBI Regulations and no attempt has been made to reconcile any of the information given in this Prospectus to any other principles or to base it on any other standards. Indian GAAP differs from accounting principles and auditing standards with which prospective investors may be familiar in other countries, such as IFRS. Significant differences exist between Indian GAAP and IFRS, including with respect to valuation methods and accounting practices in the credit rating industry, which may be material to the financial information prepared and presented in accordance with Indian GAAP contained in this Prospectus. Accordingly, the degree to which the financial information included in this Prospectus will provide meaningful information is dependent on familiarity with Indian GAAP, the Companies Act and the SEBI Regulations. Any reliance by persons not familiar with Indian GAAP on the financial disclosures presented in this Prospectus should accordingly be limited.

- 38. *The global financial crisis and global and domestic economic conditions may have a material adverse effect on our business, financial condition and results of operations.***

In the past, global financial markets experienced a period of unprecedented turmoil and upheaval characterized by extreme volatility like the crises in Europe and a weak recovery in the developed markets, sharp declines in prices of securities across geographies, diminished liquidity and credit availability, inability to access capital markets, the bankruptcy, failure, collapse, nationalization or sale of financial institutions and an unprecedented level of governmental intervention. The Indian economy and financial markets were also significantly impacted by such global economic, financial and market conditions. Due to the conditions in the global and domestic financial markets, we cannot be certain that our clients will continue with their expansion and investment plans, which are critical to the opportunities created for us and we may be unable to effectively implement our strategy.

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

The Government has traditionally exercised and continues to exercise influence over many aspects of the economy. Our business and the market price and liquidity of our Equity Shares may be affected by interest rates, changes in Government policy, taxation, social and civil unrest and other political, economic or other developments in or affecting India. The Government has in recent years sought to implement economic reforms and the current government has implemented policies and undertaken initiatives that continue the economic liberalization policies pursued by previous governments. There can be no assurance that liberalization policies will continue in the future. The rate of economic liberalization could change and specific laws and policies affecting the information technology



sector, foreign investment and other matters affecting investment in our securities could change as well. A newly elected government (as a result of the upcoming general elections) may announce new policies or withdraw existing benefits, which may be applicable to our industry. Any significant change in such liberalization and deregulation policies could adversely affect business and economic conditions in India, generally and our business, prospects, financial condition and results of operations, in particular.

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

Foreign ownership of Indian securities is subject to Government regulation. In accordance with foreign exchange regulations currently in effect *in* India, under certain circumstances, the RBI must approve the sale of the Equity Shares from a non-resident of India to a resident of India or vice-versa if the sale does not meet the requirements of the RBI Circular dated October 4, 2004, as amended by the RBI Circular dated May 4, 2010. The RBI must approve the conversion of the Rupee proceeds from any such sale into foreign currency and repatriation of that foreign currency from India unless the sale is made on a stock exchange in India through a stock broker at the market price. As provided in the foreign exchange controls currently in effect in India, the RBI has provided the price at which the Equity Shares are transferred based on a specified formula and a higher (or lower, as applicable) price per share may not be permitted. There are also restrictions on sales between two non-residents if the acquirer is impacted by the prior joint venture or technical collaboration. The approval from the RBI or any other government agency may not be obtained on terms favourable to a non-resident investor in a timely manner or at all. Because of possible delays in obtaining requisite approvals, investors in the Equity Shares may be prevented from realizing gains during periods of price increase or limiting losses during periods of price decline.

**41. *Terrorist attacks, civil unrests and other acts of violence in India and around in the world could adversely affect the financial markets, result in a loss of consumer confidence and adversely affect our business, results of operations, financial condition and cash flows.***

Terrorist attacks, civil unrests and other acts of violence or war in India and around in the world may adversely affect worldwide financial markets and result in a loss of consumer confidence and ultimately adversely affect our business, results of operations, financial condition and cash flows. India has, from time to time, experienced instances of civil unrest and political tensions and hostilities among neighbouring countries. Political tensions could create a perception that an investment in Indian companies involves higher degrees of risk and on our business and price of our Equity Shares.

**42. *Fluctuations in the exchange rate of the Rupee and other currencies could have a material adverse effect on the value of the Equity Shares, independent of our financial results.***

The Equity Shares will be quoted in Indian Rupees on the NSE. Any dividends in respect of the Equity Shares will be paid in Indian Rupees and subsequently converted into appropriate foreign currency for repatriation. Any adverse movement in exchange rates during the time it takes to undertake such conversion may reduce the net dividend to investors. In addition, any adverse movement in exchange rates during a delay in repatriating the proceeds from a sale of Equity Shares outside India, for example, because of a delay in regulatory approvals that may be required for the sale of Equity Shares, may reduce the net proceeds received by shareholders. The exchange rate of the Rupee has changed substantially in the last two decades and could fluctuate substantially in the future, which may have a material adverse effect on the value of the Equity Shares and returns from the Equity Shares, independent of our operating results.

**43. *Natural calamities could have a negative effect on the Indian economy and cause our business to suffer.***

India has experienced natural calamities such as earthquakes, tsunami, floods and drought in the past few years. The extent and severity of these natural disasters determines their effect on the Indian economy. The erratic progress of a monsoon would also adversely affect sowing operations for certain crops. Further prolonged spells of below normal rainfall or other natural calamities in the future could have a negative effect on the Indian economy, adversely affecting our business and the price of our Equity Shares.

**PROMINENT NOTES:**

1. Our Company was originally incorporated as Perfect Aircon Engineering Private Limited pursuant to a Certificate of Incorporation dated May 16, 1996 issued by the Registrar of Companies, Bombay, Maharashtra. Subsequently Our Company changed its constitution from private to public pursuant to a Fresh Certificate of Incorporation which

was issued on dated April 19 2005, by the Registrar of Companies, Mumbai, Maharashtra. Thereafter Our Company changed its name to Perfect Infraengineers Limited pursuant to a Fresh Certificate of Incorporation Consequent upon Change of Name dated May 11, 2009 issued by the Registrar of Companies, Mumbai, Maharashtra. The objects clause of our Memorandum of Association was amended to reflect such change in name of our Company. For more information on changes in our name and registered office and changes in our Memorandum of Association, please refer to the section “History and Other Corporate Matters” on page 107 of this Prospectus.

2. Public issue of 25,08,000 Equity Shares for cash at a price of Rs. 23/- per Equity Share, including a premium of Rs. 13/- per Equity Share, aggregating to Rs. 576.84 lacs. The Issue will constitute 32.53% of the fully diluted post Issue equity share capital of our Company.
3. The average cost of acquisition of Equity Shares by our Promoters is given below:

Sr. no	Name of the promoter	Average Cost of Acquisition per equity shares (₹)
1.	Mr. Nimesh Mehta	2.43
2.	Ms. Manisha Mehta	2.56

4. The net worth of our Company as on April 30, 2015 was Rs. 659.60 lacs as per our restated financial Statements.
5. The book value per Equity Share as on April 30, 2015 was Rs. 12.92.
6. For details of the related party transactions entered into by our Company, please refer to the section “Related Party Transactions” on page 155 of this Prospectus.
7. There has been no financing arrangement whereby our Directors or their relatives have financed the purchase by any other person of securities of our Company other than in normal course of the business of the financing entity during the period of six months immediately preceding the date of filing of this Prospectus.
8. Our Promoters/ Promoter Group/Directors / KMPs have not purchased / sold / financed / acquired any shares of our Company during the past six months from the date of the Prospectus except as under:

Name	Status	No. Of shares	Date	Nature of Transaction
Ms. Priti Bhanushali	Promoter Group Member	6000 equity shares at a price of Rs. 23/- each	September 22, 2015	Allotment
Mr. Manish Chaturvedi	Key Managerial Person	5000 equity shares at a price of Rs. 23/- each	September 22, 2015	Allotment

9. Our Company and the Lead Managers will update the Offer Document in accordance with the Companies Act and the SEBI (ICDR) Regulations and our Company and the Lead Managers will keep the public informed of any material changes relating to our Company till the listing of our shares on the stock exchange.
10. For interest of our Promoters/Directors/Key Managerial Personnel and other ventures promoted by Promoters, details of group companies having business interests or other interests in the issuer and transactions by the issuer with the such companies during the last year, please refer to sections titled “Risk Factors”, “Our Promoters”, “Our Management”, “Related Party Transactions” and “Financial Statements” beginning on page nos. 12, 126, 113, 155 and 131 of this Prospectus.
11. Investors may contact the Lead Managers for any complaint, clarifications and information pertaining to the Issue. Any clarification or information relating to this Issue shall be made available by the Lead Managers to the public and investors at large and no selective or additional information would be made available only to a section of the investors in any manner. All grievances relating to ASBA process may be addressed to the Registrar to the Issue, with a copy to the relevant SCSBs, giving full details such as name, address of the applicants, application number, number of Equity Shares applied for, application amounts blocked, ASBA Account number and the Designated Branch of the SCSBs where the Application Form has been submitted by the ASBA Investor. For contact details please see “General Information” on page no 39.

## SECTION III – INTRODUCTION

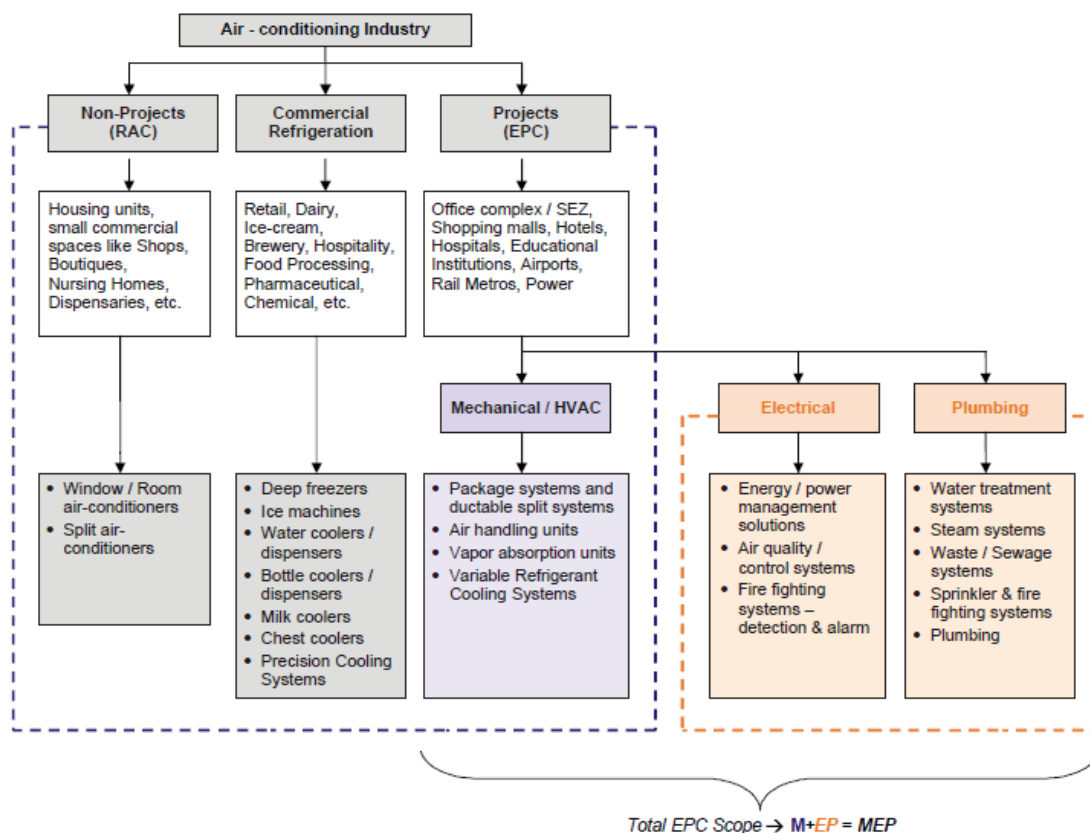
### SUMMARY OF OUR INDUSTRY AND BUSINESS

#### Industry Overview

The HVAC and MEP industry in India has evolved during the past decade. Over the past few years, the industry has gradually progressed from offering mere HVAC solutions to MEP (Mechanical / HVAC, Electrical and Plumbing) solutions – in line with global norms. With the domestic HVAC players extending their scope of work to electrical and plumbing solutions, the addressable market size has more than doubled from 15% to ~30-35% of construction costs. MEP services market is highly fragmented with hundreds of contractors in India, with very few players having a pan-India presence. The domestic industry can be divided into three major segments – (1) Non-project or Room Air Conditioners (RAC) (2) Commercial Refrigeration and (3) Projects or EPC.

The Non-project or RAC segment largely comprises of products like room/window air-conditioners and split air-conditioners used in housing units and small commercial spaces like shops, boutiques, nursing homes, dispensaries, etc. The domestic industry is dominated by players like LG, Voltas, Samsung, Carrier, Hitachi, Videocon etc. who control about 75% of the total market. Commercial Refrigeration is the smallest segment amongst the 3, catering to the refrigeration needs of the retail, dairy, ice-cream, hospitality industries with products like deep freezers, ice machines, water/bottle coolers and dispensers, milk coolers, chest coolers, etc. Projects or EPC is the largest segment amongst the three, catering to the heating, ventilation and air-conditioning (HVAC) requirements of the construction and infrastructure sectors with service and product offerings such as packaged air conditioners, air handling units, variable refrigerant flow systems, air control systems, etc. as well as electrical and plumbing segment. The scope of services offered now extends to include energy or power management solutions, fire & security solutions, plumbing solutions, water and waste management solutions, etc.

The structure of air conditioning industry is indicated below:

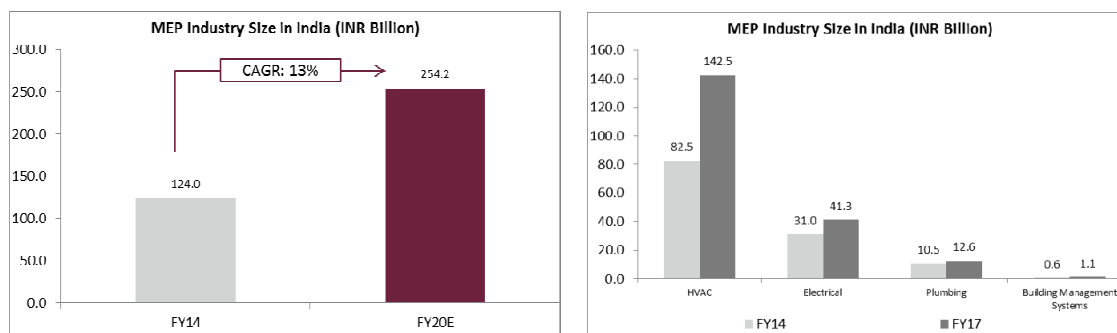


Source: Emkay, IRR Advisory

The HVAC market in India is highly-competitive with presence of domestic, international and unorganized market participants. The markets for Air Handling Units (AHU), Ducted/Packaged Units, and Chillers are fragmented due to the presence of unorganized/local players and small-time assemblers. The markets for VRF and Vapour Absorption Machines (VAM) are fairly organized.

## INDUSTRY SIZE

The Indian construction industry witnessed a muted growth in FY14 and stood at INR9,700 bn. Delays in approvals and clearances and a sluggish economy were the key factors dragging the growth. The industry was further hampered by reduction in government spending and financial stress due to longer cash cycles and debt commitment on assets. The industry growth is expected to gain momentum in the next few years owing to the government's focus on de-bottlenecking of existing projects and improved market sentiment.



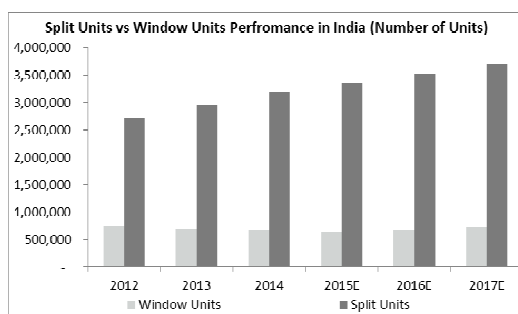
Source: PwC, IRR Advisory

The MEP industry in India was valued at INR124bn in FY14. It is forecasted to grow at a CAGR of 13% during FY14-20E to reach INR254.2bn. Deployment of sophisticated systems and solutions is expected to drive the growth in the coming years. HVAC industry is expected to grow at a CAGR of 20% during FY14-FY20E, while the electrical and plumbing industry are expected to increase at a CAGR of 10% and 6% respectively during the same period.

## MARKET ASSESSMENT

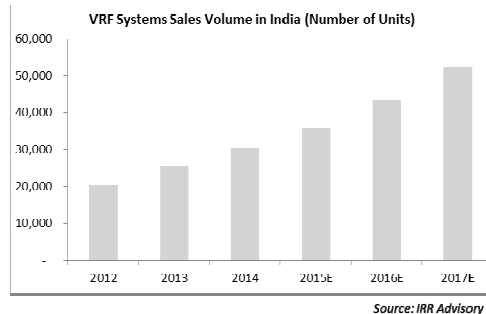
At the macro level, HVAC systems may be categorized as a) medium and large commercial; and b) residential and small commercial. Medium and large commercial systems account for the largest of these categories, with 56 per cent of the current HVAC systems falling under this category. Residential and small commercial constitute 44 per cent of the current HVAC systems.

**DX systems:** DX systems include window air conditioners, split units (ducted, ductless and mini-splits), single packaged units [Roof Top Units (RTUs), indoor packaged] and Variable Refrigerant Flow (VRF) or Variable Refrigerant Volume (VRV) systems. Out of the types available in this segment, the market for through-the-wall window units and moveable units is non-existent. The sales trends indicate a clear decline in the window air-conditioner market as customers are increasingly opting for split air conditioners. The Indian window air-conditioners market has about 20-30 structured brands, and this makes it intensely competitive. There is a mix of international and national brands, and they are equally popular. Currently, the window air-conditioning market is under consolidation, with some brands like Videocon and Samsung exiting the market due to declining sales. Conversely, international brands like Daikin, Hitachi, and Panasonic are trying to increase their market share through aggressive pricing and marketing strategies.



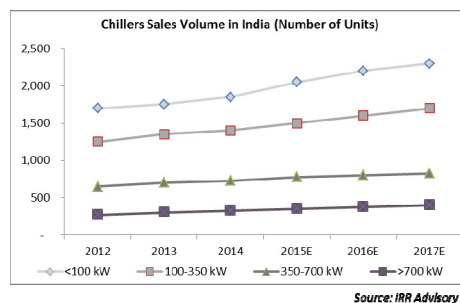
Source: IRR Advisory

Splits – ducted, non-ducted and multi-splits: Single ductless splits dominate here, and their market is predicted to grow over the next few years. The market for ducted splits is tightening because consumers increasingly prefer VRF/VRV systems, at least in Tier 1 cities. VRF/VRV systems are more efficient; and fierce competition in the segment has driven down prices. The single packaged unit segment consists of indoor packaged, RTUs and Packaged Terminal Air Conditioners (PTACs). The market for PTACs is non-existent in India.



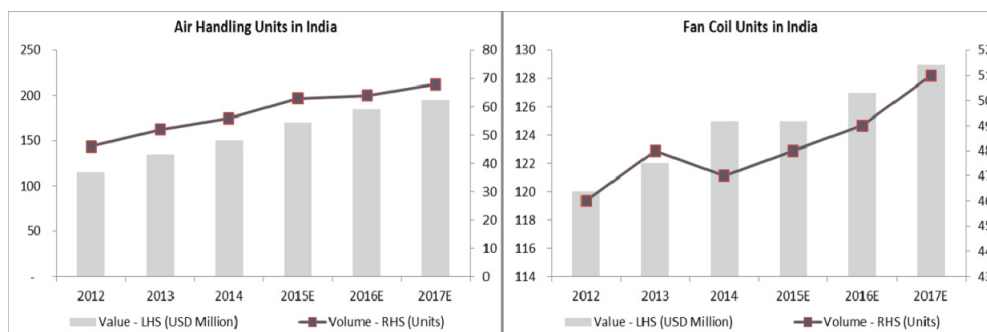
Variable Refrigerant Flow (VRF)/Variable Refrigerant Volume (VRV): The market for VRF/VRV systems has grown by over 30 per cent in value terms and total cooling capacity sold, due to a fall in average selling prices. The growth rate in market volume is higher. The growth rate till 2017 is predicted to be around 20 per cent. This demand is driven both by greater energy savings provided by VRF systems and competitive prices. Daikin is the clear leader in the VRF/VRV segments. Voltas has increased its share of the VRF/VRV market. Other leading brands are Toshiba, LG, Samsung, and Blue Star. Put together, these players represent 93 per cent of the market.

### Central Systems



Central systems typically serve multiple zones or spaces in buildings with large cooling and heating loads. Unlike DX systems, central HVAC systems use chilled water to cool the air supply indirectly. This section includes the market configuration of chillers (water-cooled, air-cooled and absorption), Air Handling Units (AHUs), and Fan Coil Units (FCUs). The purchase process for chillers is determined by the required cooling capacity, refrigerant, and availability of water for heat transfer and rejection. Accordingly, chillers are classified in the market by cooling capacity, compressor type, and heat rejection methods.

The AHU market has expanded by nearly 10 per cent by volume from 2012 to 2014. Value of the market also increased by nearly 14 per cent during the same period. The FCU market has echoed this trend, registering a growth of nearly 10 per cent in sales by volume and nearly 20 per cent by value. The bigger increase in value of the FCU market is because of rising prices. AHUs are more popular among air side products in the Indian markets as compared to FCUs. Typical central systems' designs mostly use AHUs without any terminal units at the end of the ductwork. Local brands have overtaken international brands in Indian markets, both in AHU and FCU sectors.



Source: IRR Advisory

The electrical and industrial electronics industry witnessed 11.47% growth in Q3 of FY15. The overall industry grew by 8.95% in nine months of FY15. Although higher imports still plague the industry but policy changes and various initiatives undertaken by the industry and government are eventually showing signs of revival for the sector. Although the major drivers in this growth are cable, LV and HV switchgear; Power transformers and LT Motors continue to show declining trend. Conductors and Energy meters have registered a tremendous growth in their volume due to procurement of these products by major PSUs and utilities as their inventories are being utilised. As the consumers are opting for Smart and Energy efficient products, growth is also observed in transformer operational meter and single phase multifunctional meters with smart features.



## OUR BUSINESS

Perfect Infraengineers Limited was originally incorporated in the name and style of Perfect Aircon Engineering Pvt. Ltd. in May 1996 and took over the business of Perfect Engineering, a Proprietary firm which was started in the year 1992 by Mr. Nimesh Mehta, one of our promoters. Initially, our Company was engaged in the business of air conditioner repairing, sales & services. Subsequently during the year 2001, we diversified into renting of air conditioners and providing all inclusive maintenance services on yearly contracts to multinational and other Indian corporate. To efficiently provide these services we had four offices to handle western, central, south Mumbai and Thane (including Navi Mumbai) which has helped us to take our customer base to around 5000. Later during 2006-07, we expanded our activities and started providing turnkey jobs of Heating Ventilation and Air Conditioning (HVAC). We also adapted our system to the new VRF (Variable Refrigerant Flow) technology which was introduced in India during that period. We successfully implemented projects at ITC Fortune Hotel (Lavasa) and Residential complexes at Common Wealth games (Delhi) using this technology.

After completion of certain projects in HVAC business thereby gaining experience, we ventured into Mechanical, Electrical and Plumbing (MEP) business in the year 2011. This helped us not only in retaining our existing clients but also to get new ones especially upcountry projects in Nigeria and Tanzania. Initially we ventured and completed some of the projects under the electrical head (High Tension and Low Tension) for Companies like Sri Vatsa Limited (Hyderabad), PIEM Hotels Limited (Taj Blue Diamond, Pune) etc. During the year 2014 as a part of our expansion strategy, we purchased an existing factory of 800 sqmtrs at Rabale (Navi Mumbai) from where we are presently carrying out the activities of assembling control panels and customising of GI ducts. Apart from Mumbai, we also have our project offices at Ghaziabad (Uttar Pradesh) and Lavasa (Pune) and a warehouse at Bhiwandi (Thane).

We are an ISO 9001:2008 company presently providing services to various infrastructure developers, educational institutions, real estate developers, retail malls, hotels, industrial complexes and also to other individual projects. For the past two decades, we have provided our services to clients belonging to different industrial segments. Some of our clients includes ME Cure Healthcare Ltd. (Nigeria), Jangid Plaza Inc. (Tanzania), Lavasa Corporation Limited, Fortune Hotel ITC Group (Lavasa), Rotork Control (India) Pvt. Ltd., Mantralaya Govt. of Maharashtra, Power Grid Corporation Ltd. , Mumbai Metro One Rail, Tata Memorial Hospital, Navi Mumbai , Bramha Crop (Le Meridian Hotel), Warasgaon Lake view Hotels Ltd. and La-Lagune (Suncity) Gurgaon, Hyatt Hotels at Raipur and Hampi (Chartered Hotels Pvt. Ltd.) etc.

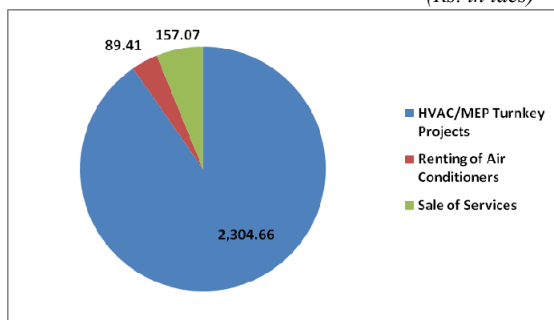
We are authorised sales and service dealers for Daikin Airconditioning India Pvt. Limited, Samsung India Electronics Pvt. Limited, LG Electronics India Pvt. Limited and Mitsubishi Electric India Pvt. Limited

During the Financial Year 2014-15 our total income increased to ₹ 2,631.32 lacs as compared to ₹ 2,100.83 in the previous Financial Year. Similarly our Profit After Tax increased to ₹ 156.42 lacs in the Financial Year 2014-15 from ₹ 32.00 lacs during the last Financial Year.

We have now propose to enter into fabrication of electric control panel through our subsidiary viz; Perfect Control Panel Pvt. Limited (**Perfect Control**) which will enable us to have an in-house assembly line of electrical panels, both High Tension (HT) and Low Tension (LT).

### Revenue from Operation (FY 2014-15)

(Rs. in lacs)



## Our Business Verticals

Our business can be broadly divided into three verticals viz.

- HVAC/ MEP turnkey projects
- Renting of Air Conditioning systems
- Annual maintenance Contracts

## Completed projects

Details of some of the prestigious projects completed by our company are as follows:

Sector	Details about the project	Nature of work undertaken	Year of Completion
<b>Hospitality</b>	Le Meredian, Mahableshwar	HVAC	2015
	Sri Vatsa Limited, Hyderabad	Electricals	2015
	Hyatt Hotel, Hampi and Raipur	HVAC	2014
	PIEM Hotel (Taj Group)	MEP	2014
	Bright Land Hotel Pvt Ltd, Mahableshwar	HVAC	2014
	Lavasa Convention Centre, Pune	HVAC & AMC	2011
	ITC Fortune Hotels, Lavasa, Pune	HVAC & AMC	2010
<b>Health Care</b>	Me Cure Healthcare Ltd, Lekki, Lagos, Nigeria	MEP	2014
	Hiranandani Hospital, Mumbai	HVAC	2013
	Apollo Hospital, Lavasa, Pune	HVAC & AMC	2011
	Ibadan Healthcare, Nigeria	MEP	2011
<b>Educational Institutes</b>	IIT Bombay	HVAC	2015
	ICAI, (BKC, Mumbai)	HVAC & AMC	2014
	Tata Institute of Fundamental Research, Mumbai	HVAC (Precision Air Conditioning) & AMC	2014
	J.B.C.N International School, Mumbai	HVAC & AMC	2012
	PTVA Institute of Management, Mumbai	HVAC & AMC	2011
<b>Residential Complex</b>	Suncity Projects Ltd, Gurgaon	HVAC	2015
	Common Wealth Games, Residential Complex, Akshar Dham, Delhi	HVAC	2010
<b>Misc.</b>	Mumbai Metro One Pvt Ltd	HVAC & AMC	2014
	Neela Tele films Ltd., Mumbai	HVAC	2012

## Our competitive strengths

- **Brand presence** ‘Perfect Infra’ represents a brand in the market we operate in. Our service offerings coupled with technical know-how, competitive fees, execution capabilities and track record of over a decade has provided us with a brand recognition and credibility. Our recognition and acceptance has significantly contributed to the success of our business.
- **Ability to undertake complex projects** We, over the period have acquired skills to undertake and manage complex projects across the sectors. Such complexity includes geographical expansions, procurement planning, human resource management, etc..We are also one of the few companies which are qualified by Central Public Works Division (CPWD) of India (Class B) for both HVAC and electrical which enables us to bid for government projects. Such projects include Mantralaya (Govt. of Maharashtra), IIT Bombay, Indian Institute of Information Technology, Design and Manufacturing (IIITDM), All India Radio (Bhopal), Indian Institute of Science Education and Research (Pune). This has helped our team to increase its efficacy towards complicated process and techniques involved in installation and commissioning projects of large scale.
- **Promoter & Senior management experience:** Mr Nimesh Mehta, our promoter, who is a mechanical engineer has an experience of more than 20 years in the HVAC industry and is well acquainted with the dynamics of the industry which has contributed to the company’s growth. He is supported by his wife Ms. Manisha Mehta who looks after the

legal and finance functions. In addition to our senior management team, we believe that our middle management team, skilled work force and marketing personnel provide us with the depth needed to manage our growth.

- **Capabilities to execute overseas projects:** Our Company has been able to establish its presence in geographies outside India such as Nigeria and Tanzania, leveraging its execution capabilities in the HVAC segment. We have already completed projects for companies in pharmaceutical and medical diagnostic sector in these places. We continue to focus on further penetrating these markets and plans to execute turnkey MEP projects.
- **Strong order book:** Currently we have a strong order book position of project with value over ₹ 5200 lacs. Some of the key projects under execution include Mantralaya – Government of Maharashtra, SRM University (Gurgaon), RITES Limited (Hyderabad), Novotel (Lavasa), Jangid Plaza Inc. (Tanzania), etc.
- **Panel manufacturing unit:** Our subsidiary viz; “Perfect Control Panels Pvt. Ltd” Perfect Control proposes to set up a facility for manufacturing / assembly of electric panels required for the MEP projects executed by our Company and also for sale to the third parties/ customers. This facility would ensure low cost and timely delivery in the projects we execute, thereby leading to an increased profitability for our company.
- **Process Management:** We have implemented customised ‘Systems, Applications & Products in Data Processing (SAP)’ programme covering our offices which enables us to have a complete Enterprise Resource Planning and management.

### Business Strategy

We believe that adapting to market changes is a key factor required for the growth of any business. Hence, we continually monitor opportunities to grow our business. To achieve these goals, we intend to pursue the following principal strategies to optimize our competitive strengths:

- *Focus on HVAC & MEP Services:* We intend to continue our focus on our core expertise. Our HVAC & MEP business provides us with further growth opportunities through retention of existing clients and attainment of new ones. We believe that our inherent strength lies in the domain expertise developed over the years in providing HVAC & MEP services to different clients representing different business sectors. We shall make efforts to further strengthen our core business by deploying additional resources such as hiring sector specific experts and expanding our office network. We shall continue to provide high quality service and improve our brand visibility and penetration through wider marketing initiatives.
- *Expanding and consolidation of our renting business.* We have currently assigned 608 air conditioners on rent to various midsize and large corporate. During the financial year 2014-15 we earned an income of Rs. 89.41 Lacs through renting our air conditioners. Our renting business helps us to maintain our healthy revenue stream and venture out more in turnkey projects. In past we had grown this vertical through acquisition of business of Crist Cool Industries, a proprietary firm engaged in this business.
- *Entry into manufacturing:* We through our subsidiary Perfect Control Panels Pvt. Ltd have ventured into manufacturing of electric control panels. This complements our contracting business which involves supply and installation of HVAC/MEP systems and related electric equipment.
- *Increasing our geographical reach:* HVAC & MEP markets have shown increased growth with many projects coming up in real estates and infrastructural developments. With thrust in the development of core infrastructure, we believe there are ample opportunities available for us to cater to the ever expanding requirement. Accordingly, we propose to venture out in other new geographic locations in India, Middle East as well as Africa.
- *Focus on Cordial relations with our Suppliers, Customers and employees:* We believe in developing and maintaining long term sustainable relationships with our suppliers, consumers and employees which will enable us to achieve our goals particularly, to get repeat orders and also entering into new markets. We offer our services at competitive prices, which will help us, achieve consumer satisfaction and build long term relationships.

## SUMMARY FINANCIAL STATEMENTS

### SUMMARY STATEMENT OF ASSETS AND LIABILITIES, AS RESTATED

(Amount in INR lacs)

Sr. No.	Particulars	As at 30 <sup>th</sup> April 2015	2015	2014	2013	2012	2011
<b>A</b>	<b>Non-current assets</b>						
	<b>Fixed Assets</b>						
	Tangible Assets	641.59	642.23	355.07	318.29	189.03	198.31
	Less: Revaluation Reserve	-	-	-	-	-	-
	Net Block After Adjustment for Revaluation Reserve	641.59	642.23	355.07	318.29	189.03	198.31
	Intangible Assets under development	7.03	-	-	-	-	-
	Non-current Investments	12.01	12.01	11.07	10.87	8.97	8.75
	Long term loans and advances	111.50	111.93	123.87	20.64	148.64	149.58
	Other non- current Assets	57.38	56.41	1.79	-	6.50	49.57
	<b>Total Non-current assets</b>	<b>829.50</b>	<b>822.58</b>	<b>491.81</b>	<b>349.80</b>	<b>353.13</b>	<b>406.21</b>
<b>B</b>	<b>Current Assets</b>						
	Current Investments						
	Inventories	175.79	128.37	479.79	104.68	122.60	109.26
	Trade receivables	1,223.07	1,234.62	807.39	958.49	566.41	394.24
	Cash and Cash equivalents	48.92	49.12	64.86	46.88	30.68	28.50
	Short- term loans and advances	21.83	9.97	15.91	19.52	3.97	3.06
	Other Current Assets	278.30	223.48	88.85	60.70	56.83	17.63
	<b>Total Current Assets</b>	<b>1,747.90</b>	<b>1,645.56</b>	<b>1,456.80</b>	<b>1,190.27</b>	<b>780.49</b>	<b>552.69</b>
<b>C</b>	<b>Non-current liabilities</b>						
	Long- term borrowings	357.36	365.30	139.26	90.13	-	0.72
	Deferred Tax Liabilities (Net)	12.61	16.79	12.35	11.86	6.21	6.41
	Other Non-current liabilities	1.83	1.83	1.83	1.83	1.83	1.83
	Long- term provisions	28.98	27.89	23.08	19.54	9.25	4.45
	<b>Total Non-current liabilities</b>	<b>400.79</b>	<b>411.82</b>	<b>176.52</b>	<b>123.36</b>	<b>17.29</b>	<b>13.41</b>
<b>D</b>	<b>Current Liabilities</b>						
	Short-Term Borrowings	587.45	580.32	530.21	452.42	467.30	350.48
	Trade Payables	488.31	418.30	342.43	262.62	115.46	95.85
	Other current liabilities	412.44	375.66	388.63	252.53	160.65	204.94
	Short- term provisions	28.81	30.48	-	20.33	16.04	14.62
	<b>Total Current liabilities</b>	<b>1,517.02</b>	<b>1,404.77</b>	<b>1,261.27</b>	<b>987.90</b>	<b>759.44</b>	<b>665.89</b>
	<b>Net Worth (A+B-C-D)</b>	<b>659.60</b>	<b>651.56</b>	<b>510.82</b>	<b>428.82</b>	<b>356.88</b>	<b>279.60</b>
	<b>Represented by:</b>						
<b>E</b>	<b>Share capital</b>	510.54	510.54	382.91	359.88	213.50	203.50
<b>F</b>	<b>Reserves and Surplus</b>	149.06	141.02	127.91	68.94	143.38	76.10
	Less: Revaluation Reserve	-	-	-	-	-	-
	<b>Reserves and Surplus (net of revaluation reserves)</b>	<b>149.06</b>	<b>141.02</b>	<b>127.91</b>	<b>68.94</b>	<b>143.38</b>	<b>76.10</b>
	<b>Net worth (E+F)</b>	<b>659.60</b>	<b>651.56</b>	<b>510.82</b>	<b>428.82</b>	<b>356.88</b>	<b>279.60</b>

## SUMMARY STATEMENT OF PROFITS AND LOSSES, AS RESTATED

(Amount in INR lacs)

Particulars	For the month ended April 30, 2015	2015	2014	2013	2012	2011
<b>Revenue</b>						
Revenue from operation	138.64	2,551.69	2,080.11	1,974.16	1,540.67	1,517.33
Other income	0.27	79.63	20.72	6.19	22.93	21.57
<b>Total Revenue (I+II)</b>	<b>138.91</b>	<b>2,631.31</b>	<b>2,100.83</b>	<b>1,980.36</b>	<b>1,563.60</b>	<b>1,538.90</b>
<b>Expenses:</b>						
Operating Cost	66.71	1,571.00	1,275.93	1,243.19	947.91	990.26
Employee benefit expenses	31.23	421.35	406.77	258.90	252.18	184.83
Finance Cost	13.06	139.13	122.56	83.17	78.29	65.42
Depreciation expense – Tangible Assets	5.41	70.39	33.65	26.49	28.71	28.81
Other Expenses	17.60	226.35	199.15	246.46	147.14	163.96
<b>Total Expenses</b>	<b>134.01</b>	<b>2,428.23</b>	<b>2,038.07</b>	<b>1,858.20</b>	<b>1,454.22</b>	<b>1,433.27</b>
<b>Profit before tax</b>	<b>4.90</b>	<b>203.09</b>	<b>62.76</b>	<b>122.16</b>	<b>109.37</b>	<b>105.62</b>
<b>Tax</b>						
Current Tax	1.04	42.25	30.27	43.25	37.25	37.97
Short/(Excess) Provision of Earlier years	-	(0.02)	-	2.34	2.67	4.56
Deferred tax Expense/(Income)	(4.18)	4.45	0.49	5.65	(0.20)	(6.54)
Total Tax Expenses	(3.14)	46.67	30.76	51.24	39.72	35.99
<b>Net profit as restated</b>	<b>8.04</b>	<b>156.41</b>	<b>32.00</b>	<b>70.92</b>	<b>69.65</b>	<b>69.63</b>

## STATEMENT OF CASH FLOWS, AS RESTATED

(Amount in INR lacs)

Sr. No.	Particulars	For the period ended April 30, 2015	2015	2014	2013	2012	2011
<b>A</b>	<b>CASH FLOW FROM OPERATING ACTIVITIES</b>						
	Net profit before tax, as restated	4.90	203.09	62.76	122.16	109.37	105.62
	Adjustments for:						
	Depreciation and amortization	5.41	70.39	33.65	26.49	28.71	28.81
	Finance Cost	13.06	139.13	122.56	83.17	78.29	65.42
	(Profit)/ Loss on sale of fixed assets /investment	-	(41.07)	-	-	(0.07)	-
	Provision for Gratuity	1.09	4.81	3.54	10.29	4.80	-
	Bad Debts w/off	-	21.72	-	52.15	1.69	1.70
	Interest income	(0.26)	(4.88)	(3.05)	(2.82)	(2.13)	(1.30)
	Dividend Income	-	(0.75)	(0.75)	(0.75)	(0.75)	(0.61)
	<b>Operating profit before working capital changes</b>	24.20	392.44	218.72	290.68	219.91	199.65
	Adjustments for Increase / Decrease in Long Term Provisions	-	-	-	-	-	(3.07)
	Trade Payable	58.89	75.87	79.81	147.17	19.61	(7.70)
	Other Current Liabilities	31.36	(130.85)	142.07	166.75	(18.20)	-
	Other Long Term Liabilities						
	Loans and Advances	(5.37)	(246.30)	(99.61)	(21.48)	0.03	15.04
	Short Term Loan and Advances						
	Other Non Current Assets	(0.97)	-	-	6.50	43.08	-
	Inventories	(47.42)	351.42	(375.11)	17.92	(13.34)	(23.28)
	Trade Receivable	11.55	(448.95)	151.09	(483.56)	(173.85)	(27.19)
	Other Current Assets	(54.81)	-	(28.15)	(3.88)	(39.20)	-
	Cash generated from operations	17.43	(6.37)	88.82	120.10	38.03	153.45
	Income taxes paid (including fringe benefit tax)	(2.71)	(24.04)	(48.21)	(43.12)	(38.13)	(28.10)
	<b>Net Cash from Operating activities</b>	14.72	(30.41)	40.61	76.98	(0.10)	125.35
<b>B</b>	<b>CASH FLOW FROM INVESTING ACTIVITIES</b>						
	Purchases of fixed assets	(4.01)	(294.84)	(91.27)	(65.84)	(19.43)	(113.95)
	Sale of Fixed Assets	-	49.90	-	-	-	-
	Sale of Asset under grant cash receipt						
	Net Purchase and Sale of Investments	-	(0.94)	(0.20)	(1.90)	(0.15)	(3.55)
	Interest income	0.26	4.88	3.05	2.82	2.13	1.30
	Dividend Income	-	0.75	0.75	0.75	0.75	0.61
	Net cash used in investing activities	(3.75)	(240.25)	(87.67)	(64.17)	(16.70)	(115.60)
<b>C</b>	<b>CASH FLOW FROM</b>						



Sr. No.	Particulars	For the period ended April 30, 2015	2015	2014	2013	2012	2011
	<b>FINANCING ACTIVITIES</b>						
	Changes in Borrowings	(0.80)	392.92	141.78	83.70	90.00	68.50
	Changes in Short Term Borrowings						
	Share Issue Proceeds	-	-	50.00	5.20	10.00	7.00
	Interest Paid	(10.36)	(137.94)	(122.56)	(83.17)	(78.29)	(65.42)
	Payment of Dividend	-	(0.07)	(4.18)	(2.35)	(2.74)	(1.53)
	Receipt of Grants from Government						
	<b>Net Cash from/used in financing activities</b>	(11.16)	254.91	65.04	3.38	18.98	8.55
	<b>NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	(0.20)	(15.74)	17.98	16.19	2.18	18.29
	<b>Opening cash and cash equivalents</b>	49.12	64.86	46.88	30.68	28.50	10.21
	<b>Closing cash and cash equivalents*</b>	48.92	49.12	64.86	46.88	30.68	28.50

# SUMMARY STATEMENT OF CONSOLIDATED ASSETS AND LIABILITIES, AS RESTATED

(Amount in INR lacs)			
Sr. No.	Particulars	As at April 30, 2015	As on March 31, 2015
<b>A</b>	<b>Non-current assets</b>		
	<b>Fixed Assets</b>		
	Tangible Assets	641.59	642.23
	Less: Revaluation Reserve	-	-
	Net Block After Adjustment for Revaluation Reserve	641.59	642.23
	Intangible Assets under development	7.03	
	Non-current Investments	11.07	11.07
	Long term loans and advances	111.75	112.18
	Other non- current Assets	57.85	56.88
	<b>Total Non-current assets</b>	<b>829.28</b>	<b>822.36</b>
<b>B</b>	<b>Current Assets</b>		
	Current Investments	-	-
	Inventories	175.79	128.37
	Trade receivables	1,223.07	1,234.62
	Cash and Cash equivalents	49.37	49.98
	Short- term loans and advances	21.97	10.11
	Other Current Assets	277.99	223.18
	<b>Total Current Assets</b>	<b>1,748.18</b>	<b>1,646.25</b>
<b>C</b>	<b>Non-current liabilities</b>		
	Long- term borrowings	357.36	365.30
	Deferred Tax Liabilities (Net)	12.61	16.79
	Other Non-current liabilities	1.83	1.83
	Long- term provisions	28.98	27.89
	<b>Total Non-current liabilities</b>	<b>400.79</b>	<b>411.81</b>
<b>D</b>	<b>Current Liabilities</b>		
	Short-Term Borrowings	587.45	580.32
	Trade Payables	488.31	418.71
	Other current liabilities	412.44	375.66
	Short- term provisions	28.81	30.48
	<b>Total Current liabilities</b>	<b>1,517.02</b>	<b>1,405.18</b>
	<b>Net Worth (A+B-C-D)</b>	<b>659.66</b>	<b>651.62</b>
	<b>Represented by:</b>		
<b>E</b>	<b>Share capital</b>	<b>510.54</b>	<b>510.54</b>
<b>F</b>	<b>Reserves and Surplus</b>	<b>149.06</b>	<b>141.02</b>
	Less: Revaluation Reserve	-	-
	<b>Reserves and Surplus (net of revaluation reserves)</b>	<b>149.06</b>	<b>141.02</b>
<b>G</b>	<b>Minority Interest</b>	<b>0.06</b>	<b>0.06</b>
	<b>Net worth (E+F)</b>	<b>659.66</b>	<b>651.62</b>

# **SUMMARY STATEMENT OF CONSOLIDATED PROFITS AND LOSSES, AS RESTATED**

(Amount in INR lacs)		
Particulars	For the month ended April 30, 2015	For the year ended March 31, 2015
<b>Revenue</b>		
Revenue from operation	138.64	2,551.69
Other income	0.27	79.63
<b>Total Revenue (I+II)</b>	138.91	2,631.31
<b>Expenses:</b>		
Operating Cost	66.71	1,571.00
Employee benefit expenses	31.23	421.35
Finance Cost	13.06	139.13
Depreciation expense – Tangible Assets	5.41	70.39
Less: Transferred from Revaluation Reserve	-	-
Amortization expense - Intangible Assets	-	-
Other Expenses	17.60	226.35
<b>Total Expenses</b>	134.01	2,428.23
<b>Profit before tax</b>	4.90	203.09
<b>Tax</b>		
Current Tax	1.04	42.25
Short/(Excess) Provision of Earlier years	-	(0.02)
Deferred tax Expense/(Income)	(4.18)	4.45
Total Tax Expenses	(3.14)	46.67
Net profit as restated	8.04	156.41

**STATEMENT OF CONSOLIDATED CASH FLOWS, AS RESTATED**

(Amount in INR lacs)

Sr. No.	Particulars	For the month ended April 30, 2015	For the year ended March 31, 2015
<b>A</b>	<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
	<b>Net profit before tax, as restated</b>	4.90	203.09
	Adjustments for:		
	Depreciation and amortization	5.41	70.39
	Finance Cost	13.06	139.13
	(Profit)/ Loss on sale of fixed assets /investment	-	(41.07)
	Provision for Gratuity	1.09	4.81
	Bad Debts w/off	-	21.72
	Interest income	(0.26)	(4.88)
	Dividend Income	-	(0.75)
	<b>Operating profit before working capital changes</b>	<b>24.20</b>	<b>392.44</b>
	Adjustments for Increase / Decrease in Long Term Provisions	-	-
	Trade Payable	58.61	76.28
	Other Current Liabilities	31.36	(130.85)
	Other Long Term Liabilities		
	Loans and Advances	(5.51)	(246.85)
	Short Term Loan and Advances		
	Other Non Current Assets	(0.97)	
	Inventories	(47.42)	351.42
	Trade Receivable	11.55	(448.95)
	Other Current Assets	(54.81)	-
	Cash generated from operations	17.01	(6.50)
	Income taxes paid (including fringe benefit tax)	(2.71)	(24.04)
	<b>Net Cash from Operating activities</b>	<b>14.30</b>	<b>(30.54)</b>
<b>B</b>	<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
	Purchases of fixed assets	(4.01)	(294.84)
	Sale of Fixed Assets	-	49.90
	Sale of Asset under grant cash receipt		
	Net Purchase and Sale of Investments	-	0.00
	Interest income	0.26	4.88
	Dividend Income	-	0.75
	<b>Net cash used in investing activities</b>	<b>(3.75)</b>	<b>(239.31)</b>
<b>C</b>	<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
	Changes in Borrowings	(0.80)	392.92
	Changes in Short Term Borrowings		
	Share Issue Proceeds		
	Minority Interest	-	0.06
	Interest Paid	(10.36)	(137.94)
	Payment of Dividend	-	(0.07)
	Receipt of Grants from Government	-	-
	<b>Net Cash from/used in financing activities</b>	<b>(11.16)</b>	<b>254.97</b>
	<b>NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>(0.61)</b>	<b>(14.87)</b>
	<b>Opening cash and cash equivalents</b>	<b>49.98</b>	<b>64.86</b>
	<b>Closing cash and cash equivalents*</b>	<b>49.37</b>	<b>49.98</b>

### THE ISSUE

<b>Issue of Equity Shares by our Company</b>	Equity Shares aggregating to Rs. 576.84 Lacs
<i>Of which:</i> Market Maker Reservation Portion	1,26,000 Equity Shares of Rs.10 each for cash at a price of Rs. 23/- per share aggregating to Rs. 28.98 Lacs
<b>Net Issue to the public</b>	23,82,000 Equity Shares of Rs.10 each for cash at a price of Rs. 23/- per share aggregating to Rs. 547.86 Lacs
<i>Of which:</i>	
Non Retail Portion <sup>(1)</sup>	11,94,000 Equity Shares*
Retail Portion <sup>(1)</sup>	11,88,000 Equity Shares**
<b>Pre and Post Issue Equity Shares</b>	
Equity Shares outstanding prior to the Issue	52,01,408
Equity Shares outstanding after the Issue	77,09,408
<b>Use of Issue Proceeds</b>	Please refer to the section “ <i>Objects of the Issue</i> ” on page 60 of this Prospectus for information about the use of the Net Proceeds.

Allocation to all categories shall be made on a proportionate basis. For details, please refer to the section “*Issue Procedure – Basis of Allotment*” on page 242 of this Prospectus.

*(1) Under-subscription, if any, in any category, shall be allowed to be met with spillover from the other category, at the sole discretion of our Company and in consultation with the Lead Managers and the Designated Stock Exchange.*

*\* In the event of over-subscription, allocation shall be made on a proportionate basis, subject to valid applications being received at the Issue Price.*

*\*\* In the event the Retail Individual Applicants are entitled to more than fifty percent on proportionate basis, the Retail Individual Applicants shall be allocated that higher percentage.*

## GENERAL INFORMATION

Our Company was originally incorporated on May 16, 1996, as “Perfect Aicon Engineering Private Limited” under the provisions of the Companies Act, 1956 with Registrar of Companies, Maharashtra, Mumbai vide registration no. 11-99583 (CIN: U29190MH1996PTC099583). Pursuant to Shareholders Resolution passed at the Extra Ordinary General Meeting of the Company held on April 05, 2005, our Company was converted into a public limited company and the name of our Company was changed to “Perfect Aicon Engineering Limited” pursuant to a fresh Certificate of Incorporation dated April 19, 2005 issued by the Registrar of Companies, Maharashtra, Mumbai and new CIN: U29190MH1996PLC099583 was allotted. Later, since the word “Aicon” did not depict the object of the Company, the Company wanted to replace this word to “Infraengineers” which shows the object of the Company. Accordingly name of Company was changed to “Perfect Infraengineers Limited” from “Perfect Aicon Engineering Limited” pursuant to Shareholders Resolution passed at the Extra Ordinary General Meeting of the Company held on April 20, 2009 and a fresh Certificate of Incorporation dated May 11, 2009 was issued by the Registrar of Companies, Maharashtra, Mumbai. The Corporate Identification Number of our Company is U29190MH1996PLC099583.

For further details in relation to changes in our name and Registered Office, please see section titled “*History and Certain Corporate Matters*” on page 107 of this Prospectus

### **Brief Company and Issue Information:**

<b>Registered Office &amp; Factory</b>	R-637, TTC Industrial Area, MIDC, T. B. Road, Rabale, Navi Mumbai 400708, Maharashtra, India.
<b>Corporate Office</b>	168, Bhanusali Chambers, Sant Tukaram Road, Masjid Bandar (E), Mumbai - 400 009, Maharashtra, India
<b>Administrative Office</b>	11/12, Ground Floor, Swastik Disa Corporate Park, Opposite Shreyas Cinema, L. B. S. Road, Ghatkopar (West), Mumbai 400 086, Maharashtra, India
<b>Date of Incorporation</b>	May 16, 1996
<b>Corporate Identification No.</b>	U29190MH1996PLC099583
<b>Address of Registrar of Companies</b>	Registrar of Companies, Maharashtra, Mumbai. Everest 5th Floor, 100, Marine Drive, Mumbai 400002, Maharashtra India.
<b>Company Secretary &amp; Compliance Officer</b>	<b>Mr. Vijay Vinod Mulwani</b> Perfect Infraengineers Limited. Address: 11/12, Ground Floor, Swastik Disa Corporate Park, Opposite Shreyas Cinema, L. B. S. Road, Ghatkopar (West), Mumbai 400 086, Maharashtra, India <b>Tel No:</b> 022 25002538; <b>E-mail:</b> vijay@perfectinfra.com; <b>Website:</b> www.perfectinfra.com

**Investors can contact the Compliance Officer or the Registrar to the Issue in case of any pre-Issue or post- Issue related problems, such as non-receipt of letters of Allotment, credit of Allotted Equity Shares in the respective beneficiary account or refund of application money.**

All grievances pertaining to the Issue may be addressed to the Registrar to the Issue quoting the full name of the sole or first Applicant, Application Form number, Applicant’ DP ID, Client ID, PAN, number of Equity Shares applied for, date of Application Form, name and address of the Banker to the Issue where the application was submitted and cheque or draft number and issuing bank thereof.

All grievances relating to the ASBA process may be addressed to the Registrar to the Issue with a copy to the relevant SCSB 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 relevant SCSB.

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



**Board of Directors of Our Company:**

Board of Directors of our Company consists of:

<b>Name</b>	<b>Designation</b>	<b>Address</b>	<b>DIN</b>
<b>Mr. Nimesh Mehta</b>	Chairman & Managing Director	803, Neelkanth Towers, Plot No. 206, Garodia Nagar, Ghatkopar (East), Mumbai 400 085	00247264
<b>Mrs. Manisha Mehta</b>	Whole Time Director & Chief Financial Officer	803, Neelkanth Towers, Plot No. 206, Garodia Nagar, Ghatkopar (East), Mumbai 400 085	00247274
<b>Mrs. Sharmila Singh</b>	Whole Time Director	16, Udyan, Sainath Nagar, L. B. S. Marg, Ghatkopar (West), Mumbai 400 086	02355992
<b>Mr. Pradeep Bhawe</b>	Non – Executive Independent Director	1203, Maitri Daffodil, Maitri Garden, Pokhran RD - 2, near Oswal Park, Thane (West) 400601	06757517
<b>Mr. Vinay Deshmukh</b>	Non – Executive Independent Director	1, Lakshman Zulla Building, III Floor, 50, Ranade Road, Dadar (West), Mumbai – 400 028	07153755
<b>Mr. Vipul Vora</b>	Non – Executive Independent Director	A/5, Mahavir Jyot, Vallabh Baug Lane, Ghatkopar (East), Mumbai – 400 077	07235502

*For further details of the Directors of Our Company, please refer to the chapter titled “Our Management” on page 113 of this Prospectus.*

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

<b>LEAD MANAGER TO THE ISSUE</b>	
<b>Keynote Corporate Services Limited</b> The Ruby, 9th Floor, Senapati Bapat Marg, Dadar (West), Mumbai 400 028 <b>Tel:</b> +91 22 3026 6000 - 10 <b>Fax:</b> +91 22 3026 6088 <b>E-mail:</b> mbd@keynoteindia.net <b>Website:</b> www.keynoteindia.net <b>Contact Person:</b> Mr. Janardhan Wagle <b>SEBI Registration No.:</b> INM000003606	<b>Small Industries Development Bank Of India</b> SME Development Centre, Plot No. C-11, 'G' Block, Bandra Kurla Complex, Bandra (East), Mumbai – 400051 <b>Tel:</b> +91 22 67531100 <b>Fax:</b> +91 22 67531236 <b>E-mail:</b> equity@sidbi.in <b>Website:</b> www.sidbi.in <b>Contact Person:</b> Mr. K. I. Mani <b>SEBI Registration No.:</b> INM000012086
<b>REGISTRAR TO THE ISSUE</b>	<b>LEGAL ADVISOR TO THE ISSUE</b>
<b>Karvy Computershare Private Limited</b> Karvy Selenium Tower B, Plot 31-32, Gachibowli Financial District, Nanakramguda, Hyderabad 500 032. Toll free No. 1-800-3454001; Tel: 91 40 67162222; Fax: 91 40 23431551; Email: karisma.karvy@karvy.com Contact Person: Mr. M Murali Krishna <b>SEBI Registration No.:</b> INR000000221	<b>Mindspright Legal</b> 505, C-Wing, Trade World, Kamla City, Senapati Bapat Marg, Lower Parel (West), Mumbai- 400 013 Tel: +91-22-40020665, Web: www.mindspright.com Email: legal@mindspright.co.in Contact Person: Mr. Amit Dey
<b>STATUTORY AUDITORS OF THE COMPANY</b>	<b>BANKER TO THE COMPANY</b>
<b>M/S. Godbole Bhawe &amp; Co.</b> Chartered Accountants 501, Kinara CHS. Ltd., Mhatrewadi Road, Dahisar (W), Mumbai 400068 Tel No: 022-28924523/ 022-651226777 Email: caarvindmahajan@gmail.com Contact Person: Mr. Arvind Mahajan	<b>ICICI Bank Limited</b> SMEAG – Department Zenith House, Keshavrao Khade Marg, Mahalaxmi, Mumbai 400034 Tel: +91 22 24924100 Contact Person: Mr. Ritesh Shah Email-id: ritesh.s@icicibank.com

## BANKERS TO THE ISSUE

### ICICI Bank Limited

Capital Market Division,  
1<sup>st</sup> Floor, 122, Mistry Bhavan,  
Dinshaw Vachha Road, Backbay Reclamation,  
Churchgate, Mumbai-400020.  
Tel: +91-22-2285 9923; Fax: +91-22-2261 1138

Website: www.icicibank.com

E-mail: rishav.bagrecha@icicibank.com

Contact Person: Rishav Bagrecha

### Statement of Inter se allocation of responsibilities

Sr. No.	Activity	Responsibility	Coordinator
a.	Capital structuring with the relative components and formalities such as composition of debt and equity, type of instruments, etc.	Keynote	Keynote
b.	Drafting and design of the offer document and of the advertisement or publicity material including newspaper advertisement and brochure or memorandum containing salient features of the offer document.	Keynote	Keynote
c.	Selection of various agencies connected with issue, such as registrars to the issue, printers, advertising agencies, etc.	Keynote	Keynote
d.	Marketing of the issue, which shall cover, <i>inter alia</i> , formulating marketing strategies, preparation of publicity budget, arrangements for selection of (i) ad-media, (ii) centres for holding conferences of stock brokers, investors, etc., (iii) bankers to the issue, (iv) collection centres as per schedule III, (v) brokers to the issue, and (vi) underwriters and underwriting arrangement, distribution of publicity and issue material including application form, prospectus and brochure and deciding upon the quantum of issue material.	Keynote SIDBI	Keynote
e.	Post-issue activities, which shall involve essential follow-up steps including follow-up with bankers to the issue and Self Certified Syndicate Banks to get quick estimates of collection and advising the issuer about the closure of the issue, based on correct figures, finalisation of the basis of allotment or weeding out of multiple applications, listing of instruments, despatch of certificates or demat credit and refunds and coordination with various agencies connected with the post-issue activity such as registrars to the issue, bankers to the issue, Self Certified Syndicate Banks, etc. Ordinarily, one lead merchant banker shall be responsible for the post-issue activities.	Keynote SIDBI	SIDBI

### Self Certified Syndicate Banks (“SCSBs”)

The list of banks that have been notified by SEBI to act as the SCSBs for the ASBA process is provided on the website of SEBI at <http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries>. For details of the Designated Branches which shall collect Application Forms from the ASBA, please refer to the above-mentioned link. Further, the branches of the SCSBs where the Syndicate at the Specified Locations could submit the Application Form are provided on the website of SEBI at <http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries>.

### Brokers to the Issue

Investors can submit Application Forms in the Issue using the stock broker network of the Stock Exchanges, i.e., through the Registered Brokers at the Broker Centres. The list of the Registered Brokers, including details such as postal address, telephone number and e-mail address, is provided on the website of NSE.

### Credit Rating

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

### IPO Grading

This Issue has been graded by CRISIL Limited and has been assigned “4/5” (pronounced four out of five), indicating that the fundamentals of our Company are ‘Superior’ compared to other SMEs in India through its letter dated August 04, 2015. The IPO grading is assigned on a five point scale from 1 to 5 with an “SME 5/ 5” indicating excellent fundamentals and an “SME 1/5” indicating poor fundamentals. The Grading Report has been annexed to this Prospectus.

### Debenture Trustees

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

### Monitoring Agency

Since the proceeds from the Fresh Issue does not exceed ₹ 50,000 Lacs, in terms of Regulation 16 of the SEBI Regulations, our Company is not required to appoint a monitoring agency for the purposes of this Issue.

However, as per the Clause 52 of the SME Listing Agreement to be entered into with the Stock Exchange 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.

### Expert

Except for the Auditor’s Report of the Auditors of our Company, we have not obtained any expert opinions.

### Appraising Entity

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

### Issue Program

<b>Issue Opens on</b>	FRIDAY, OCTOBER 30, 2015
<b>Issue Closes on</b>	WEDNESDAY, NOVEMBER 04, 2015

### Underwriting Agreement

Our Company has entered into an Underwriting Agreement dated October 19, 2015 with the Underwriters for the Equity Shares proposed to be issued through the Issue. Pursuant to the terms of the Underwriting Agreement, the obligations of the Underwriters are several and are subject to certain conditions, as specified therein. The Issue has been 100% underwritten.

The Underwriter(s) have indicated their intention to underwrite the following number of Equity Shares:

<b>Name and Contact details of the Underwriter(s)</b>	<b>Indicated number of Equity Shares to be underwritten</b>	<b>Amount Underwritten (in ₹lacs)</b>
<b>Small Industries Development Bank Of India</b> Registered Office: SME Development Centre, Plot No. C-11,'G' Block, Bandra Kurla Complex, Bandra (East), Mumbai – 400051	3,91,300	89.99
<b>Keynote Corporate Services Limited</b> Registered Office: The Ruby, 9th Floor, Senapati Bapat Marg, Dadar (West), Mumbai 400 028	17,90,700	411.86

Name and Contact details of the Underwriter(s)	Indicated number of Equity Shares to be underwritten	Amount Underwritten (in ₹lacs)
<b>Indian Overseas Bank</b> Registered Office : Merchant Banking Division, Central Office, 6th Floor, Annex Building, 763 Anna Salai, Chennai- 600 002,	3,26,000	74.98
<b>Total</b>	<b>25,08,000</b>	<b>576.84</b>

In the opinion of our Board of Directors (based on a certificate given by the Underwriter(s)), the resources of the above mentioned Underwriter(s) is sufficient to enable them to discharge its underwriting obligations in full. The abovementioned Underwriter(s) are registered with SEBI and eligible to underwrite as per applicable regulations.

Allocation among the Underwriters may not necessarily be in proportion to their underwriting commitments.

Notwithstanding the above table, the Lead Managers shall be responsible for ensuring payment with respect to Equity Shares allocated to investors procured by them. In the event of any default in payment, the respective Underwriter, in addition to other obligations defined in the underwriting agreement, will also be required to procure/subscribe to Equity Shares to the extent of the defaulted amount.

The underwriting agreement shall list out the role and obligations of each Underwriter.

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

Our Company has entered into Market Making Agreement dated October 16, 2015 with the following Market Maker to fulfil the obligations of Market Making for this issue:

<b>Name</b>	Keynote Capitals Limited
<b>Correspondence Address:</b>	The Ruby, 9th Floor, Senapati Bapat Marg, Dadar (West), Mumbai – 400028
<b>Tel No.:</b>	+91-22- 30266000-3
<b>Fax No.:</b>	+91-22- 3026 6088
<b>E-mail:</b>	kcl@keynoteindia.net
<b>Website:</b>	www.keynoteindia.net
<b>Contact Person:</b>	Mr. Rakesh Choudhari

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

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

1. The Market Maker shall be required to provide a 2-way quote for 75% of the time in a day. The same shall be monitored by the Stock Exchange. The spread (difference between the sell and the buy quote) shall not be more than 10% or as specified by the Stock Exchange. Further, the Market Maker(s) shall inform the Stock 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 INR 1,00,000. However, the investors with holdings of value less than INR 1,00,000 shall be allowed to offer their holding to the Market Maker in the 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 for the quotes given by it.
4. There would not be more than five Market Makers at any point of time and the Market Makers may compete with other Market Makers for better quotes to the investors.
5. In terms of SEBI circular No. CIR/MRD/DSA/31/2012 dated November 27, 2012, the market maker shall be exempt from providing buy quote on attaining the specified threshold limits. Further, the market maker can offer buy quotes only after it complies with re-entry threshold limits. However, this exemption from threshold shall not

be applicable for the first three months of market making and the market maker shall be required to provide two way quotes during this period irrespective of the level of holding.

In case of termination of services of the above mentioned Market Maker prior to the completion of the compulsory Market Making period, it shall be the responsibility of the Lead Managers to arrange for another Market Maker in replacement during the term of the notice period being served by the Market Maker but prior to the date of releasing the existing Market Maker from its duties in order to ensure compliance with the requirements of regulation 106V of the SEBI Regulations. Further our Company and the Lead Managers reserve the right to appoint other Market Makers either as a replacement of the current Market Maker or as an additional Market Maker subject to the total number of Designated Market Makers not exceeding five or as specified by the relevant laws and regulations applicable at that particulars point of time.

## CAPITAL STRUCTURE

The Share Capital of our Company as on the date of this Prospectus is set forth below:

(Rs. In Lacs, except share data)

Sr. No.	Particulars	Aggregate Value at Face Value	Aggregate Value at Issue Price
A	1,00,00,000 Equity Shares having face value of ₹ 10 each	1,000.00	-
B	Issued, Subscribed & Paid-up Share Capital prior to the Issue 52,01,408 Equity Shares having Face Value of Rs. 10/- each	520.14	-
C	Present Issue in terms of this Prospectus 25,08,000 Equity Shares having Face Value of Rs. 10/- each at a Premium of Rs. 13/- per share	250.80	576.84
	Which Comprises		
I.	Reservation for Market Maker portion 1,26,000 Equity Shares of Rs. 10/- each at a premium of Rs. 13/- per Equity Share	12.60	28.98
II.	Net Issue to the Public 23,82,000 Equity Shares of Rs.10/- each at a premium of Rs. 13/- per Equity Share	238.20	547.86
	of which		
	11,94,000 Equity Shares of Rs. 10/- each at a premium of Rs. 13/- per Equity Share will be available for allocation for allotment to Retail Individual Investors of up to Rs. 2.00 Lacs	119.40	274.62
	11,88,000 Equity Shares of Rs. 10/- each at a premium of Rs. 13/- per Equity Share will be available for allocation for allotment to non retail Investors of above Rs. 2.00 Lacs	118.80	273.24
D	Paid up Equity capital after the Issue 77,09,408 Equity Shares having Face Value of Rs. 10/- each	770.94	
E	Securities Premium Account Before the Issue After the Issue	12.48 338.52	

The present Issue of Equity Shares has been authorized pursuant to a resolution of our Board of Directors dated January 10, 2015 and by special resolution passed under Section 62(1) (c) of the Companies Act, 2013 at the Extra Ordinary General Meeting of the members held on March 03, 2015.

### Classes of Shares

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

### Notes to Capital Structure

#### 1. Share capital history of our Company

Details of Increase/Changes in Authorized Share Capital of our Company:

Date of Meeting	Changes in Authorized Share Capital
Incorporation	Authorised Capital with Rs. 5,00,000/- divided into in 50,000 Equity Shares of Rs.10/- each.
April 26, 2002	Increase in the authorized share capital of the Company from Rs. 5,00,000/- divided into 50,000 Equity Shares of Rs. 10/- each to Rs. 15,00,000/- divided into 1,50,000 Equity Shares of Rs. 10/- each.
January 13, 2005	Increase in the authorized share capital of the Company from Rs. 15,00,000/- divided into 1,50,000 Equity Shares of Rs. 10/- each to Rs. 20,00,000/- divided into 2,00,000 Equity Shares of Rs. 10/- each.
October 05, 2005	Increase in the authorized share capital of the Company from Rs. 20,00,000/- divided into 2,00,000 Equity Shares of Rs. 10/- each to Rs. 30,00,000/- divided into 3,00,000 Equity Shares of



Date of Meeting	Changes in Authorized Share Capital
	Rs. 10/- each.
January 10, 2006	Increase in the authorized share capital of the Company from Rs. 30,00,000/- divided into 3,00,000 Equity Shares of Rs. 10/- each to Rs. 50,00,000 divided into 5,00,000 Equity Shares of Rs. 10/- each.
March 17, 2008	Increase in the authorized share capital of the Company from Rs. 50,00,000/- divided into 5,00,000 Equity Shares of Rs. 10/- each to Rs. 1,00,00,000 divided into 10,00,000 Equity Shares of Rs. 10/- each.
June 09, 2010	Increase in the authorized share capital of the Company from Rs. 1,00,00,000/- divided into 10,00,000 Equity Shares of Rs. 10/- each to Rs. 2,00,00,000 /-divided into 20,00,000 Equity Shares of Rs. 10/- each.
January 27, 2011	Increase in the authorized share capital of the Company from Rs. 2,00,00,000/- divided into 20,00,000 Equity Shares of Rs. 10/- each to Rs. 4,00,00,000/- divided into 40,00,000 Equity Shares of Rs. 10/- each.
December 30, 2014	Increase in the authorized share capital of the Company from Rs. 4,00,00,000/- divided into 40,00,000 Equity Shares of Rs. 10/- each to Rs. 5,50,00,000/- divided into 55,00,000 Equity Shares of Rs. 10/- each.
March 03, 2015	Increase in the authorized share capital of the Company from Rs. 5,50,00,000/- divided into 55,00,000 Equity Shares of Rs. 10/- each to Rs. 10,00,00,000/- divided into 1,00,00,000 Equity Shares of Rs. 10/- each.

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

Date of Allotment	No. of Equity Shares allotted	Cumulative No. of Equity Shares	Face Value (Rs.)	Issue Price (Rs.)	Cumulative Paid-up Capital (Rs.)	Consideration	Nature of Issue and Category of Allottees
Upon Incorporation	200	200	10	10	2000	Cash	Subscription to MOA by Promoters
August 1, 1996	9,850	10,050	10	10	2,94,220	Cash	Further Allotment to Promoters(i)
	19,372	29,422	10	-		Consideration other than cash	
June 29, 2002	58,844	88,266	10	Nil	8,82,660	Issued as bonus in the ratio of 2:1	Bonus Issue (ii)
November 30, 2002	4,650	92,916	10	40	9,29,160	Cash	Further Allotment to non-promoters
January 5, 2005	22,600	1,15,516	10	10	11,55,160	Cash	Further Allotment to Promoter
February 1, 2005	38,505	1,54,021	10	Nil	15,40,210	Issued as bonus in the ratio of 3:1	Bonus Issue(iii)
January 10, 2006	115515	2,69,536	10	Nil	26,95,360	Issued as bonus in the ratio of 3:4	Bonus Issue(iv)
March 20, 2008	89,094	3,58,630	10	10	35,86,300	Cash	Further Allotment to Promoters
March 31, 2008	2,10,100	5,68,730	10	10	56,87,300	Consideration other than cash	Further Allotment to Promoter (v)
January 14, 2009	15,000	5,83,730	10	10	58,37,300	Cash	Further Allotment to Promoter
December 28, 2009	2,91,873 (rounded off)	8,75,603	10	Nil	87,56,030	Issued as bonus in the ratio of 1:2	Bonus Issue(vi)
March 27, 2010	34,397	9,10,000	10	21	91,00,000	Cash	Further Allotment to Promoter
March 29, 2010	90,000	10,00,000	10	21	1,00,00,000	Cash	Further allotment to Promoter
January 27, 2011	10,00,000	20,00,000	10	Nil	2,00,00,000	Issued as bonus in the ratio of 1:1	Bonus Issue(vii)
March 30, 2011	35,000	20,35,000	10	20	2,03,50,000	Cash	Further Allotment to Promoters

Date of Allotment	No. of Equity Shares allotted	Cumulative No. of Equity Shares	Face Value (Rs.)	Issue Price (Rs.)	Cumulative Paid-up Capital (Rs.)	Consideration	Nature of Issue and Category of Allottees
March 30, 2012	1,00,000	21,35,000	10	10	2,13,50,000	Cash	Further Allotment to Promoters
January 28, 2013	14,23,333	35,58,333	10	Nil	3,55,83,330	Issued as bonus in the ratio of 2:3	Bonus Issue(viii)
March 30, 2013	40,467	35,98,800	10	12.85	3,59,88,000	Cash	Further Allotment to Promoters
September 30, 2013	62,256	36,61,056	10	12.85	3,66,10,560	Cash	Further Allotment to Promoters
January 25, 2014	40,000	37,01,056	10	25	3,70,10,560	Cash	Further Allotment to Promoter and promoter group
February 14, 2014	60,000	37,61,056	10	25	3,76,10,560	Cash	Further Allotment to Promoter and promoter group
March 28, 2014	68,000	38,29,056	10	25	3,82,90,560	Cash	Further Allotment to Promoters
December 31, 2014	12,76,352	51,05,408	10	Nil	5,10,54,080	Issued as Bonus issue in ratio of 1:3	Bonus Issue(ix)
September 22, 2015	96,000	52,01,408	10	23	5,20,14,080	Cash	Further Allotment to Promoters group & non- Promoters (x)

**The details of allotment other than cash:**

- i Further allotment of 19,372 equity shares to Mr. Nimesh Mehta.
- ii **Bonus issue of 58,844 shares in the ratio of 2:1 i.e. 1 bonus shares for every 2 shares held to:**  
Nimesh Mehta- 39134; Manisha Mehta - 19700; Chapsi D Gala HUF - 2; Haresh C. Gala HUF - 2; Jayesh C. Gala HUF- 2; Mahesh C. Gala HUF- 2; Purnima J. Gala HUF- 2;
- iii **Bonus issue of 38,505 shares in the ratio of 3:1 i.e. 1 bonus shares for every 3 shares held to**  
Nimesh Mehta- 27100; Manisha Mehta- 10017, Chapsi D. Gala HUF- 1; Haresh C. Gala HUF- 1; Jayesh C. Gala HUF- 1; Mahesh C. Gala HUF- 1; Purnima J. Gala HUF- 1; Priya Rudra- 33; P. Radha Rani- 33, Namal Nagesh Narasurya- 33; Karunakar Bilava- 33; Dev Das- 167; Mario D' Mello- 17; Nitin Rathod- 33; Rahul Gorky- 17; Jaidev Pathak- 17; Mitesh Kamdar- 500; M/s. Kamlakant Chhotalal Exports Pvt. Ltd.- 167; A.B. Joshi- 333;
- iv **Allotment of 1,15,515 Equity Shares as Bonus shares in the ratio of 1.3:1 i.e. 1 Bonus share for every 1.3 shares held to:**  
Nimesh Mehta – 82,225, Manisha Mehta- 30,125; Chapsi D. Gala (HUF)- 3; Haresh C. Gala (HUF)- 3; Jayesh C. Gala (HUF)-3; Mahesh C. Gala (HUF) – 3; Purnima J. Gala – 3; Priya Rudra – 100; P. Radha Rani – 100; Namal Nagesh Narasurya – 100; Karunakar Billava – 100; Dev Das – 500; Mario D' Mello – 50; Nitin Rathod – 100; Rahul Gorky – 50; Jaidev Pathak – 50; Mitesh Kamdar – 1500; M/s Kamlakant Chhotalal Exporters Private Limited – 500
- v **Further allotment of 2,10,100 Equity Shares for consideration other than cash** to Ms. Manisha Mehta.
- vi **Allotment of 2,91,873 Equity Shares as Bonus shares in the ratio of 2:1 i.e. 1 Bonus share for every 2 shares held, to**  
Nimesh Mehta- 1,40,930; Manisha Mehta – 1,47,243; Chapsi D. Gala (HUF) – 4; Jayesh C. Gala (HUF) – 4; Haresh C. Gala (HUF) – 4; Mahesh C. Gala (HUF) – 4; Punima J. Gala – 4; Priya Rudra -117; P. Radha Rani – 117; Namesh Nagesh Narasurya – 117; Sharmila Singh – 117; Dev Das – 584; Mario D' Mello – 59; Nitin Rathod -117; Rahul Gorky – 59; Jaidev Pathak – 59; Mitesh Kamdar – 1750; M/s Kamlakant Chhotalal Exporters Private Limited -584;

- vii **Allotment of 10,00,000 Equity Shares as Bonus shares in the ratio of 1:1 i.e. 1 Bonus share for every 1 shares held, to:**  
Nimesh Mehta – 5,12,789; Manisha Mehta – 4,76,126; Chapsi D. Gala (HUF) – 11; Jayesh C. Gala (HUF) – 11; Hareesh C. Gala (HUF) – 11; Mahesh C. Gala (HUF) – 11; Purnima J. Gala (HUF) – 11; Priya Rudra – 350; P. Radha Rani -350; Namal Nagesh Narasurya – 350; Dev Das -1,751; Mario D’ Mello – 176; Nitin Rathod - 350; Rahul Gorky – 176; Jaidev Pathak -176; Mitesh Kamdar -5,250; M/s Kamlakant Chhotalal Exporters Private Limited – 1,751; Sharmila Singh -350
- viii **Allotment of 14,23,333 Equity Shares as Bonus shares in the ratio of 3:2 i.e. 2 Bonus share for every 3 shares held, to:**  
Nimesh Mehta – 7,27,052; Manisha Mehta – 6,81,809; Priya Rudra -467; Radha Rani -467; Namal Nagesh Narasurya -466; Mario D’ Mello – 235; Nitin Rathod -467; Rahul Gorky -234; Mitesh Kamdar -7,000; M/s Kamlakant Chhotalal Exporters Private Limited -2,335; Sharmila Singh – 2,801
- ix **Bonus issue of 12,76,352 Equity shares in ratio of 3:1 i.e. 1 Bonus shares for every 3 shares held, to:** Nimesh Mehta – 6,41,513; Manisha Mehta – 6,03,958; Priya Rudra - 389; Radha Rani - 389; Namal Nagesh Narasurya - 389; Mario D’ Mello – 196; Nitin Rathod -389; Rahul Gorky - 195; Mitesh Kamdar -5,833; M/s Kamlakant Chhotalal Exporters Private Limited – 1,946; Sharmila Singh – 9155; Pravin Sood -9,333; Priti Bhanushali -2,667;
- x **Allotment of 96,000 Equity Shares to:** Joydip Roy – 6000; Arvind Maganlal Shah (HUF) - 6000; Indu Bhupatrai Bavishi- 6000; Devyani Prakash Joisher - 6000; Baiju Vijay Pupala - 6000; Shilpa Amit Patel - 6000; Ajay Chandrakant Shah - 6000; Minakshi Joisher - 6000; Kirankumar Savar - 6000; Priti Bhanushali - 6000; Akshaya Bhansali – 6000; Deepak Narayan - 5000; Zeya Ahmed – 5000; Sooraj Nair – 5000; Namrata Murkar – 5000; Manish Chaturvedi – 5000; Girija Patel – 5000;

No part of bonus shares has been allotted out of Revaluation Reserves of the Company.

**Details of Equity Shares issued for consideration other than cash:**

Date of Allotment of Equity Shares	No. Of Equity Shares	Issue Price	Reason for Allotment	Person to whom equity shares were allotted	Benefits to Our Company
August 1, 1996	19,372	10	Allotted for consideration other than cash	Mr. Nimesh Mehta	Consideration towards takeover of the business of M/s Perfect Engineering (Proprietorship of Mr. Nimesh Mehta).
June 29, 2002	58,844	Nil	Issued as bonus in the ratio of 2:1 shares	Shareholders as on the record date	Nil
February 1, 2005	38,505	Nil	Issued as bonus in the ratio of 1:3 shares	Shareholders as on the record date	Nil
January 10, 2006	1,15,515	Nil	Issued as bonus in the ratio of 3:4 shares	Shareholders as on the record date	Nil
March 31, 2008	2,10,100	10	Allotted for consideration other than cash	Ms. Manisha Mehta	Consideration pursuant to sale of Flat No. 59, 4th Floor, Odhav Ashish, Janardhan Park, village Naupada, Tal. & Dist. Thane, admeasuring 565 Sq. Ft. to the Company
December 28, 2009	2,91,873	Nil	Issued as bonus in the ratio 1:2 shares	Shareholders as on the record date	Nil
January 27, 2011	10,00,000	Nil	Issued as bonus in the ratio 1:1	Shareholders as on the record date	Nil

Date of Allotment of Equity Shares	No. Of Equity Shares	Issue Price	Reason for Allotment	Person to whom equity shares were allotted	Benefits to Our Company
			shares		
January 28, 2013	14,23,333	Nil	Issued as bonus in the ratio 2:3 shares	Shareholders as on the record date	Nil
December 31, 2014	12,76,352	Nil	Issued as bonus shares in ratio 1:3 shares	Shareholders as on the record date	Nil

### 3. Capital Built-up in respect of shareholding of Our Promoters:

**Mr. Nimesh Mehta**

Date of Allotment /Transfer of Fully Paid-up Shares	Consideration	Nature of Issue	No of Equity Shares*	Face Value	Issue Price/Acquisition Price/Transfer Prices	Cumulative no. of Equity shares	% Pre-Issue paid up capital	% Post issue paid up capital	Sources of fund
Upon Incorporation	Cash	Subscriber to the MOA	100	10	10	100	0.00	0.00	Own Fund
August 1, 1996	consideration otherwise than	Further Allotment	19,372	10	10	19,472	0.37	0.25	Transfer of Business
August 16, 2001	Cash	Transfer	(5)	10	10	19,467	0.37	0.25	-
June 29, 2002	Cash	Transfer	100	10	10	19,567	0.38	0.25	Own Fund
June 29, 2002	--	Bonus issue in the ratio of 2:1 shares i.e. 2 shares for 1 share held	39,134	10	Nil	58,701	1.13	0.76	-
January 5, 2005	Cash	Allotment	22,600	10	10	81,301	1.56	1.05	Own Fund
February 1, 2005	--	Bonus issue in the ratio of 1:2 shares i.e. 1 share for 2 shares held	27,100	10	Nil	1,08,401	2.08	1.41	-
March 28, 2005	Cash	Transfer	(100)	10	10	1,08,301	2.08	1.40	-
January 10, 2006	Cash	Transfer	1,333	10	10	1,09,634	2.11	1.42	Own Fund
January 10, 2006	Cash	Bonus issue in the ratio of 3:4 shares i.e. 3 share for 4 shares held	82,225	10	Nil	1,91,859	3.69	2.49	-

Date of Allotment /Transfer of Fully Paid-up Shares	Consid eration	Nature of Issue	No of Equity Shares*	Face Valu e	Issue Price/Acquisiti on Price/ Transfe r Prices	Cumulativ e no. of Equity shares	% Pre-Issue paid up capital	% Post issue paid up capit al	Sources of fund
March 20, 2008	Cash	Allotment	75,000	10	10	2,66,859	5.13	3.46	Own Fund
January 14, 2009	Cash	Allotment	15,000	10	10	2,81,859	5.42	3.66	Own Fund
December 28, 2009	--	Bonus issue in the ratio of 1:2 shares i.e. 1 share for 2 shares held	1,40,930	10	Nil	4,22,789	8.13	5.48	-
March 29, 2010	Cash	Allotment	90,000	10	21	5,12,789	9.86	6.65	Own Fund
January 27, 2011	--	Bonus issue in the ratio of 1:1 shares i.e. 1 share for 1 shares held	5,12,789	10	Nil	10,25,578	19.72	13.30	-
March 30, 2011	Cash	Allotment	15,000	10	20	10,40,578	20.01	13.50	Own Fund
March 30, 2012	Cash	Allotment	50,000	10	10	10,90,578	20.97	14.15	Own Fund
January 28, 2013	--	Bonus issue in the ratio of 2:3 shares i.e. 2 share for 3 shares held	7,27,052	10	Nil	18,17,630	34.94	23.58	-
March 30, 2013	Cash	Allotment	7,782	10	12.85	18,25,412	35.09	23.68	Own Fund
September 30, 2013	Cash	Allotment	31,128	10	12.85	18,56,540	35.69	24.08	Own Fund
December 14, 2013	Cash	Transfer	(16,000)	10	25	18,40,540	35.39	23.87	-
January 25, 2014	Cash	Allotment	16,000	10	25	18,56,540	35.69	24.08	Own Fund
February 14, 2014	Cash	Allotment	20,000	10	25	18,76,540	36.08	24.34	Own Fund
March 28, 2014	Cash	Allotment	48,000	10	25	19,24,540	37.00	24.96	Own Fund
December 31, 2014	--	Bonus issue in the ratio of 1:3 shares i.e. 1 share for 3 shares held	6,41,513	10	Nil	25,66,053	49.33	33.28	-

**Ms. Manisha Mehta**

Date of Allotment /Transfer of Fully Paid-up Shares	Consideration	Nature of Issue	No of Equity Shares*	Face Value	Issue Price/Acquisition Price/ Transfer Prices	Cumulative no. of Equity shares	% Pre-Issue paid up capital	% Post issue paid up capital	Sources of fund
Upon Incorporation	Cash	Subscriber to the MOA	100	10	10	100	0.00	0.00	Own Fund
August 1, 1996	Cash	Allotment	9,850	10	10	9,950	0.19	0.13	Own Fund
June 29, 2002	Cash	Transfer	(100)	10	10	9850	0.19	0.13	-
June 29, 2002	--	Bonus issue in the ratio of 2:1 shares i.e. 2 shares for 1 share held	19,700	10	Nil	29,550	0.57	0.38	--
January 5, 2005	Cash	Transfer	500	10	10	30,050	0.58	0.39	Own Fund
February 1, 2005	--	Bonus issue in the ratio of 1:3 shares i.e. 1 share for 3 shares held	10,017	10	Nil	40,067	0.77	0.52	-
March 28, 2005		Transfer	100	10	10	40,167	0.77	0.52	Own Fund
January 10, 2006	Cash	Bonus issue in the ratio of 3:4 shares i.e. 3 share for 4 shares held	30,125	10	Nil	70,292	1.35	0.91	-
March 20, 2008	Cash	Allotment	14,094	10	10	84,386	1.62	1.09	Own Fund
March 31, 2008	Consideration other than cash	Allotment	2,10,100	10	10	2,94,486	5.66	3.82	Transfer of Property
December 28, 2009	--	Bonus issue in the ratio of 1:2 shares i.e. 1 share for 2 shares held	1,47,243	10	Nil	4,41,729	8.49	5.73	-
March 27, 2010	Cash	Allotment	34,397	10	21	4,76,126	9.15	6.18	Own Fund
January 27, 2011	--	Bonus issue in the ratio of 1:1 shares i.e. 1 share for 1	4,76,126	10	Nil	9,52,252	18.31	12.35	-

Date of Allotment /Transfer of Fully Paid-up Shares	Consi derati on	Nature of Issue	No of Equity Shares*	Face Valu e	Issue Price/Acq uisition Price/ Transfer Prices	Cumulativ e no. of Equity shares	% Pre-Issue paid up capital	% Post issue paid up capital	Sources of fund
		shares held							
March 30, 2011	Cash	Allotment	20,000	10	20	9,72,252	18.69	12.61	Own Fund
March 30, 2012	Cash	Allotment	50,000	10	10	10,22,252	19.65	13.26	Own Fund
December 17, 2012	Cash	Transfer	462	10	10	10,22,714	19.66	13.27	Own Fund
January 28, 2013	--	Bonus issue in the ratio of 2:3 shares i.e. 2 share for 3 shares held	6,81,809	10	Nil	17,04,523	32.77	22.11	-
February 14, 2013	Cash	Transfer	(462)	10	10	17,04,061	32.76	22.10	-
March 30, 2013	Cash	Allotment	32,685	10	12.85	17,36,746	33.39	22.53	Own Fund
September 30, 2013	Cash	Allotment	31,128	10	12.85	17,67,874	33.99	22.93	Own Fund
December 14, 2013	Cash	Transfer	(12,000)	10	25	17,55,874	33.76	22.78	-
January 25, 2014	Cash	Allotment	16,000	10	25	17,71,874	34.07	22.98	Own Fund
February 14, 2014	Cash	Allotment	20,000	10	25	17,91,874	34.45	23.24	Own Fund
March 28, 2014	Cash	Allotment	20,000	10	25	18,11,874	34.83	23.50	Own Fund
December 31, 2014	--	Bonus issue in the ratio of 1:3 shares i.e. 1 share for 3 shares held	6,03,958	10	Nil	2,415,832	46.45	31.34	-

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

S .No	Names	Pre IPO		Post IPO	
		Shares Held	% Shares Held	Shares Held	% Shares Held
Promoters					
1	Mr. Nimesh Mehta	25,66,053	49.33	25,66,053	33.28
2	Ms. Manisha Mehta	24,15,832	46.45	24,15,832	31.34
	TOTAL (A)	49,81,885	95.78	49,81,885	64.62
Promoter Group					
3	Ms. Sharmila Singh	36,620	0.70	36,620	0.48
4	Ms. Priti Bhanushali	16,667	0.32	16,667	0.22
	TOTAL (B)	53,287	1.02	53,287	0.69
	TOTAL (A) + (B)	50,35,172	96.80	50,35,172	65.31
Total Public Shareholders (C)		1,66,236	3.20	26,74,236	34.69
	GRAND TOTAL (A+B+C)	52,01,408	100.00	77,09,408	100.00



**5. Details of equity shares that are locked-in as Promoter's Contribution:**

Date of Allotment of Fully Paid-up Shares	Consideration	Nature of Issue/ Acquisition	No of Equity Shares	Face Value	Issue Price/Acquisition Price/ Transfer Prices	% Pre-Issue paid up capital	% Post issue paid up capital
<b>Mr. Nimesh Mehta</b>							
January 28, 2013	--	Bonus issue in the ratio of 2:3 shares i.e. 2 share for 3 shares held	6,577	10	Nil	0.13	0.09
March 30, 2013	Cash	Allotment	7,782	10	12.85	0.15	0.10
September 30, 2013	Cash	Allotment	31,128	10	12.85	0.60	0.40
January 25, 2014	Cash	Allotment	16,000	10	25	0.31	0.21
February 14, 2014	Cash	Allotment	20,000	10	25	0.38	0.26
March 28, 2014	Cash	Allotment	48,000	10	25	0.92	0.62
December 31, 2014	-	Bonus issue in the ratio of 1:3 shares i.e. 1 share for 3 shares held	6,41,513	10	Nil	12.33	8.32
<b>Sub-Total</b>	-	-	<b>7,71,000</b>	-	-	<b>14.82</b>	<b>10.00</b>
<b>Ms. Manisha Mehta</b>							
January 28, 2013	--	Bonus issue in the ratio of 2:3 shares i.e. 2 share for 3 shares held	47,229	10	Nil	0.91	0.61
March 30, 2013	Cash	Allotment	32,685	10	12.85	0.63	0.42
September 30, 2013	Cash	Allotment	31,128	10	12.85	0.60	0.40
January 25, 2014	Cash	Allotment	16,000	10	25	0.31	0.21
February 14, 2014	Cash	Allotment	20,000	10	25	0.38	0.26
March 28, 2014	Cash	Allotment	20,000	10	25	0.38	0.26
December 31, 2014	-	Bonus issue in the ratio of 1:3 shares i.e. 1 share for 3 shares held	6,03,958	10	Nil	11.61	7.83
<b>Sub-Total</b>	-	-	<b>7,71,000</b>	-	-	<b>14.82</b>	<b>10.00</b>
<b>Grand Total</b>	-	-	<b>15,42,000</b>	-	-	<b>29.65</b>	<b>20.00</b>

All Equity Shares, which are being locked in are eligible for computation of Minimum Promoters Contribution as per Regulation 33 of the SEBI ICDR Regulations and are being locked in for 3 years as per Regulation 36(a) of the SEBI ICDR Regulations i.e. for a period of three years from the date of allotment of Equity Shares in this issue.

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

The entire pre-issue shareholding of the Promoters, other than the Minimum Promoters contribution which is locked in

for three years, shall be locked in for a period of one year from the date of allotment in this Issue.

Our Promoters, Mr. Nimesh Mehta and Ms. Manisha Mehta have, by a written undertaking, consented to have 7,71,000 Equity Shares each held by them to be locked in as Minimum Promoters Contribution for a period of three years from the date of allotment in this Issue and will not be disposed / sold / transferred by the promoters during the period starting from the date of filing the draft Prospectus with SME Platform of NSE till the date of commencement of lock-in period as stated in the Prospectus. The Equity Shares under the Promoters contribution will constitute 20.00% of our post-issue paid up share capital.

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

We confirm that the Minimum Promoters' Contribution of 20% which is subject to lock-in for three years does not consist of (in terms of clauses of Regulation 33 (1) of SEBI (ICDR) Regulations, 2009):

- Equity Shares acquired during the preceding 3 (three) years for consideration other than cash and revaluation of assets or capitalization of intangible assets;
- Equity Shares acquired during the preceding 3 (three) years resulting from a bonus issue by utilisation of revaluations reserves or unrealised profits of the Issuer or from bonus issue against Equity Shares which are ineligible for computation of Promoters' contribution;
- Equity Shares acquired by the Promoter during the preceding 1 (one) year, at a price lower than the price at which the Equity Shares are being offered to the public in the Issue;
- Equity Shares allotted to the Promoters during the preceding 1 (one) year, at a price lower 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 and there is no change in the management;
- Equity Shares held by any Promoter that are subject to pledge;

#### **Details of Share Capital Locked In For One Year**

In terms of Regulation 36(b) and 37 of the SEBI ICDR Regulations, in addition to the Minimum Promoters contribution which is locked in for three years, as specified above, the entire pre-issue equity share capital constituting 36,59,408 equity shares shall be locked in for a period of one year from the date of allotment of Equity Shares in this Issue.

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

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

In terms of Regulation 39 of the SEBI ICDR Regulations, the locked in Equity Shares held by the Promoters, as specified above, can be pledged with any scheduled commercial bank or public financial institution as collateral security for loan granted by such bank or institution provided that the pledge of Equity Shares is one of the terms of the sanction of the loan. Provided that securities locked in as minimum promoter contribution may be pledged only if, in addition to fulfilling the above requirements, the loan has been granted by such bank or institution, for the purpose of financing one or more of the objects of the Issue.

In terms of Regulation 40 of the SEBI ICDR Regulations, the Equity Shares held by persons other than the Promoters prior to the Issue may be transferred to any other person holding the Equity Shares which are locked in as per Regulation 36 or 37 of the SEBI ICDR Regulations, subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as applicable.

Further in terms of Regulation 40 of the SEBI ICDR Regulations, the Equity Shares held by the Promoters may be transferred to and amongst the Promoter Group or to new promoters or persons in control of the Issuer subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as applicable.

## 6. Our Shareholding Pattern

The table below presents the current shareholding pattern of our Company as per clause 37 of the SME Equity Listing Agreement.

Cate gory code	Category of shareholder	No. of share- holder s	Total no. of shares	% of Total	Number of shares held in demater- ialized form	Total shareholding as a % of total number of shares		Shares Pledged or otherwise encumbered	
						As a % of (A+B)	As a % of (A+B+C)	Number of Shares	As a % of Sharehol ding
(A)	Promoter and Promoter Group								
(1)	Indian								
(a)	Individuals/ Hindu Undivided Family	4	50,35,172	96.80	49,81,885	96.80	96.80	Nil	Nil
(b)	Central Government/ State Government(s)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(c)	Bodies Corporate	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(d)	Financial Institutions/ Banks	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(e)	Any Other (specify)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	Sub-Total (A)(1)	4	50,35,172	96.80	49,81,885	96.80	96.80	Nil	Nil
(2)	Foreign								
(a)	Individuals (Non-Resident Individuals/ Foreign Individuals	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(b)	Bodies Corporate	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(c)	Institutions	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(d)	Any Other (specify)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	Sub-Total (A) (2)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	Total Shareholding of Promoters and Promoter group (A)= A)(1)+(A)(2)	4	50,35,172	96.80	49,81,885	96.80	96.80	Nil	Nil
(B)	Public shareholding								
(1)	Institutions								
(a)	Mutual Funds/UTI	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

Category code	Category of shareholder	No. of shareholders	Total no. of shares	% of Total	Number of shares held in dematerialized form	Total shareholding as a % of total number of shares		Shares Pledged or otherwise encumbered	
						As a % of (A+B)	As a % of (A+B+C)	Number of Shares	As a % of Shareholding
(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)	Venture Capital 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) Regulations )	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
	Sub-Total (B) (1)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
<b>(2)</b>	<b>Non- institutions</b>								
(a)	Bodies Corporate	1	7,783	0.15	Nil	0.15	0.15	Nil	Nil
(b)	Individuals - Individual shareholders holding Nominal share capital up to Rs. 1 lakh.	21	91,787	1.88	Nil	1.76	1.76	Nil	Nil
	Individual shareholders holding Nominal share capital in excess of Rs. 1 lakh.	2	60,666	1.17	Nil	1.17	1.17	Nil	Nil
(c)	<b>Any Other (specify)</b> <b>HUF</b>	<b>1</b>	<b>6,000</b>	<b>0.12</b>	<b>Nil</b>	<b>0.12</b>	<b>0.12</b>	<b>Nil</b>	<b>Nil</b>
	<b>Sub-Total (B) (2)</b>	<b>25</b>	<b>1,66,236</b>	<b>3.20</b>	<b>Nil</b>	<b>3.20</b>	<b>3.20</b>	<b>Nil</b>	<b>Nil</b>

Category code	Category of shareholder	No. of shareholders	Total no. of shares	% of Total	Number of shares held in dematerialized form	Total shareholding as a % of total number of shares		Shares Pledged or otherwise encumbered	
						As a % of (A+B)	As a % of (A+B+C)	Number of Shares	As a % of Shareholding
	<b>Total Public Shareholding (B) = (B) (1) + (B) (2)</b>	<b>25</b>	<b>1,66,236</b>	<b>3.20</b>	<b>Nil</b>	<b>3.20</b>	<b>3.20</b>	<b>Nil</b>	<b>Nil</b>
	<b>TOTAL (A) + (B)</b>	<b>29</b>	<b>52,01,408</b>	<b>100.00</b>	<b>49,81,885</b>	<b>100.00</b>	<b>100.00</b>	<b>Nil</b>	<b>Nil</b>
(C)	Shares held by Custodians and against which Depository Receipts have been issued								
(a)	Promoters and Promoter Group	Nil	Nil	Nil	49,81,885	Nil	Nil	Nil	Nil
(b)	Public	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	<b>GRAND TOTAL (A) + (B) + (C)</b>	<b>29</b>	<b>52,01,408</b>	<b>100.00</b>	<b>49,81,885</b>	<b>100.00</b>	<b>100.00</b>	<b>Nil</b>	<b>Nil</b>

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

As on the date of the Prospectus, our Company has 29 (Twenty Nine) shareholders.

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

Sr. No.	Names	No. of equity shares	% shares held
1.	Mr. Nimesh Mehta	25,66,053	49.33
2.	Ms, Manisha Mehta	24,15,832	46.45
3	Mr. Pravin Sood	37,333	0.72
4.	Ms, Sharmila Singh	36,620	0.70
5.	Mr. Mitesh Kamdar	23,333	0.45
6.	Ms. Priti Bhanushali	16,667	0.32
7.	M/s Kamlakant Chhotalal Exporters Private Limited	7,783	0.15
8.	Mr. Joydip Roy	6,000	0.12
9.	M/s. Arvind Magan Lal Shah (HUF)	6,000	0.12
10.	Ms. Indu Bhupatrai Bavishi	6,000	0.12

- Details of top ten shareholders of our Company as on two years prior to the date of filing of this Prospectus are as follows:

Sr. No.	Names	No. of equity shares	% shares held
1.	Mr. Nimesh Mehta	18,25,412	50.72
2.	Ms, Manisha Mehta	17,36,746	48.26
3	Mr. Mitesh Kamdar	17,500	0.49
4.	Ms, Sharmila Singh	7,465	0.21
5.	M/s Kamlakant Chhotalal Exporters Private Limited	5,837	0.16
6.	Ms, Priya Rudra	1,167	0.03
7.	Ms, P. Radha Rani	1,167	0.03
8.	Mr. Nitin Rathod	1,167	0.03
9.	Mr. Namal Nagesh Narasurya	1,166	0.03
10	Mr. Mario D' Mello	587	0.02

8. During the past six months immediately preceding the date of this Prospectus, following are the details of Equity shares of our Company, purchased / sold by our Promoter, Promoter Group entities or the Directors of our Company and their relatives and associates:

<b>Sr. No.</b>	<b>Names</b>	<b>No. of equity shares</b>	<b>Date of Transaction</b>	<b>Nature of Transaction</b>
1.	Ms. Priti Bhanushali	6,000	September 22, 2015	Allotment

9. Other than the bonus issue made on December 31, 2014, no Equity Shares are issued by our Company at a price lower than the Issue price during the preceding one year from the date of this Prospectus.
10. None of our Promoters, Promoter Group, Directors and their relatives has entered into any financing arrangement or financed the purchase of the Equity Shares of our Company by any other person during the period of six months immediately preceding the date of filing of Prospectus.
11. As on the date of filing of this Prospectus, there are no outstanding warrants, options or rights to convert debentures, loans or other instruments which would entitle Promoters or any shareholders or any other person any option to acquire our Equity Shares after this Initial Public Offer.
12. As on the date of this Prospectus, the Issued Share Capital of our Company is fully paid up.
13. Our Company has not raised any bridge loan against the proceeds of the Issue.
14. Since the entire issue price per share is being called up on application, all the successful applicants will be allotted fully paid-up shares.
15. As on the date of this Prospectus, none of the shares held by our Promoters / Promoters Group are subject to any pledge.
16. Neither, we nor our Promoters, Directors and the LM to this Issue have entered into any buyback and / or standby arrangements and / or similar arrangements for the purchase of our Equity Shares from any person.
17. The LM and their associates do not hold any Equity Shares in our Company as on the date of filing of Prospectus.
18. We here by confirm that there will be no further issue of capital whether by way of issue of bonus issue, preferential allotment, rights issue or in any other manner during the period commencing from the date of the Prospectus until the Equity Shares offered have been listed or application moneys refunded on account of failure of Issue.
19. Except for any issuance of equity shares pursuant to the pre-ipo placement, our Company does not presently intend or propose to alter its capital structure for a period of six months from the date of opening of the Issue, by way of split or consolidation of the denomination of Equity Shares or further issue of Equity Shares (including issue of securities convertible into or exchangeable, directly or indirectly for Equity Shares) whether preferential or otherwise. This is except if we enter into acquisition or joint ventures or make investments, in which case we may consider raising additional capital to fund such activity or use Equity Shares as a currency for acquisition or participation in such joint ventures or investments.
20. None of our Equity Shares have been issued out of revaluation reserve created out of revaluation of assets.
21. An over-subscription to the extent of 10% of the Issue can be retained for the purpose of rounding off to the nearest integer during finalizing the allotment, subject to minimum allotment, which is the minimum application size in this Issue. Consequently, the actual allotment may go up by a maximum of 10% of the Issue, as a result of which, the post-issue paid up capital after the Issue would also increase by the excess amount of allotment so made. In such an event, the Equity Shares held by the Promoter and subject to 3 year lock- in shall be suitably increased; so as to ensure that 20% of the post Issue paid-up capital is locked in.
22. Under subscription, if any, in any of the categories, would be allowed to be met with spill-over from any of the other categories or a combination of categories at the discretion of our Company in consultation with the LM and Designated

Stock Exchange i.e. NSE. Such inter-se spill over, if any, would be affected in accordance with applicable laws, rules, regulations and guidelines.

23. In case of over-subscription in all categories the allocation in the issue shall be as per the requirements of Regulation 43 (4) of SEBI (ICDR) Regulations, 2009 and its amendments from time to time.
24. At any given point of time there shall be only one denomination of the Equity Shares, unless otherwise permitted by law.
25. Our Company shall comply with such disclosure and accounting norms as may be specified by NSE, SEBI and other regulatory authorities from time to time.
26. As on the date of this Prospectus, we do not have any Employees Stock Option Scheme / Employees Stock Purchase Scheme.
27. We have Twenty Nine (29) Shareholders as on the date of filing of the Prospectus.
28. Till date our Company has not made any allotment of Equity Shares pursuant to any scheme approved under section 391- 394 of the Companies Act, 1956.
29. Our Company has not made any public issue or rights issue of any kind or class of securities since its incorporation.
30. No person connected with the Issue shall offer any incentive, whether direct or indirect, in the nature of discount, commission, and allowance, or otherwise, whether in cash, kind, services or otherwise, to any Applicant.
31. There are no safety net arrangements for this public issue.
32. 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 Objects of the Issue is to raise resources to:

- Part finance our long term working capital requirement
- Invest in subsidiary
- Meet the expenses of the issue

Further we believe that the listing of our equity shares will benefit the Company by enhancing its visibility. The main object clause of our Memorandum of Association and objects incidental to the attainment of the main objects enables us to undertake the existing activities and the activities for which funds are being raised by us through this Issue.

The fund requirement and deployment are based on internal management estimates and have not been appraised. Further, the same is based on our current business plan. In view of the competitive and dynamic nature of the industry in which we operate, we may have to revise our business plan from time to time and consequently the fund requirement may change.

In case of variations in the actual utilization of funds earmarked for the purposes set forth above, increased fund requirements for a particular purpose may be financed by surplus funds, if any, available in respect of the other purposes for which funds are being raised in this Issue.

We intend to utilize the Proceeds of the Issue for financing the above mentioned objects. The details of utilization of Proceeds are as per the table set forth below:

<b>Expenditure Items</b>	<b>Amount (₹ In lacs)</b>
Long term working Capital	402.92
Investment in subsidiary	100.00
Issue Expenses	78.12
<b>Total</b>	<b>581.04</b>

### Means of Finance

<b>Source</b>	<b>Amount (₹ In lacs)</b>
Proceeds of the Issue	576.84
Internal Accruals	4.20
<b>Total</b>	<b>581.04</b>

The requirements of the objects detailed above are intended to be funded from the Proceeds of the Issue and internal accruals. Accordingly, we confirm that there is no requirement for us to make firm arrangements of finance through verifiable means towards at least 75% of the stated means of finance, excluding the amount to be raised from the proposed Issue.

### Details of the objects of the issue:

#### 1. Working capital requirement

We operate in an industry which is highly working capital intensive. The working capital requirement as given below is estimated after considering the growth in the activities of our Company during the current financial year.

The estimates of long term working capital requirement based on the past trends are as follows:

<b>(₹ In lacs)</b>		
<b>Particulars</b>	<b>Audited FY 2014-15</b>	<b>Estimated FY 2015-16</b>
<b>Current assets</b>		
(a) Inventories	128.37	252.89
(b) Trade receivables	1234.62	2432.33

Particulars	Audited FY 2014-15	Estimated FY 2015-16
(c) Cash and cash equivalents	49.12	96.77
(d) Short-term loans and advances	9.97	19.65
(e) Other current assets	223.48	440.29
<b>TOTAL (A)</b>	<b>1645.56</b>	<b>3241.93</b>
<b>Current liabilities</b>		
(a) Trade payables	418.30	830.08
(b) Other current liabilities	375.66	734.11
(c) Short-term provisions	30.48	130.79
<b>TOTAL (B)</b>	<b>824.44</b>	<b>1694.98</b>
<b>Working Capital Gap (A-B)</b>	<b>821.12</b>	<b>1546.95</b>
<b>Funded by :</b>		
(a) Internal accruals/ bank borrowings	<b>821.12</b>	<b>1144.03 *</b>
(b) IPO proceeds	-	<b>402.92</b>

\* Presently we are enjoying following facilities from banks and financial institutions which are being used for working capital requirements:

Name of the Bank/ Financial Institutions	Fund Based sanctioned Limit (₹ in Lacs)
ICICI Bank Limited	600.00
SIDBI	90.00
Axis Bank	50.00
Deutsche Bank	50.00
Bajaj Finserv	35.00
Tata Capital Finance Services	35.00
<b>Total</b>	<b>860.00</b>

Besides the above we are also enjoying non fund based facilities to the extent of ₹ 770 lacs from ICICI Bank, in the nature of Bank Guarantee, Letter of Credit and forward derivative. We shall approach our bankers, if required, at an appropriate time for enhancement in the working capital limits sanctioned by them.

#### Basis of Estimation

The working capital requirements are based on historical Company data and estimation of the future requirements for FY 2015-16 considering the growth in activities of our Company and are in line with norms accepted by our banker(s). The basis of estimation considered are as follows:

Particulars	No. of days
Inventories	18
Trade receivables	178
Other current assets	32
Trade payables	61
Other current liabilities	54

## 2. Investment in Subsidiary

We propose to capitalise our subsidiary Perfect Control Panel Pvt. Ltd. (**Perfect Control**) by investing an amount of Rs.100 lacs. Perfect Control was incorporated on February 20, 2015 with the main object to manufacture all types of electrical panels and control systems. We intend to invest in the equity of our subsidiary by subscribing to 10,00,000 equity shares of ₹ 10/- each at par aggregating to ₹ 100 Lacs. Out of this an amount of ₹ 2.64 Lacs has already been invested by us and we have been allotted 26,400 equity shares of ₹ 10/- each. We also have

invested in an amount of ₹ 30,000 which is lying as share application money. The present paid- up equity share capital of Perfect Control is ₹ 2,70,000 divided into 27,000 equity shares of face value of ₹ 10 each.

The Board of directors of our company have vide their resolution dated March 30, 2015 authorized the investment by our company upto an amount not exceeding ₹ 200 Lacs. We presently hold 97.78% in the subsidiary company. There is no assurance of any dividend to be paid by our subsidiary.

Our holding in Perfect Control consequent to said investment would be 99.94% of the paid up capital of Perfect Control. Perfect Control proposes to set up a facility for manufacturing / assembly of electric panels required for the MEP projects executed by our Company and also for sale to third parties/ customers. This facility would ensure low cost and timely delivery in the projects we execute, thereby leading to an increased profitability for our company. The facility is proposed to be set-up at the existing premises of our Company at Rabale, Navi Mumbai.

### Issue Expenses

The Issue related expenses consists of fees payable to the Lead Managers, Legal Counsel, Auditors, processing fee to the SCSBs, Escrow Bankers and Registrars to the Issue, printing and stationery expenses, advertising and marketing expenses underwriting fees, selling commission and all other incidental and miscellaneous expenses for listing the Equity Shares on the Stock Exchange. Our Company intends to use approximately ₹ 78.12 lacs towards these expenses, break-up of the same is as follows:

(₹ in lacs)

Activity	Estimated Expense	% of Total Expenses	As a percentage of Issue size
Fees to intermediaries (including lead management fees, underwriting commission, market making fees, brokerage and selling commission*, registrar fees and expenses)	60.50	77.44	10.49
Advertising and marketing expenses	3.00	3.84	0.52
Printing and Stationary & Distribution	3.00	3.84	0.52
Statutory and other miscellaneous expenses	11.62	14.88	2.02
<b>Total estimated Issue expenses</b>	<b>78.12</b>	<b>100.00</b>	<b>13.54</b>

\* SCSBs would be entitled to a processing fee of ₹10 for processing of valid Application Forms procured by such broker. The brokers and SCSBs would be entitled to a commission of ₹20 per valid Application Form procured and considered for basis of allotment.

### Schedule of Implementation

Our Company proposes to deploy the issue proceeds immediately on completion of the IPO.

### Year wise break-up of proceeds to be used

We intend to utilize the entire proceeds of the issue within FY 2015-16 hence no year wise break up of expenses have been given.

### Sources & deployment of Funds

Our Company has deployed ₹ 30.92 lacs as of September 30, 2015 towards the “Objects of the Issue” as certified by our Statutory Auditors, M/s Godbole Bhawe & Co-, Chartered Accountant. The details of which are as under:

(₹ in Lacs)

Particulars	Amount
<b>DEPLOYMENT OF FUNDS</b>	
Investment In Subsidiary Company	2.64
Share Application money with Subsidiary Company	0.30
Expenses related to Proposed Public Issue	27.98

Particulars	Amount
<b>Total</b>	<b>30.92</b>
<b>SOURCES OF FUNDS</b>	
Internal accruals	30.92
<b>Total</b>	<b>30.92</b>

#### **Appraisal**

None of the Objects of the Issue have been appraised by any bank or financial institution.

#### **Bridge Financing Facilities**

We have not availed any bridge financing facilities for the meeting the expenses as stated under the Objects of the Issue.

#### **Interim Use of Funds**

The Company, in accordance with the policies established by its Board of Directors from time to time, will have flexibility to deploy the Net Proceeds. Pending utilization of the Net Proceeds for the purposes described above, our Company intends to temporarily deposit funds in the Scheduled Commercial Banks included in the Second Schedule of Reserve Bank of India Act, 1934.

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

Since the Issue size does not exceed ₹50,000 Lacs, the appointment of a monitoring agency as per Regulation 16 of the SEBI Regulations is not required. As required under the listing agreements with the Stock Exchange, the Audit Committee appointed by our Board will monitor the utilisation of the Issue proceeds. We will disclose the utilisation of the proceeds of the Issue, including interim use, under a separate head in our quarterly/half yearly financial disclosures and annual audited financial statements until the Issue Proceeds remain unutilised, to the extent required under the applicable law and regulation. We will indicate investments, if any, of unutilised proceeds of the Issue in our Balance Sheet for the relevant Financial Years subsequent to listing of our Equity Shares on the SME Platform of NSE.

Pursuant to clause 52 of the SME Equity Listing Agreement, our Company shall on a half yearly basis disclose to the Audit Committee the uses and applications of the proceeds of the Issue. On an annual basis, our Company shall prepare a statement of funds utilised for purposes other than those stated in the Prospectus and place it before the Audit Committee. Such disclosure shall be made only until such time that all the proceeds of the Issue have been utilised in full. The statement shall be certified by the statutory auditors of our Company.

Our Company shall be required to inform material deviations in the utilisation of the proceeds of the Issue to the Stock Exchange(s) and shall also be required to simultaneously make the material deviations/adverse comments of the Audit committee/monitoring agency public through advertisement in newspapers.

No part of the Proceeds from the Issue will be paid by us as consideration to our Promoters, Promoter Group, our Directors, Group Companies or Key Managerial Personnel, except in the normal course of our business and except as stated above, relating to investment in subsidiary.

#### **Basic terms of the issue**

The Equity shares being offered are subject to the provision of the Companies Act, 2013, our Memorandum and Articles of Association, the terms of this offer document and other terms and conditions as may be incorporated in the Allotment advice and other documents /certificates that may be executed in respect of the issue. The Equity shares shall also be subjected to laws as applicable, guidelines, notifications and regulations relating to the issue of capital and listing and trading of securities issued from time to time by SEBI, Government of India, RBI, ROC and /or other authorities as in force on the date of issue and to the extent applicable.

## **BASIS FOR ISSUE PRICE**

*The information presented in this section for Fiscal 2013, 2014, 2015 and one month ended April 30, 2015 is derived from our Company's restated audited financial information, prepared in accordance with Indian GAAP and the Companies Act and in accordance with the SEBI Regulations. You should read the following summary with the sections titled "Risk Factors", "Our Business" and "Financial Information" on pages 12, 90 and 131 respectively, of this Prospectus, to get a more informed view before making an investment decision. The trading price of the Equity Shares could decline and you may lose all or part of your investments.*

### **Qualitative factors**

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

- Brand presence
- Ability to undertake complex projects
- Promoter & Senior management experience
- Capabilities to execute overseas projects
- Strong order book
- Panel manufacturing unit
- Process management

For a detailed discussion on the qualitative factors, please refer to the sections titled "Our Business – Our Competitive Strengths" on page 90 of this Prospectus.

### **Quantitative factors**

Information presented in this section is derived from our Company's restated audited financial information prepared in accordance with Indian GAAP, Companies Act and the SEBI Regulations. Quantitative factors are as follows:

#### **1. Basic and Diluted Earnings per Share (EPS)**

<b>Period</b>	<b>Basic and Diluted EPS (₹)</b>	
	<b>Standalone</b>	<b>Weight</b>
Fiscal 2013	1.99	1
Fiscal 2014	0.88	2
Fiscal 2015	3.06	3
<b>Weighted Average</b>	<b>2.16</b>	

#### **2. Price Earnings Ratio (P/E) in relation to the Issue price of ₹ 23/- per Equity Share of ₹ 10 each**

- The P/E ratio based on the basic and diluted EPS for the Fiscal Year 2015 at the Issue Price is 7.52.

#### **3. Return on Net Worth (RoNW)**

<b>Period</b>	<b>RONW (%)</b>	
	<b>Standalone</b>	<b>Weight</b>
Fiscal 2013	16.54	1
Fiscal 2014	6.26	2
Fiscal 2015	24.01	3
<b>Weighted Average</b>	<b>16.85</b>	

**4. Minimum Return on increased Net Worth required to maintain Pre-Issue EPS for Fiscal 2015 at the Issue Price on the basic and diluted EPS**

- At Issue price of Rs. 23/- per share : 18.54%

**5. Net Asset Value**

Period	Standalone (₹)
Fiscal 2013	12.03
Fiscal 2014	14.01
Fiscal 2015	12.76
<b>After the Issue</b>	<b>16.51</b>

**Note:** The NAV as on April 30, 2015 is ₹ 12.92.

**6. Peer Group Comparison**

**Industry P/E**

We believe that there are no listed companies in India which are exclusively operating in the space in which we operate. Though the companies like Voltas Limited and Blue Star Limited are in MEP sector and are listed, they operate in a very large size and also have their own manufacturing units hence their financials are not comparable to the financials of our company.

**The face value of Equity Shares of our Company is ₹ 10 per Equity Share and the Issue price 2.3 times the face value.**

The Issue Price of ₹ 23 is determined by our Company, in consultation with the Lead Managers, on the basis of assessment of market demand for the Equity Shares through and is justified based on the above factors.

### **STATEMENT OF TAX BENEFITS**

We report that there are no possible special direct tax benefits available to the Company and its shareholders under the Income-tax Act, 1961, presently in force in India.

This statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the Issue. Neither we are suggesting nor advising the investor to invest money based on this statement.

The contents of this statement are based on information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company.

We hereby give consent to include this statement of tax benefits in the Draft Prospectus, Prospectus and in any other material used in connection with the Issue.

For **Godbole Bhawe & Co,**  
Chartered Accountants

Sd/-

Arvind S. Mahajan  
Partner

**Membership No.:** 100483

**Firm Registration No. with ICAI:** 114445W

**Peer Review Certificate No.:** 006234

**Place:** Mumbai

**Date:** 16.06.2015



## SECTION IV: ABOUT THE COMPANY

### INDUSTRY OVERVIEW

*The information contained in this section is derived from the 'Mechanical, Electrical and Plumbing (MEP) Industry Report' (Industry Report) dated June 03, 2015 obtained from IRR Advisory Services Private Limited ('IRR Advisory'). Neither we nor any other person connected with the Issue has independently verified this information. Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but that their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured. Industry publications are also prepared on information as of specific dates and may no longer be current or reflect current trends. Accordingly, investment decisions should not be based on such information.*

#### EVOLUTION OF THE INDUSTRY

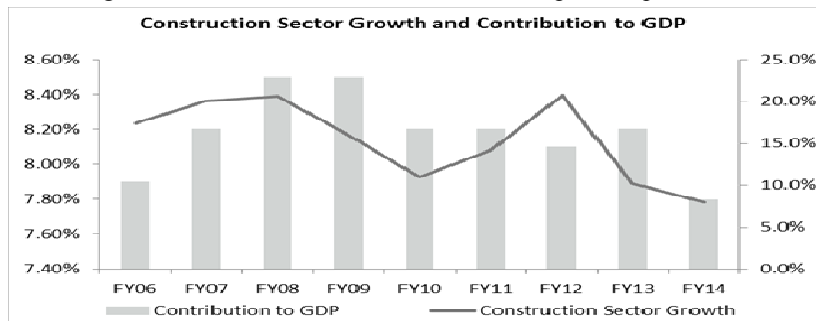
The invention of ventilation cannot be ascribed to a certain date. It started with simple aeration when man brought fire into his abode and continued through different stages including air cooling using ice to finally arrive at the time when ventilation and air conditioning has become an essential part of our life and plays an important role in human evolution.

Ventilation didn't truly take off until the mid-1880s, when the use of steam and electricity had spread. The first steam-driven fans were quite powerful, but they weighed several tons. Consequently, it led to the rise of the electrical industry which grew rapidly since. In the competition between direct current (DC) and alternating current (AC), the first was for a long time recognized as better adapted for ventilation (the speed of a motor could be controlled by varying the voltage). However, from 1887 after Tesla's inventions for AC electrical designs, the second became more popular in the ventilation industry thanks to multiphase motors.

The development of air conditioning started with the birth of refrigeration. The invention of refrigerative chiller by Willis Haviland Carrier in 1902 changed the world and led to the abandoning of ancient and climate responsive building architecture, as it could cool any sort of boxy and sealed building space and technically take care of adverse hot climatic conditions. From 1945 onwards, refrigerative air-conditioning became the norm to maintain buildings in a narrow temperature range, irrespective of weather conditions. The oil embargo of 1974 in the US brought attention to energy use. Air conditioning systems had to be designed and operated to achieve a proper balance among thermal comfort, air quality and energy consumption. The low operation cost installations started to be a major concern of the engineers. Recent developments in electronics have made a major improvement in the control of air conditioning systems.

#### INDUSTRY OVERVIEW

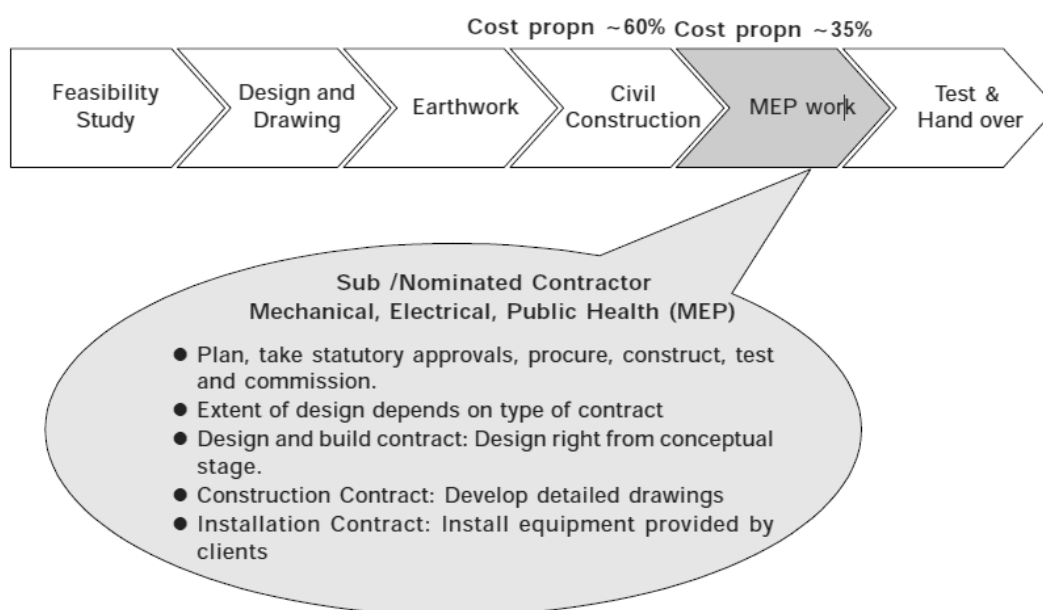
Construction has been a significant contributor to the economy, accounting for approximately 8% of the GDP. After a period of sustained growth, the construction industry growth rate declined in FY13 and FY14, due to the economic slowdown. Construction sector contributed 7.8% to India's GDP in FY14. Construction sector has contributed ~8% to India's GDP over the last decade. The soaring construction industry has brought in huge expectations in terms of specialized services that provides execution of electro-mechanical projects. This new trend is bringing in enormous opportunity for MEP Services contractors as well as the individual service providers to allocate necessary skills, technological advancements & resources to build up the required demands of the end users.



Source: IRR Advisory

MEP (Mechanical, Electrical and Plumbing), an important aspect of the construction sector, forms the second largest component after civil works. The MEP players provide one-stop solutions for manufacturing, contracting, commissioning and after-sales service. This includes HVAC (Heating, ventilation & air conditioning), electrical contracting, plumbing and water management. Economic growth of the country is dependent on its supporting infrastructure. Almost all sectors like telecom, IT/ ITES, pharmaceuticals, education, aviation, financial services, power, hospitality and retail require a conducive environment to perform efficiently and thus highlight the importance of an MEP industry.

Civil & MEP work constitutes the major cost of an in-built environment, with share of ~60% & ~30-35% respectively of the total construction cost. HVAC is estimated to have a share of 50% under MEP and rests are electrical and plumbing jobs.



MEP Composition (%)	
HVAC	50
Electrical Contracting	35-40
Plumbing	10-15

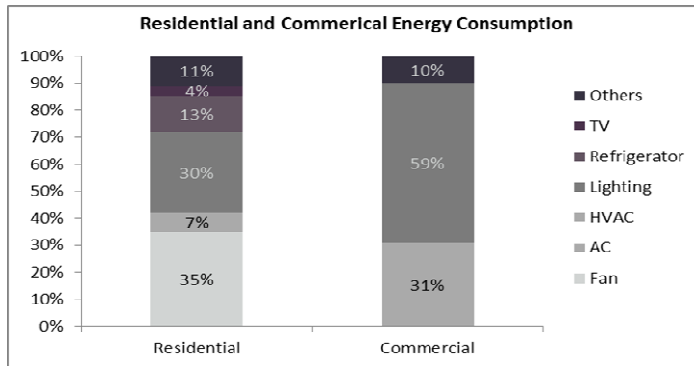
Source: PINC, IRR Advisory

**Breakdown of the key products/services under the MEP industry is as indicated below:**

Mechanical (HVAC)	Electrical Products	Plumbing Products
Packaged Chillers & Central A/Cs, Air Handling & Distribution Products, Unitary Products (Air Conditioners), Cooling Towers, Ducting Products, Insulation, Cold Storages, Fan Coil Units, Ventilation/Natural Ventilation/Mix Mode Conditioning, Refrigeration Accessories, Services etc.	Electrical Engineering, Wires & Cables, Lighting Panels, LED/CFL/HID lighting, Building Management Systems & Home Automation, Safety & Emergency Fixtures, Security Fixtures, Fire Alarm System, Sub-stations, Variable Frequency Drives, Motors & Switchgear, Generators, Instruments & Meters, Ventilation Fans, UPS, Electrical Distribution System (HT/LT/ELVP), Elevators & Escalators, LAN & Telecom	Pipes and Fittings, Plumbing Tools and Equipments, Plumbing Fixtures & Fittings, Pumps, Valves, Fire Fighting, Drainage Solutions, Sewerage Pumps & Equipment, Sanitary Ware, Tanks, Adhesives and Sealants, Water Heaters & Boilers, Solar Water Systems, Water Purification, Water Treatment, Rain Water Harvesting, Waste Management/Waste Water Treatment, Swimming Pool, Fountains, etc.

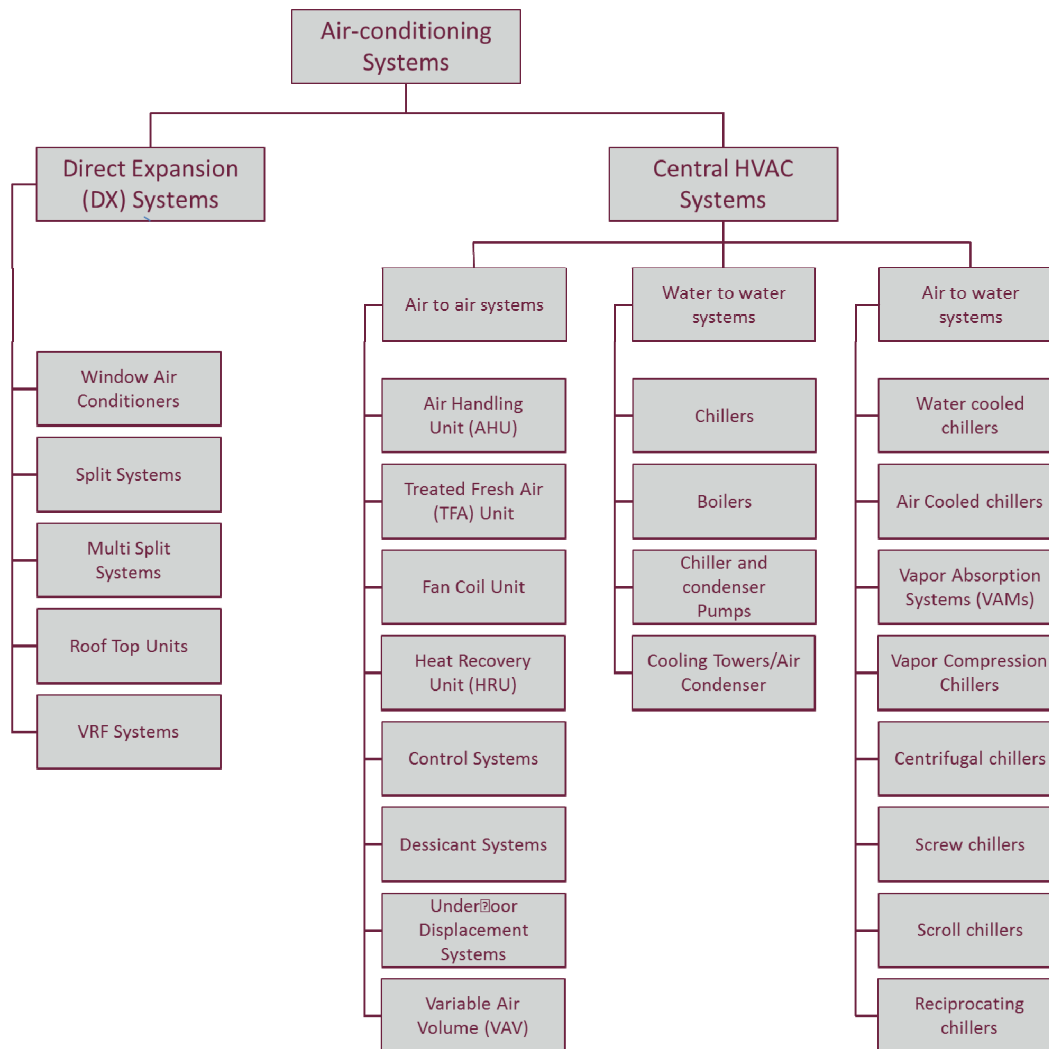
HVAC systems consume up to 31 percent of the total energy use in a conventional commercial building in India. In residential buildings this share is comparatively less, at 7 percent of the overall energy consumption. New and green buildings have systems that are more efficient and deliver better performance. Cooling capacity, number and area of spaces or zones to be cooled (or heated), desired indoor temperature and humidity conditions determine the type of

HVAC system used. A single residential unit will have lower cooling capacities and smaller spaces compared to commercial establishments.



Source: United States Agency for International Development, IRR Advisory

The entire cooling system can be illustrated by the following framework:



Source: DSCL Energy Services Company Ltd, IRR Advisory

Variable refrigerant flow (VRF)/ Variable refrigerant volume (VRV) systems have emerged as the most versatile, with substantial market share across residential, infrastructure and commercial sectors. Chillers are limited to large to medium-sized commercial and other infrastructure projects. Energy-efficient chillers, such as centrifugal and screw types, are expected to outpace reciprocating and scroll chillers, which are less energy-efficient. Industry-wise there is a paradigm shift towards green buildings and emphasis is being laid on energy-efficient equipment.

Segments	Types of Chillers/ HVAC Used
Residential	Predominantly window and un-ducted split systems. High-end residential buildings have also started using VRF/VRV systems.
Infrastructure (Airports/Metros)	Demand for water-cooled chillers (centrifugal and screw chillers specifically) is more because of higher tonnage requirements and greater efficiency. VRF systems are installed in smaller facilities and in buildings with specific space conditioning needs within large infrastructure projects.
Healthcare	Centrifugal, screw and water-cooled chillers are common.
Education	VRF systems are preferred in smaller establishments and centrifugal systems are more in demand in large projects.

*Source: United States Agency for International Development, IRR Advisory*

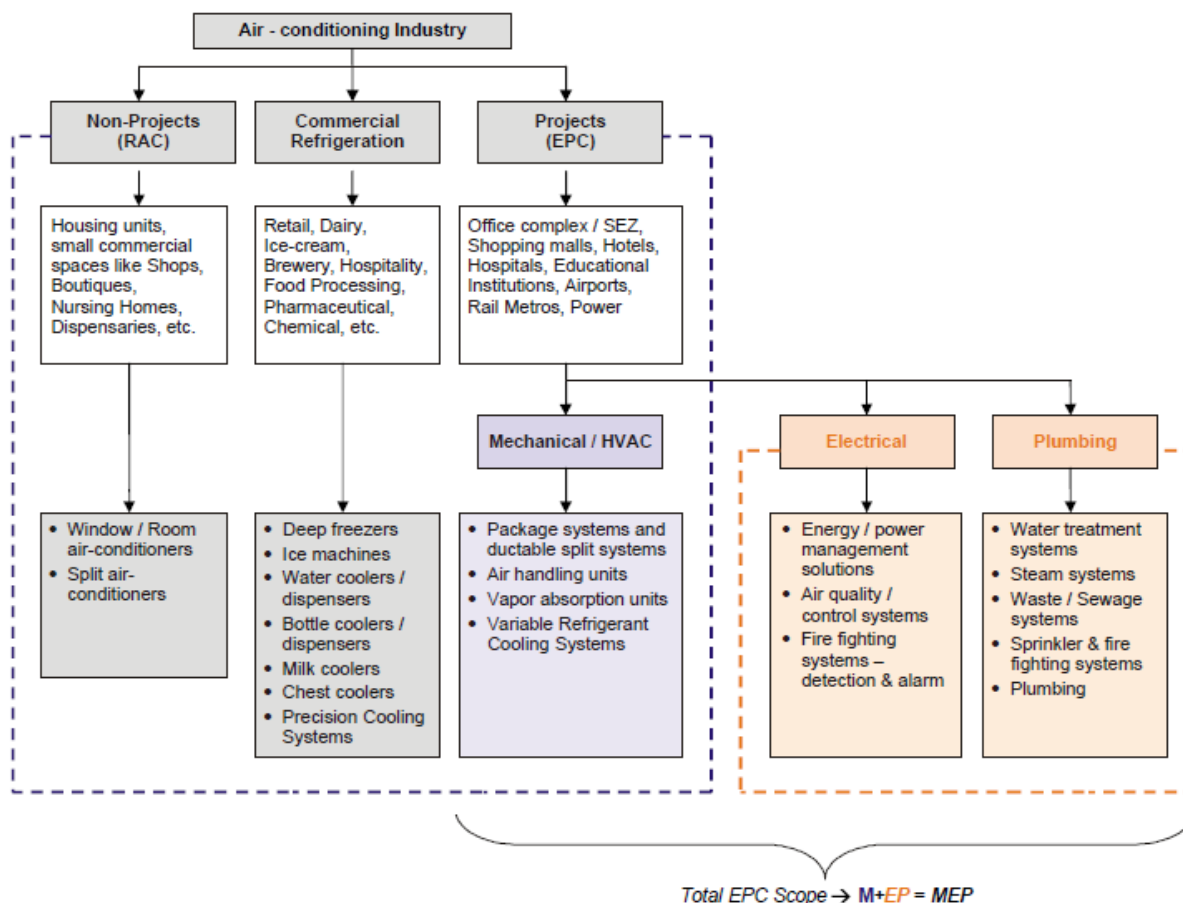
Enforcing stringent building codes and improving energy-efficiency standards and practices will provide more investment opportunities for HVAC companies in the country. Additionally, the Government has made provisions for import duty exemptions for sectors like commercial, industrial, and hotels located in Special Economic Zones (SEZs), Export Oriented Units (EOU), and Export Promotion Capital Goods (EPCG) that will drive the market for imported HVAC products in India.

## INDUSTRY STRUCTURE

The HVAC and MEP industry in India has evolved during the past decade. Over the past few years, the industry has gradually progressed from offering mere HVAC solutions to MEP (Mechanical / HVAC, Electrical and Plumbing) solutions – in line with global norms. With the domestic HVAC players extending their scope of work to electrical and plumbing solutions, the addressable market size has more than doubled from 15% to ~30-35% of construction costs. MEP services market is highly fragmented with hundreds of contractors in India, with very few players having a pan-India presence. The domestic industry can be divided into three major segments – (1) Non-project or Room Air Conditioners (RAC) (2) Commercial Refrigeration and (3) Projects or EPC.

The Non-project or RAC segment largely comprises of products like room/window air-conditioners and split air-conditioners used in housing units and small commercial spaces like shops, boutiques, nursing homes, dispensaries, etc. The domestic industry is dominated by players like LG, Voltas, Samsung, Carrier, Hitachi, Videocon etc. who control about 75% of the total market. Commercial Refrigeration is the smallest segment amongst the 3, catering to the refrigeration needs of the retail, dairy, ice-cream, hospitality industries with products like deep freezers, ice machines, water/bottle coolers and dispensers, milk coolers, chest coolers, etc. Projects or EPC is the largest segment amongst the three, catering to the heating, ventilation and air-conditioning (HVAC) requirements of the construction and infrastructure sectors with service and product offerings such as packaged air conditioners, air handling units, variable refrigerant flow systems, air control systems, etc. as well as electrical and plumbing segment. The scope of services offered now extends to include energy or power management solutions, fire & security solutions, plumbing solutions, water and waste management solutions, etc.

The structure of air conditioning industry is indicated below:

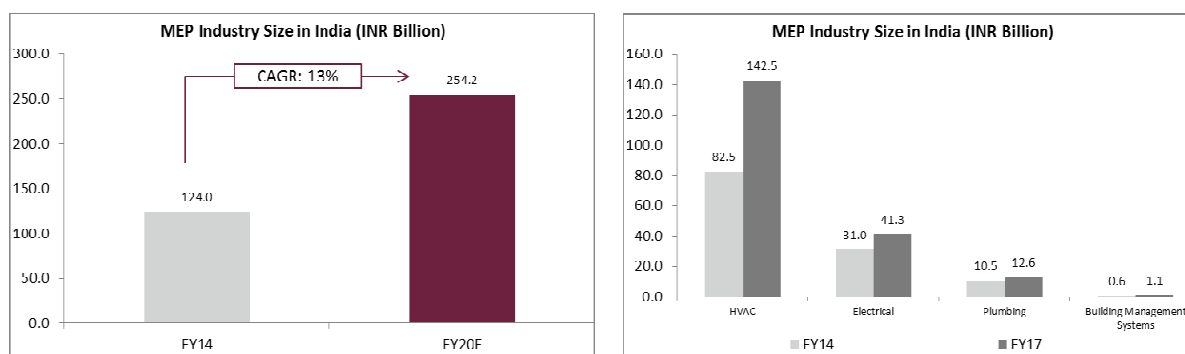


Source: Emkay, IRR Advisory

The HVAC market in India is highly-competitive with presence of domestic, international and unorganized market participants. The markets for Air Handling Units (AHU), Ducted/Packaged Units, and Chillers are fragmented due to the presence of unorganized/local players and small-time assemblers. The markets for VRF and Vapour Absorption Machines (VAM) are fairly organized.

#### INDUSTRY SIZE

The Indian construction industry witnessed a muted growth in FY14 and stood at INR9,700 bn. Delays in approvals and clearances and a sluggish economy were the key factors dragging the growth. The industry was further hampered by reduction in government spending and financial stress due to longer cash cycles and debt commitment on assets. The industry growth is expected to gain momentum in the next few years owing to the government's focus on de-bottlenecking of existing projects and improved market sentiment.



Source: PwC, IRR Advisory

The MEP industry in India was valued at INR124bn in FY14. It is forecasted to grow at a CAGR of 13% during FY14-20E to reach INR254.2bn. Deployment of sophisticated systems and solutions is expected to drive the growth in the coming years. HVAC industry is expected to grow at a CAGR of 20% during FY14-FY20E, while the electrical and plumbing industry are expected to increase at a CAGR of 10% and 6% respectively during the same period.

## PEER COMPARISON

The company does not have any comparable listed peers operating in the same space. A brief profile of the key players in the country and Perfect Infraengineers's competitors is provided below:

- **Rohini Industrial Electricals Limited (RIEL)**, established in 1983, is engaged in undertaking turnkey electrical and instrumentation projects for industrial and commercial sectors. In August 2008, Voltas Ltd. acquired 51% stake in RIEL for a consideration of INR620mn (FY08 revenues stood at approximately INR1200mn). Voltas purchased further stake in subsequent years. In 2013, RIEL became the wholly owned subsidiary of Voltas Ltd.
- **Astute Engineering Services Private Limited (AESPL)**, incorporated in 2009, is a group company of Astute Group. AESPL offers engineering solutions/systems to engineering industries on turn-key basis. Its service offerings include electrical engineering services, control automation & instrumentation, fire fighting and safety, HVAC and dust control and mechanical and piping services.
- **SEW Engineering India Private Limited (SEWEPL)**, established in 1952 as Starlite Electrical works, is among the oldest operating MEP contractors. The company was registered as SEW Engineering India Private Limited in 1998. SEWEPL's offering include electrical and allied services, plumbing and fire-fighting, operation and maintenance support, among others.
- **ETA Engineering Private Limited (EEPL)**, established in 1994, is a subsidiary of Electromechanical Technical Associates Ltd., Mauritius – which is owned by Emirates Trading Agency LLC, Dubai. EEPL undertakes HVAC projects, electro-mechanical projects & services (EMPS) and mechanical, electrical and plumbing (MEP) work, internal electrification and sub-station works. It has two manufacturing plants with capacity to manufacture a wide range of ducted split, chillers & air handling units. It has its registered office in Chennai and branch offices at Ahmedabad, Bengaluru, Bhopal, Chandigarh, Chennai, Delhi, Hyderabad, Jaipur, Kochi, Kolkata, Mumbai, Mysore & Pune.
- **D S Gupta Construction Pvt Ltd**  
Established over two decades ago, D S Gupta Construction was an integrated MEP service provider operating out of Mumbai. It provided services in segments such as hotels, hospitals, educational institutions, commercial buildings, IT/ITES parks and residential complexes. With revenues of INR1300mn (FY10), it was acquired by Blue Star, at an estimated value of INR800mn in FY10.

The following table compares the key financials of these companies to Perfect Infraengineers Ltd:

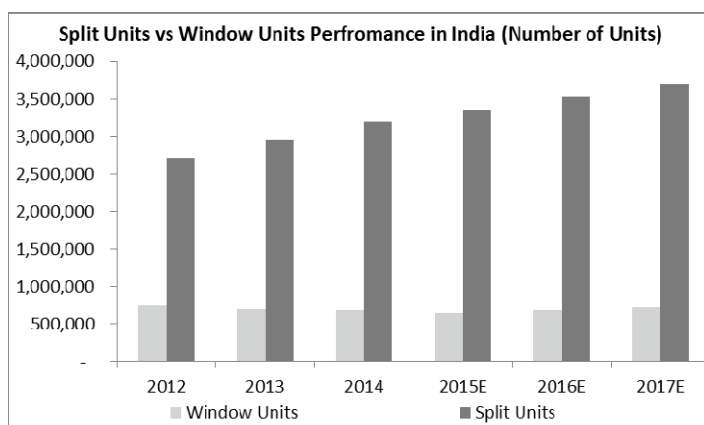
Company	Perfect Infraengineers Ltd.		RIEL		AESPL		SEWEPL		EEPL	
Year	FY14	FY13	FY14	FY13	FY14	FY13	FY13	FY12	FY13	FY12
Net sales (INR mn)	210.8	198.0	1,030.5	849.6	39.3	148.2	737.1	776.3	6,812.3	8,910.8
Reported Net Profit (INR mn)	6.6	7.1	-69.0	-130.6	2.2	4.3	2.9	8.7	367.2	-706.4
EBITDA Margin (%)	12.0	11.7	2.4	-5.5	NA	NA	8.6	6.2	6.9	-1.7
Net Profit Margin (%)	3.1	3.6	-6.7	-15.4	5.6	2.9	0.4	1.1	5.4	-7.9
EPS (INR)	1.7	2.0	-37.8	-71.5	1,466.7	2,866.7	0.8	2.3	19.8	-38.1
D/E (x)	1.2	1.4	3.1	-7.6	0.6	0.5	1.7	0.9	1.7	12.6
ROCE (%)	8.1	12.1	2.6	-7.4	NA	NA	0.9	3.6	9.5	-6.3
ROE (%)	12.1	16.6	-34.8	127.4	10.0	21.5	1.3	4.0	83.0	-115.4

Source: IRR Advisory

### MARKET ASSESSMENT

At the macro level, HVAC systems may be categorized as a) medium and large commercial; and b) residential and small commercial. Medium and large commercial systems account for the largest of these categories, with 56 per cent of the current HVAC systems falling under this category. Residential and small commercial constitute 44 per cent of the current HVAC systems.

**DX systems:** DX systems include window air conditioners, split units (ducted, ductless and mini-splits), single packaged units [Roof Top Units (RTUs), indoor packaged] and Variable Refrigerant Flow (VRF) or Variable Refrigerant Volume (VRV) systems. Out of the types available in this segment, the market for through-the-wall window units and moveable units is non-existent. The sales trends indicate a clear decline in the window air-conditioner market as customers are increasingly opting for split air conditioners. The Indian window air-conditioners market has about 20-30 structured brands, and this makes it intensely competitive. There is a mix of international and national brands, and they are equally popular. Currently, the window air-conditioning market is under consolidation, with some brands like Videocon and Samsung exiting the market due to declining sales. Conversely, international brands like Daikin, Hitachi, and Panasonic are trying to increase their market share through aggressive pricing and marketing strategies.

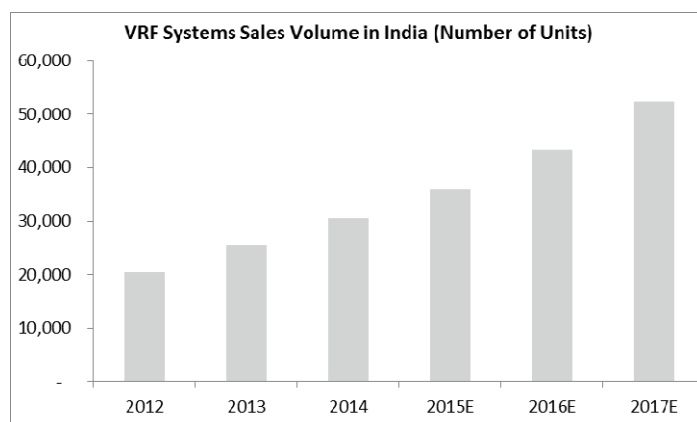


Source: IRR Advisory

**Splits – ducted, non-ducted and multi-splits:** Single ductless splits dominate here, and their market is predicted to grow over the next few years. The market for ducted splits is tightening because consumers increasingly prefer VRF/VRV systems, at least in Tier 1 cities. VRF/VRV systems are more efficient; and fierce competition in the



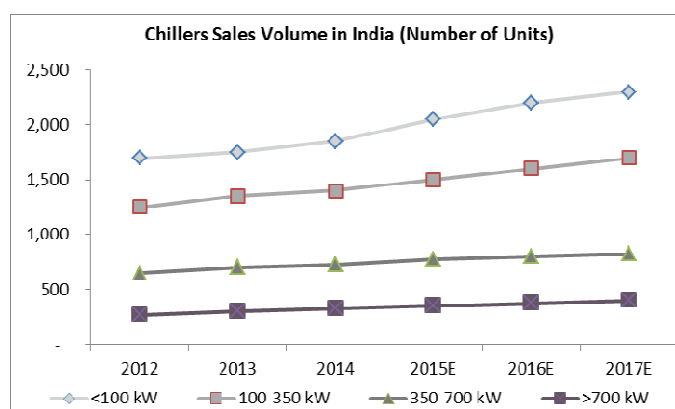
segment has driven down prices. The single packaged unit segment consists of indoor packaged, RTUs and Packaged Terminal Air Conditioners (PTACs). The market for PTACs is non-existent in India.



Source: IRR Advisory

Variable Refrigerant Flow (VRF)/Variable Refrigerant Volume (VRV): The market for VRF/VRV systems has grown by over 30 per cent in value terms and total cooling capacity sold, due to a fall in average selling prices. The growth rate in market volume is higher. The growth rate till 2017 is predicted to be around 20 per cent. This demand is driven both by greater energy savings provided by VRF systems and competitive prices. Daikin is the clear leader in the VRF/VRV segments. Voltas has increased its share of the VRF/VRV market. Other leading brands are Toshiba, LG, Samsung, and Blue Star. Put together, these players represent 93 per cent of the market.

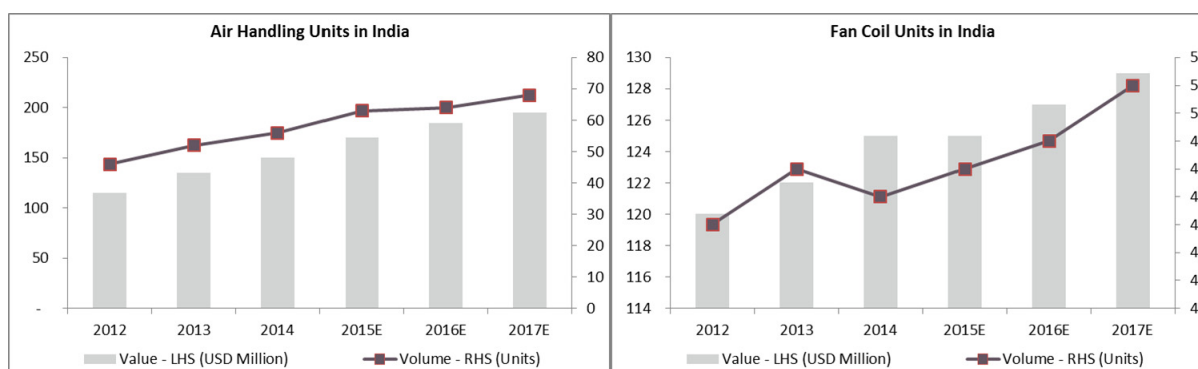
## CENTRAL SYSTEMS



Source: IRR Advisory

Central systems typically serve multiple zones or spaces in buildings with large cooling and heating loads. Unlike DX systems, central HVAC systems use chilled water to cool the air supply indirectly. This section includes the market configuration of chillers (water-cooled, air-cooled and absorption), Air Handling Units (AHUs), and Fan Coil Units (FCUs). The purchase process for chillers is determined by the required cooling capacity, refrigerant, and availability of water for heat transfer and rejection. Accordingly, chillers are classified in the market by cooling capacity, compressor type, and heat rejection methods.

The AHU market has expanded by nearly 10 per cent by volume from 2012 to 2014. Value of the market also increased by nearly 14 per cent during the same period. The FCU market has echoed this trend, registering a growth of nearly 10 per cent in sales by volume and nearly 20 per cent by value. The bigger increase in value of the FCU market is because of rising prices. AHUs are more popular among air side products in the Indian markets as compared to FCUs. Typical central systems' designs mostly use AHUs without any terminal units at the end of the ductwork. Local brands have overtaken international brands in Indian markets, both in AHU and FCU sectors.



Source: IRR Advisory

## OPPORTUNITIES AND THREATS

The Indian Heating, Ventilation and Air-Conditioning sector has over the years become a lead contributor to the construction sector. The major demand for HVAC systems is from the construction and real estate industry. As these two sectors are expanding their presence across the country, there has been an increase in demand. Pharma, hospital and the aviation sectors have also contributed to the increasing demand for MEP and HVAC services. Apart from these sectors, other factors such as technological innovations and government policies have also played a vital role in the demand for MEP services. Government policies on refrigerant use, stricter eco-friendly norms and safety prerequisites, efficient use of products, services and technical usage have played a role in creating a pertinent demand in the industry. Construction of green buildings that conform to sustainable design construction standards to reduce the consumption of energy, water and natural resources is one of the greater trends witnessed in the HVAC sector. The focus is more on offering energy-efficient technologies that help reduce cost and save power.

Progression from individual HVAC orders to bundled / integrated MEP orders is inevitable – in line with global industry practices. The progression is expected despite the slow pace witnessed in the past couple of years after a strong start in FY09-10 period. About 25% of orders finalized are integrated MEP orders. The decline in proportion of integrated MEP contracts (from a peak of 40%) was due to inability of MEP companies to distinguish themselves from the rest. Proportion of bundled MEP contracting has been highest in the hospitality and hospitals sector due to greater level of complexity involved therein.

Infrastructure (metro, power and airports) has been the growth driver for the MEP industry followed by social infrastructure (education, hospitality and hospitals). IT/ITES and retail has seen the sharpest decline in opportunity size (IT/ITES down from +40% of the total opportunity in 2012 to less than 10% currently). Total facility management and building management are emerging business segments – serving as an extension of current bouquet of services offered, with the current market size estimated to be between INR5-10bn. Some of the key trends observed in the industry are listed below:

- **Increased focus on energy conservation and demand prediction:** Since prerequisite for any effective management is measurement, a high emphasis is observed on measuring and reporting of energy consumption at an increasingly granular level. Increased focus on the energy utilization is also due to the fact that the energy consumption level in the HVAC appliances is comparatively higher.
- **Slow Economic Recovery** is resulting in demand moderation of HVAC systems and leading to a greater emphasis on energy savings. Global economic recovery has been sluggish especially in the US and Europe regions. This coupled with reduced incomes and higher energy bills have impacted the overall demand for HVAC systems.
- **Greater shift towards smart grids, smart metering and building automation:** Smart grids help in intelligent distribution resulting in minimal losses, whereas measurement and reporting of consumption in real time is achieved by smart meters.
- **Cost reduction via preventive maintenance and remote diagnostics:** HVAC systems are among the largest consumers of energy, indicating that these systems can be the source of good savings if the overall performance is increased and the faults are detected on time. Cost savings will also be achieved by reduced trips by service persons.

- **Increased interest in the technologies like Big data, cloud computing and advanced analytics:** HVAC OEMS are increasingly turning to technologies like Big data, cloud computing and advanced analytics to create product differentiation and gain market share. These technologies are used for trend analysis, pattern recognition, cause and effect analysis, etc. Big data and advanced analytics are also being leveraged to predict future energy requirements, to comply with statutory and regulatory guidelines by giving detailed proof of efficiency and performance.
- Environmental factors like ozone depletion and global warming has resulted in increased awareness about effective energy consumption and also seeded various green initiatives.

The following chart details the SWOT analysis of the industry:

Strengths	Weaknesses
<ul style="list-style-type: none"> <li>• Short gestation period - attributed to low investment towards capacity creation</li> <li>• High profitability</li> <li>• Low level of competition, especially for integrated players</li> </ul>	<ul style="list-style-type: none"> <li>• Infrastructure bottlenecks and delays in project clearances</li> <li>• EPC contracts generally do not contain price variation clause - leading to price escalation risk</li> <li>• High dependence on component suppliers as well as sub contractors</li> </ul>
Opportunities	Threats
<ul style="list-style-type: none"> <li>• Moving up the value chain from pure play HVAC to integrated MEP play</li> <li>• Low penetration</li> <li>• Increasing demand for replacement contracts of existing clients</li> </ul>	<ul style="list-style-type: none"> <li>• Entry of international players</li> <li>• Pricing pressure due to competition from unorganized market</li> <li>• Slow revival in construction activities</li> </ul>

Source: IRR Advisory

While overall there are no clear signals present for revival of the construction sector and MEP in particular – but, broadly pick-up in window / room air-conditioners followed by pick-up in demand for packaged air-conditioners serves as lead indicators for pick-up in demand for HVAC services. The domestic MEP industry is expected to remain oligopolistic (currently comprises of 4-5 dominant players) – with low threat of new competition – both domestic and international. Entry barriers to the MEP industry include:

1. Availability of skilled labour – chief barrier. Infact, labour shortage is a primary industry concern, especially since implementation of Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA )
2. Small average contract size – at INR50-100mn Vs. upwards of INR1bn in international markets
3. Deterioration of super-normal profitability experienced by existing players and presence of intense competition amidst them

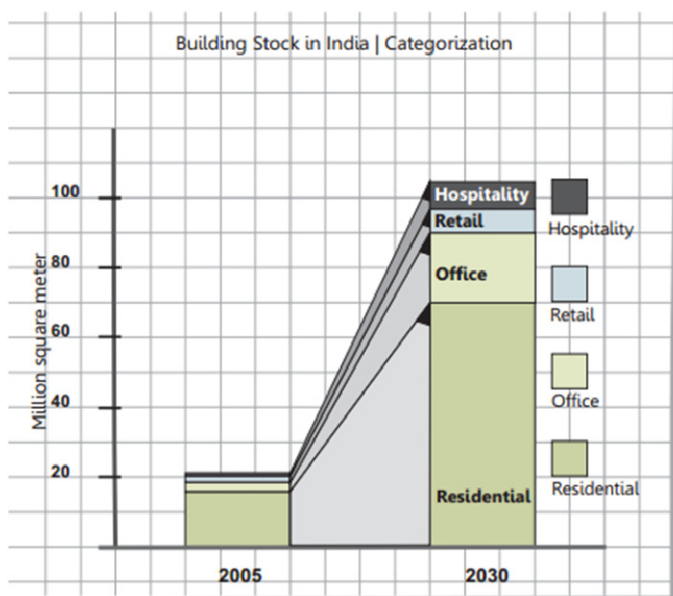
Client led delay and postponement is key risk to the opportunity analysis for the MEP industry, especially for real estate and infrastructure sector. Consequently, delays or postponements in the commencement and completion of projects will negatively impact the assessed opportunity. Given the domestic industry progression and the expertise of international players in executing MEP projects, their entry can pose a serious threat for the domestic players. For instance – ETA, a key player in the Middle East, had bagged the Delhi Airport MEP order. Availability of skilled labour is a significant factor that can hamper execution of on-going business and consequently, impact earnings. Availability of skilled labour is a key challenge and lop sided supply-demand scenario of skilled staff could affect growth as well as result in higher than expected staff costs for companies.

## KEY DEMAND DRIVERS

The growth of the construction sector in India is heralding wider opportunities for the Mechanical-Electrical-Plumbing (MEP) services market. Increasing investments from commercial (IT and retail), industries, residential, hotels, and hospitals, etc. have given the required impetus to the growth of this market. The value of Indian real estate projects is expected to touch USD265bn in 2020. This development of the construction industry bodes well for the MEP services market, since it is considered an integral service within the construction industry and forms the second largest component after civil works. MEP design and works is expected to contribute nearly 30-35% of the construction value.

Increasing penetration of green buildings is also creating a requirement for high quality and reliable MEP work because of the complexity of designing and constructing a green building. Globally and in India, there are an increasing number of smart city initiatives that are witnessing more usage of information technology (IT) in buildings, transforming them into smart buildings. This will be a trend in the real estate and construction sector in the coming years. Growth in the construction sector, increasing green building penetration, and the need for delivering projects on time are expected to drive the market growth.

Air-conditioning products are broadly classified as air handling units (AHU), packaged units, ducted units, fan coil units, chiller units, and variable refrigerant units. Among various types of available air-conditioning products, chillers have proved to be the most effective way of cooling and efficient in saving electric power, compared to other air-conditioning products. Apart from traditional functions, chillers have multiple applications, which include process cooling (for industries using absorption technologies), special/critical area cooling (for data centers), marine cooling (for ships and submarines) district cooling, and turbine inlet cooling (especially for gas turbines). A major thrust for the chillers market is expected to come from the commercial sector covering offices, hospitals, hotels, etc. Data centers require massive cooling facilities and are a major market for the chillers segment. In India, increasing IT business process outsourcing from across the globe has resulted in phenomenal growth of data center facilities. It is essential to ensure adequate, energy efficient, on-demand cooling in a data center, which constitutes an average of 40-45 percent of its total operating costs. Shipbuilding is another niche sector where chillers have a potential market in India. The shipbuilding and repair market in India is poised to pick up momentum with increasing penetration of Indian shipbuilding companies, with the industry having established strong credentials in the building and repair domains. The aging fleet of shipping companies in India is another factor energizing prospects for the shipbuilding and repair market in the country.



Source: United States Agency for International Development, IRR Advisory

HVAC industry trends closely reflect the fluctuations within the buildings sector, as the latter provides the primary impetus to HVAC demand. Within this sector, the commercial, residential, and infrastructure subsectors extensively use HVAC systems for maintaining comfort conditions. HVAC systems are also one of the major consumers of energy within a building – accounting for approximately 31 per cent of energy use in commercial buildings and 7 per cent in residential buildings. The use of a particular HVAC technology is contingent upon the size, location, and occupancy of a building. Total constructed area of buildings is expected to grow at a CAGR of 6.6% during 2005-2030, translating to a five-fold increase. Expanding population and greater economic activity will be the main triggers for this growth.

With the government's continued focus on urban development, the real estate industry is also poised for tremendous growth. Total infrastructure expenditure planned during the Twelfth Five Year Plan (2012-2017) nearly doubled to USD1,025bn from USD514bn in Eleventh Five Year Plan (2007-2012) – which augers well for the construction industry. It will also bring new business opportunities for MEP Industry and allied services.

The following chart indicates the detailed breakup of the total opportunity over FY13-FY16:

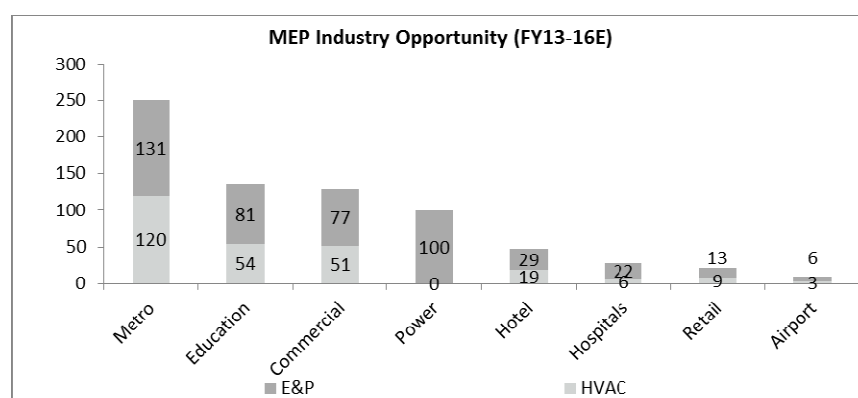
Snapshot (INR Million)	HVAC	E&P	MEP
Metro	120,023	130,680	250,704
Education	54,331	81,496	135,827
Commercial	51,467	77,200	128,667
Power	0	99,687	99,687
Hotel	19,048	28,573	47,621
Hospitals	6,264	21,659	27,923
Retail	8,720	13,080	21,800
Airport	3,000	6,000	9,000
<b>Total</b>	<b>262,854</b>	<b>458,376</b>	<b>721,229</b>

Source: Emkay, IRR Advisory

HVAC players are expected to retain 15% market share in E&P segment over FY13-16E. Thus, the addressable opportunity for integrated MEP service providers works out to INR331.6bn. This translates into 8.2% CAGR during FY13-16E period. In case the HVAC players increase their market share to 20% in the E&P segment, it is expected to result in higher growth at 10% CAGR during FY13-16E period and addressable opportunity of INR354.6bn.

Opportunity for Integrated MEP Service Providers	INR Million
HVAC opportunity	262,854
HVAC players' share in E&P segment (15% of E&P opportunity)	68,756
<b>Addressable opportunity</b>	<b>331,610</b>
<b>CAGR FY13-16E period</b>	<b>8.2%</b>

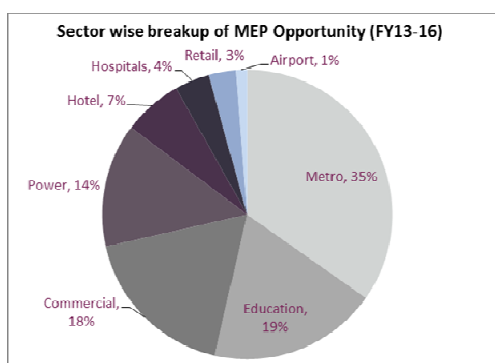
Source: Emkay, IRR Advisory



Source: Emkay, IRR Advisory

Government projects are expected to contribute a bulk of this addressable market opportunity, due to focus on infrastructure sector (Metro Rail, Power etc.), education and hospitality sector, among others. Government projects are expected to comprise nearly 50% of the total opportunity. The MEP segment of the air conditioning industry (ACI) is likely to continue its growth on account of its progression from a pure HVAC play to a MEP (Mechanical / HVAC, Electrical and Plumbing) play. The domestic demand is expected to see a huge surge over FY13-FY16E, on the back of increasing investment spends from the real estate, hospitality, education, healthcare, power sectors etc. – presenting

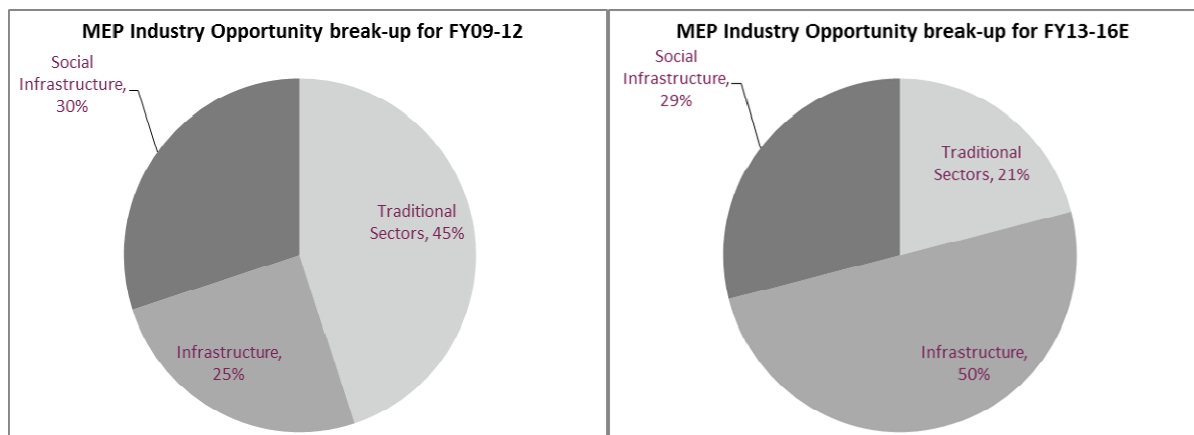
an opportunity to the tune of INR721.2bn. As against this, the aggregate opportunity from these sectors was INR612bn during FY09-FY12, indicating a growth of 18%. The addressable opportunity for the MEP industry has been assessed by analyzing the investment spends of user industries like real estate, infrastructure, healthcare and education. The MEP segment growth would be driven by continued investments towards capacity creation in user industries and increase in penetration of HVAC products. Metros (35%), education sector (19%), commercial / office (18%) and power (14%) are expected to offer maximum total potential at INR251bn, INR136bn, INR129bn and INR100bn respectively. The following chart indicates the detailed breakup of the total opportunity over FY13-FY16E:



Source: Emkay, IRR Advisory

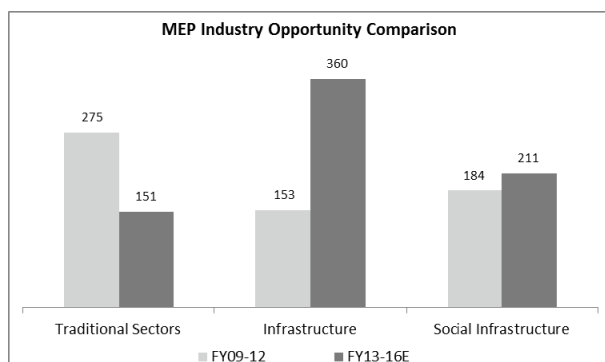
Sector (INR Billion)	HVAC	E&P	MEP
Metro	120	131	250.7
Education	54	81	135.8
Commercial	51	77	128.7
Power	0	100	99.7
Hotel	19	29	47.6
Hospitals	6	22	27.9
Retail	9	13	21.8
Airport	3	6	9.0
<b>Total</b>	<b>262.9</b>	<b>458.4</b>	<b>721.2</b>

Source: Emkay, IRR Advisory



Source: Emkay, IRR Advisory

While the non-HVAC opportunity is expected to contribute a lion's share of the MEP opportunity at INR458bn (64%) as well as of the air conditioning industry's growth during FY13-16E, the HVAC players equipped with E&P capabilities will be able to effectively address this opportunity. Further, there is an emerging trend of contracting integrated MEP packages due to benefits of increased efficiency and reduced project costs. This emerging trend gives the HVAC players an upper hand in the non-HVAC opportunity.



Source: Emkay, IRR Advisory

Demand from the traditional sectors of real estate – commercial & IT/ITES and retail is expected to remain muted during FY13-16E period. The opportunity is expected to fall by 45% to INR151bn during FY13-16E period, compared to INR275bn during FY09-12. The sharp fall is led by dismal demand from retail sector (INR21.8bn or 3% of total opportunity). Demand from commercial real estate (including IT/ITES) is expected to be Rs128.7bn (18% of opportunity).

Demand Assessment from Commercial (including IT/ITES) Sector during FY13-16E						
Particular	Unit of measurement	FY13E	FY14E	FY15E	FY16E	Total
Office supply	Mn sqft	52.0	46.0	51.0	50.0	199.0
Office demand	Mn sqft	37.5	39.0	43.5	47.5	167.5
Cost per square feet	INR/ sqft					1,786
<b>Total Opportunity</b>						
HVAC (@ 17% of total cost)	INR mn					51,467
E&P (@ 26% of total cost)	INR mn					77,200
<b>MEP (Total)</b>	<b>INR mn</b>					<b>128,667</b>

Demand Assessment from Retail Sector during FY13-16E						
Particular	Unit of measurement	FY13E	FY14E	FY15E	FY16E	Total
Retail supply	Mn sqft	8.0	7.5	11.0	9.0	35.5
Retail demand	Mn sqft	4.5	5.5	7.3	10.0	27.3
Cost per square feet	INR/ sqft					2,000
<b>Total Opportunity</b>						
HVAC (@ 16% of total cost)	INR mn					8,720
E&P (@ 24% of total cost)	INR mn					13,080
<b>MEP (Total)</b>	<b>INR mn</b>					<b>21,800</b>

Source: Emkay, IRR Advisory



With slew of metro projects lined up across Indian cities as well as heavy investments planned in the power sector, infrastructure is expected to drive growth for the MEP industry during FY13-16E period. Opportunity from infrastructure to jump by 135% to INR350bn in FY13-16E period - led by Metro (INR250.7bn - from brownfield and greenfield projects across 10 cities). Opportunity from power is expected to sharply rise to 14% of total opportunity or INR99.7bn in view of +100 GW projects currently under implementation. However, with modernization and expansion plans of most airports nearing completion (barring for 2 major airports), opportunity from airports would be limited, at INR9.0bn (1%) during FY13-16E period. Infrastructure projects are more amenable to giving out integrated MEP projects Vs. real-estate, construction or social infrastructure sectors due to higher value of aggregate project and because the projects are managed by professional project consultants. Further, infrastructure projects are less likely to be abandoned mid-way unlike real-estate projects.

Demand Assessment from Metro Rail Sector during FY13-16E					
Metro(Kms)(Kms)	Total Cost (INR Billion)	Completion	HVAC (INR Million)	E&P (INR Million)	MEP (INR Million)
Bangalore - Phase II	264	2017	26,400	26,400	52,800
Kochi Metro Rail	52	2016	5,200	5,200	10,400
Mumbai Metro Phase II	120	2015	12,000	12,000	24,000
Chennai Metro Phase II	73	2015	4,977	7,300	12,277
Jaipur Metro Phase II	63	2017	6,330	6,330	12,661
Mumbai Airport Metro (Phase I & II)	108	2016	10,800	10,800	21,600
Delhi Metro Phase III	350	2017	19,297	26,250	45,547
Hyderabad Metro	165	2017	16,500	16,500	33,000
Ahmedabad Metro	150	2017	13,618	15,000	28,618
Kolkata - East West corridor	49	2016	4,900	4,900	9,800
<b>Total</b>			<b>120,023</b>	<b>130,680</b>	<b>250,704</b>

Source: Emkay, IRR Advisory

The demand is further expected to be supported by monorail systems coming up in various parts of the country.

Monorail system	Total Cost (INR Billion)	Completion
Mumbai (Jacob Circle-Wadala)	19	2015
Kozhikode	20	2016
Thiruvananthapuram	32	2016
Delhi	22	2017
Bangalore	25	NA
Chennai	85	2018

Source: Motilal Oswal, IRR Advisory

Demand Assessment from Power Sector during FY13-16E						
Particular	Unit of measurement	FY13E	FY14E	FY15E	FY16E	Total
Power projects expected to be commissioned	GW	31.0	30.0	28.0	12.0	101.0
Cost per MW	INR mn					47.0
<b>Total Opportunity</b>						
HVAC (@ 0% of total cost)	INR mn					0
E&P (@ 6% of total cost)	INR mn					99,687
<b>MEP (Total)</b>	<b>INR mn</b>					<b>99,687</b>

Source: Emkay, IRR Advisory

Steady growth in social infrastructure sector (education, hotels, and hospitals) is expected to be led by both government and private bodies. The opportunity is expected to grow by 15% to INR211bn with stable contribution at 29% during FY13-16E period. The highest demand is projected to come from the education sector (19% at INR135.8bn), followed by hotel (7% at INR47.6bn) and Hospitals (4% at INR27.9bn). Infrastructure, healthcare and hospitality entail a higher level of complexity in project execution – reducing the viability of standalone HVAC contracts.

Demand Assessment from Education Sector during FY13-16E		
Particular	Unit of measurement	Total
Total number of schools – new & for refurbishment	Units	59,401
Rooms per school	Units	50
Area per room	Sqft	350
Total area	Mn sqft	950
Cost per sqft	INR / sqft	1,786
<b>Total Opportunity</b>		
HVAC (@ 16% of total cost)	INR mn	54,331
E&P (@ 24% of total cost)	INR mn	81,496
<b>MEP (Total)</b>	<b>INR mn</b>	<b>135,827</b>

Source: Emkay, IRR Advisory

India's advantage of having a large youth population and inadequate existing facilities is expected to present a sizeable opportunity to the players in the education sector. This will lead to an increase in number of educational institutes thus providing opportunities for the MEP industry to grow. Growing Tourism market in India is expected to drive the thrust on the hospitality sector, with around 60,850 rooms expected to be added during FY13-16. Hospitality and Education sectors are key drivers for the MEP players, due to larger ticket size of contracts and preference for organized players due to technical complexity.

Demand Assessment from Hospitality Sector during FY13-16E					
Particular	Unit of measurement	Total Rooms	HVAC Opportunity (@17%, INR mn)	E&P Opportunity (@26%, INR mn)	MEP Opportunity (INR mn)
<b>Supply</b>					
Luxury	No. of rooms	30,425	12,455	18,682	31,137
Midscale	No. of rooms	18,255	4,710	7,065	11,774
Budget	No. of rooms	12,170	1,884	2,826	4,710
<b>Total</b>	<b>No. of rooms</b>	<b>60,850</b>	<b>19,048</b>	<b>28,573</b>	<b>47,621</b>
Cost assumptions	INR per sq ft	2,000			

Demand Assessment from Healthcare Sector during FY13-16E				
Particular	Unit of measurement	Total	Area (Sq ft per bed)	Total Area (mn sq ft)
<b>Total number of new beds</b>				
Private	Units	31,600	350	11.4
Public	Units	113,544	300	34.1
Penetration rate for Public hospitals	In %			25%
Cost per sqft	INR/sqft			2,000
<b>Total Opportunity</b>				
HVAC (@ 16% of total cost)	INR mn			6,264
E&P (@ 24% of total cost)	INR mn			21,659
<b>MEP (Total)</b>	<b>INR mn</b>			<b>27,923</b>

Source: Emkay, IRR Advisory

Preventive and predictive maintenance programs for HVAC systems are also gaining traction due to increasing penetration of HVAC systems and increasing cognizance of energy saving opportunities. Facilities in which proper HVAC maintenance is completed use at least 15 to 20 percent less energy than those where systems are allowed to deteriorate. Regular HVAC preventative maintenance is the best way to ensure trouble-free operation and peak performance. Larger issues are driving the demand for significant improvements in the energy efficiency of buildings and the requirement for energy efficient HVAC maintenance and system tuning will increase in the next few years.

MEP contracting industry in India is at an inflection point and the fast emerging concept of integrated MEP tenders is clearly segmenting the market in favour of larger players. The robust construction industry, with an increase in demand for scalable & comprehensive contracting service solutions at one-stop, as well as the upward trend in MEP contract size, the MEP services industry is expected to gain momentum over the next few years. MEP services have always witnessed a fragmented approach in India primarily due to lack of experience & expertise in an integrated services domain. But the recent times have seen a surge in accepting the integrated approach of MEP due to the development of very large projects across the country and thus indicating towards a huge stockpile of demand for MEP services in the near future.

## REGULATORY OVERVIEW

The country has a limited number of policy initiatives in place for mainstream energy efficiency through control and regulatory instruments, including appliance standards, mandatory labeling and certification, energy efficiency obligations, and utility DSM (demand side management) programs; economic and market-based instruments; fiscal instruments and incentives; and information and voluntary action. At present, the energy efficiency/building-related policy framework in India addresses and recognizes incremental reductions in energy use. The Energy Conservation Building Code (ECBC) was launched by the Bureau of Energy Efficiency (BEE), Ministry of Power, in 2007, on a voluntary basis. The code is applicable to commercial buildings or building complexes that have a connected load of 100 kW or greater or a contract demand of 120 kVA or greater. The ECBC stipulates minimum performance standards for building envelope, lighting, and mechanical systems.

Green building rating systems like Green Rating for Integrated Habitat Assessment (GRIHA) and Leadership in Energy and Environmental Design (LEED) are also extensively used in India. The rating systems specify minimum performance criteria, while also allowing for a whole building performance approach.

In addition to the measures mentioned above, the BEE is in the process of developing a chiller efficiency rating program. The Indian Society of Heating, Refrigerating, and Air Conditioning Engineers (ISHRAE), in partnership with the trade association Refrigeration and Air-conditioning Manufacturers' Association (RAMA), has been working towards modifying the Air-Conditioning, Heating and Refrigeration Institute (AHRI) standards to account for ambient conditions in India. The current policies or certifications related to energy efficiency, the environment and standards addressing HVAC systems are detailed below:

- ✓ **Energy Conservation Building Code 2007:** The Energy Conservation Act, 2001 provides for the institutional arrangement and establishment of national and state-level energy conservation agencies to plan and execute energy efficiency programs. The Act led to the formation of the BEE that formulated the ECBC. It targets building energy

efficiency and was introduced in the year 2007. This is the nation's first building energy code and aims to have a major impact on energy efficiency in buildings. It covers minimum requirements for building envelope performance as well as for mechanical systems and equipment, including HVAC systems, interior and exterior lighting systems, service hot water, electrical power and motors in order to achieve energy efficiency in different climate zones in India.

- ✓ **Environmental Impact Assessment (EIA) and Clearance from the Ministry of Environment and Forests (MOEF):** This is a mandatory requirement for all buildings with a built-up area above 20,000 sq. m. and such projects have to be appraised by the MOEF's Environmental Appraisal Committees (EACs) and the State Environmental Appraisal Committees (SEACs). The Ministry of New and Renewable Energy (MNRE) has initiated several programs focusing on the utilization of renewable energy sources in buildings.
- ✓ **Sustainable Habitat Mission under the National Action Plan on Climate Change (NAPCC):** This was launched on June 30, 2008. It encompasses a broad and extensive range of measures, and focuses on eight missions, which will be pursued as key components of the strategy for sustainable development. These include missions on solar energy, enhanced energy efficiency, sustainable habitat, conserving water, sustaining the Himalayan ecosystem, creating a "Green India," sustainable agriculture and, finally, establishing a strategic knowledge platform for climate change. For the habitat mission, the strategies proposed aim at promoting efficiency in the residential and commercial sector through various measures such as changes in building bye-laws, capacity building, research and development in new technologies, awareness, etc., management of municipal solid wastes, and promotion of urban public transport.
- ✓ **Energy Labeling of Appliances:** Launched by the BEE, it sets energy performance standards for refrigerators, air conditioners, motors and other appliances. Labeled products have been on the market since 2006. In a move to manage energy demand, the BEE made star rating for energy efficiency mandatory for a host of electrical appliances from September 20, 2008. The implementation of this mandate has resulted in increased adoption of energy efficiency amongst end users and the industry.
- ✓ **City Level Regulations:** These are a set of building guidelines in the form of building bye-laws, which are eventually implemented at the town and city level by the respective Development Authorities and Municipal Corporations/Municipalities. These bye-laws, however, currently have not been able to integrate the ECBC provisions and other sustainability parameters.
- ✓ **Green Building Rating Systems:** This is a popular tool to bring momentum in achieving energy efficiency and sustainability in buildings. The country has currently two rating systems, namely, LEED and GRIHA. The LEED Green Building Rating System, developed and managed by the USGBC, is the most widely-used rating system in North America. Buildings are given ratings of platinum, gold, silver, or "certified", based on green building attributes. The Indian Green Building Council (IGBC), founded by the collaboration between the Confederation of Indian Industry (CII) and Godrej, has taken steps to promote the green building concept in India. Currently, the IGBC is facilitating the LEED rating of the U.S. Green Building Council in India. LEED-India was launched in 2001, and rates buildings on environmental performance and energy efficiency during the design, construction and operation stages. The MNRE has adopted the GRIHA, which was developed by The Energy and Resources Institute (TERI). It accommodates climate variations, architectural practices, existing construction practices, and passive solar architecture. The GRIHA rating system takes into account the provisions of the National Building Code, 2005, the Energy Conservation Building Code, 2007 announced by the BEE, and other Indian Standard (IS) codes. This was developed with air-conditioned buildings sharing the emphasis with unconditioned and partially air-conditioned buildings.

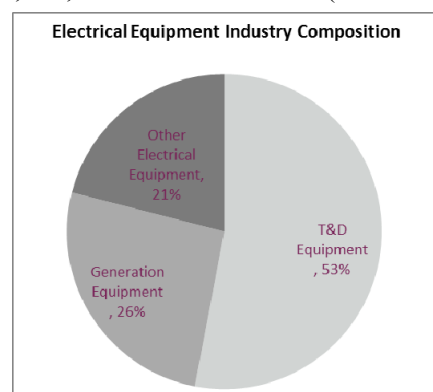
## ELECTRICAL INDUSTRY

The Indian electrical equipment industry, comprising of multinationals, large, medium & small players, is robust and capable of producing, supplying and exporting a varied range of electrical equipment including switchgear and control panel items needed for expanding industrial and power sector in India. This industry sector in fact manufactures the entire voltage range from 240V to 800kV. It comprises multinational players, large national players and small & medium size regional or local companies manufacturing and assembling generation, transmission and

distribution equipment and assemblies. The industry directly employs around half million persons and provides indirect employment to another one million people. The industry can be broadly classified into two sectors – generation equipment and T&D equipment. The industry size was estimated to be INR1,200bn (USD25bn) in FY12, of which generation equipment segment consisting of Boiler Turbine Generator (BTG) contributed INR310bn (USD6.5bn) while the major T&D equipment segment of transformers, cables, transmission lines, switchgears, capacitors, energy meters, control gear etc., provided larger share of INR642bn (USD13.4bn). Other electrical equipment, including instrument transformers, surge arrestors, stamping and lamination, insulators, insulating material, industrial electronics, indicating instruments, winding wires, etc., contributed INR250bn (USD5.2bn).

Equipment	Value (INR Billion)
Boilers	195
Turbines	85
Generators	30
Cables	176
Transmission Lines and Conductors	150
Transformers	124
Switchgear & Controlgear	98
Rotating Machines	64
Energy Meters	25
Capacitors	5
Other Electrical Equipment	250
<b>Total</b>	<b>1,202</b>

Source: Department of Heavy Industry, IRR Advisory

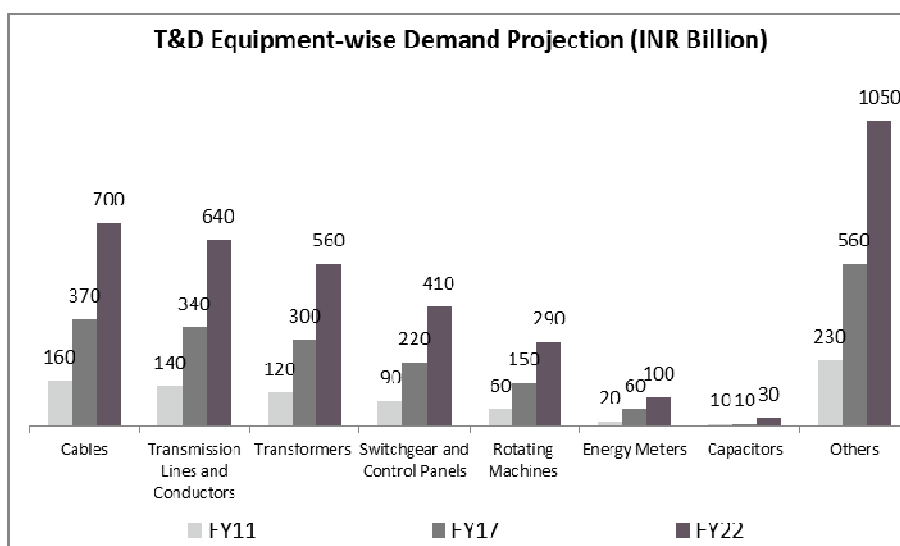


Source: Department of Heavy Industry, IRR Advisory

The demand for electrical equipment in India is expected to witness a significant expansion on the back of the growth of the power sector. Based on investment estimates and capacity addition targets, it is expected that the domestic demand for BTG will be in the range of INR1,250-1,500bn (USD25-30bn) by 2022, while that of the T&D equipment industry will be INR3,500-3,750bn (USD70-75bn).

Equipment	12th Plan (INR Billion)	13th Plan (INR Billion)
Generation equipment	3,000-3,500	5,000-6,000
T&D equipment	7,000-7,500	10,000-11,500

Source: Planning Commission, IRR Advisory

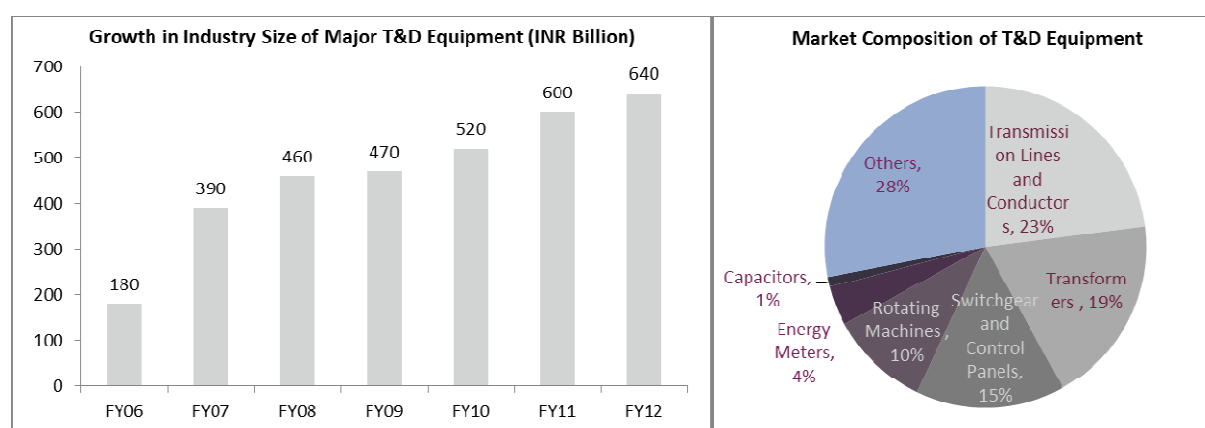


Source: Department of Heavy Industry, IRR Advisory

There has been an overall growth in most segments of the electrical equipment industry — in boilers, turbines, generators, transformers, switchgears and control panels, wires and cables due to the high demand from Central and State power utilities. India's EE industry is expected to grow steadily and witness growth opportunities as a result of the government's focus on capacity augmentation across generation, transmission and distribution.

### Industry Structure

India's T&D equipment industry is heterogeneous and manufactures a wide variety of equipment from transmission line towers, transformers, switchgear and control panels to energy meters. The industry is also characterized by the presence of a large number of SMEs. The size of this industry (including other electrical equipment) was estimated to be INR892.4bn (USD18.6bn) in FY12. The industry has witnessed significant growth in the last few years. The major T&D electrical equipment have grown at a CAGR of 23.6% from a small base of INR180bn (USD4bn) in FY06 to INR642.4bn (USD13.4bn) in FY12.



Source: Department of Heavy Industry, IRR Advisory

There is significant capacity in India's T&D equipment segment, which is operating broadly at 70% capacity utilization. The domestic T&D segment is geared to cater to the expected growth in the demand for T&D equipment. Switch gears and control panels had the highest capacity utilization at 85%, followed by energy meters at 81%.

Equipment	Unit	Estimated Production Capacity	Actual Production in FY12
Switchgear and control panels	Nos.	100,000	84,908
Cables	Km	550,000	306,400
Capacitors	MVAR	70,000	55,110
Transformers	MVA	400,000	286,755
Transmission Line Towers	MT	1,800,000	1,300,000
Motors (FHP, LT, HT & DC)	MW	32,000	21,210
AC Generators	MVA	16,000	10,958
Conductors	MT	700,000	430,000
Energy Meters	000' Nos.	30,000	24,280

Source: Department of Heavy Industry, IRR Advisory

### PEER COMPARISON

The company does not have any comparable listed peers operating in the same space. A brief profile of the key players and Perfect Infraengineers's competitors is provided below:

**Vidhyut Control India Pvt. Ltd.**, established in the year 1995, is a manufacturer and exporter of power control panel. It is engaged in providing power solutions through a range of economical electrical panels. Its products range comprises of PCC Panels, MCC Panels, PDB Panels, PLC & AC/DC Drive Panels, APFC Panels, AMF Panels, Bus ducts etc.

**Lakshmi Electrical Control Systems Ltd.**, established in 1981, is engaged in the manufacturing of custom-engineered control panels for textile machinery, machine tools, energy saver – lighting, compressor and many other applications conforming to International Standards. It also manufactures engineering plastic components to deliver complete design solutions and ready to fit products. The company has strong background in R & D, engineering, tooling and automation.

**S.S. Controls Systems Pvt. Ltd.**, established in 1990, is one of the leading manufacturers of control panels. It is well equipped to design panels as well as sheet metal components, electrical design, fabrication of any sheet metal structures, manufacture & supply of all types of LT and MV electrical panels. It has complete in house set up of panel manufacturing including design and fabrication of DBS bars, trolley wiring, panel wiring, among others.

**PSR Power Controls Pvt. Ltd.**, established in the year 2006, is a leading manufacturer of control panels. Its product offerings include power control center, motor control center, automatic power factor panel, drive panels, AMF panel, etc.

The following table compares the key financials of these companies to Perfect Infraengineers Ltd:

Company	Perfect Infraengineers Ltd.		Vidhyut Control India Pvt. Ltd.		Lakshmi electrical Control systems Ltd.		S. S. Controls Systems Pvt. Ltd.		PSR Power Controls Pvt. Ltd.	
	FY14	FY13	FY14	FY13	FY14	FY13	FY14	FY13	FY14	FY13
Net sales (INRm)	210.8	198.0	320.6	168.7	1,648.0	1,344.9	120.2	172.3	28.9	31.3
Reported Net Profit (INRm)	6.6	7.1	3.5	1.5	63.7	38.0	-4.3	7.0	0.3	0.3
EBITDA Margin (%)	12.0	11.7	3.9	6.2	7.2	5.8	0.0	5.0	2.4	3.2
Net Profit Margin (%)	3.1	3.6	1.1	0.9	3.9	2.8	-3.6	4.1	1.0	1.0
EPS (INR)	1.7	2.0	70.4	30.7	25.9	15.5	-4.3	7.0	17.2	20.0
D/E (x)	1.2	1.4	1.9	1.6	0.0	0.0	1.7	0.9	13.3	15.5
ROCE (%)	8.1	12.1	9.7	8.9	11.7	7.3	-6.2	14.9	0.1	0.1
ROE (%)	12.1	16.6	9.7	4.6	8.3	5.3	-13.9	24.8	53.5	53.5

Source: IRR Advisory

## Opportunities and Threats

The gap between demand and supply of power offers a huge opportunity for growth in this sector. In order to make electricity available to every consumer good quality infrastructure and equipment are required. Also with most of the ageing equipment there is a major scope for growth in replacing the age-old equipment in this sector.

**Utilities Segment:** HV and EHV demand mainly comes from the utilities. The Government is focusing on increasing the penetration of power supply in villages and schemes like APDRP and RGGVY are providing an excellent opportunity for the LV and MV switchgear market with about 10 per cent villages yet to be electrified.

**Industrial Segment:** India's industrial sector accounts for about 30 to 35 per cent of GDP, with most of the industrial divisions reporting growth in output in the fiscal. Investment in new infrastructural setup is set to increase the market for intelligent switchgears and control panels. Another indicator of sustainable growth is the increasing gross assets of organizations

The demand scenario of Indian products in global market is quite healthy despite a slowdown. Indian products are now more acceptable due to their robust construction, reliability and reasonable price. There is immense scope for the sector to boost its exports. The global electricity equipment market stood at around USD450bn in FY13 of which India's share was barely USD5bn – approximately 1 per cent.



**Power Plant Modernization and Refurbishment:** Numerous power plants in India are nearing the end of their service plan, thus requiring overhauling and modernization. This includes replacement of existing transformers, which are on average over 30 years old and the replacement of LV, MV and HV switchgear and power panels. Power plant modernization and refurbishment is expected to additionally support growth of the control panels and switchgear market.

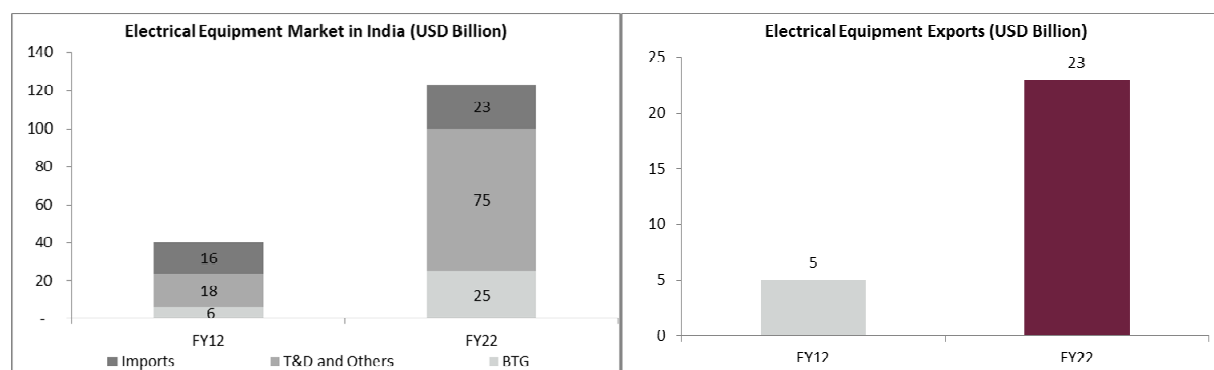
Currently, the industry is suffering from overcapacity due to lack of orders. Inadequate demand can be attributed to insufficient planning by the users and delay in finalizing tenders resulting in bunching of orders which also creates supply-delivery problems. Also L1 (Lowest Quoted Price) procurement system in utilities, which entails procuring products at lowest price, creates a hurdle for bringing in good quality material into the system. Further, the insistence by utilities on repeated type testing of products, despite there being no change in design, poses additional delays and adds to unnecessary cost. This is further impacted by inadequate type-testing laboratories. The industry is further affected due to critical shortage of skilled manpower despite having the largest number of engineers in the world.

### SWOT Analysis

Strengths	Weaknesses
<ul style="list-style-type: none"> <li>• Diversified, mature and strong manufacturing base, with robust supply chain, fully equipped to meet domestic demand / capacity addition.</li> <li>• Good mix of large private and public sector enterprises, multinational companies and small and medium companies.</li> <li>• Domestic presence of major foreign players, either directly or through technical collaborations.</li> </ul>	<ul style="list-style-type: none"> <li>• Upward volatility in raw material and other metal prices.</li> <li>• Dependence of some sub-sectors on import of critical inputs.</li> <li>• Looming shortage of skilled technical manpower and low productivity.</li> <li>• Inadequate and costly domestic testing and calibrating facilities.</li> </ul>
Opportunities	Threats
<ul style="list-style-type: none"> <li>• Increased market potential due to planned increase in installed power capacity.</li> <li>• Rapid growth in metros, airports and other infrastructure projects is expected to generate huge demand for matching BTG and T&amp;D equipment.</li> <li>• Significant export potential for the domestic industry.</li> </ul>	<ul style="list-style-type: none"> <li>• Problems of fuel linkages, land acquisition, environmental clearances, etc. are impeding growth in the country's power sector which may lead to less than anticipated growth in demand for electrical equipment.</li> <li>• Poor financial health of DISCOMs and very high AT&amp;C losses have a cascading effect on the growth T&amp;D equipment industry.</li> </ul>

Source: IRR Advisory

The Department of Heavy Industry – Ministry of Heavy Industries and Public Enterprises has drafted a mission plan for the Indian Electrical Equipment Industry. It intends to make India a preferred destination for production of electrical equipment and reach an output of USD100bn by balancing exports and imports.



Source: Department of Heavy Industry, IRR Advisory

## RECENT UPDATE

The electrical and industrial electronics industry witnessed 11.47% growth in Q3 of FY15. The overall industry grew by 8.95% in nine months of FY15. Although higher imports still plague the industry but policy changes and various initiatives undertaken by the industry and government are eventually showing signs of revival for the sector. Although the major drivers in this growth are cable, LV and HV switchgear; Power transformers and LT Motors continue to show declining trend. Conductors and Energy meters have registered a tremendous growth in their volume due to procurement of these products by major PSUs and utilities as their inventories are being utilised. As the consumers are opting for Smart and Energy efficient products, growth is also observed in transformer operational meter and single phase multifunctional meters with smart features.

Indian Electrical & Electronics Manufacturers' Association (IEEMA), having partnered in the 'Make in India' campaign, has identified a four point agenda and has been vigorously pursuing with the policy makers, so as to positively impact made in India products –

1. Domestic funded tenders by Utilities to be in INR and if for some reasons there needs to be international bidding, then 15% for preference to Domestic industry.
2. Mandatory Vendor development programme by Utilities.
3. Mandatory testing of all Imported Electrical Equipment by Test house in India.
4. Standard specifications and standard bidding terms for same products across Indian Utilities.

The Reserve Bank of India's policy on inflation control has helped and the rates are further expected to come down. Internationally the commodity prices are falling. Even the coal prices have gone down by 35%. Consequently, the manufacturing sector has been showing positive signal in terms of leading indicators. The following chart indicates the weightage and growth indices for the industry:

Growth Indices for Electrical Equipment Industry		
Cumulative Growth Compared to same period of previous year		
Product	Weightage	Q3FY15 (% Growth)
Rotating Machines	8.6	-8.7
Switchgear	16.3	10.3
Cables	27.8	23.8
Transformers	15.5	3.2
Capacitors	0.9	-14.1
Energy Meters	4.2	28.2
Transmission Lines	26.7	8.8
<b>Overall IEEMA Electrical Equipment Growth Index</b>	<b>100</b>	<b>11.47</b>

Source: Indian Electrical & Electronics Manufacturers' Association (IEEMA), IRR Advisory

## OUR BUSINESS

### Overview

Perfect Infraengineers Limited was originally incorporated in the name and style of Perfect Aircon Engineering Pvt. Ltd. in May 1996 and took over the business of Perfect Engineering, a Proprietary firm which was started in the year 1992 by Mr. Nimesh Mehta, one of our promoters. Initially, our Company was engaged in the business of air conditioner repairing, sales & services. Subsequently during the year 2001, we diversified into renting of air conditioners and providing all inclusive maintenance services on yearly contracts to multinational and other Indian corporate. To efficiently provide these services we had four offices to handle western, central, south Mumbai and Thane (including Navi Mumbai) which helped us to take our customer base to around 5000. Later during 2006-07, we expanded our activities and started providing turnkey jobs of Heating Ventilation and Air Conditioning (HVAC). We also adapted our system to the new VRF (Variable Refrigerant Flow) technology which was introduced in India during that period. We successfully implemented projects at ITC Fortune Hotel (Lavasa) and Residential complexes at Common Wealth games (Delhi) using this technology.

After completion of certain projects in HVAC business thereby gaining experience, we ventured into Mechanical, Electrical and Plumbing (MEP) business in the year 2011. This helped us not only in retaining our existing clients but also to get new ones especially upcountry projects in Nigeria and Tanzania. Initially we ventured and completed some of the projects under the electrical head (High Tension and Low Tension) for Companies like Sri Vatsa Limited (Hyderabad), PIEM Hotels Limited (Taj Blue Diamond, Pune) etc. During the year 2014 as a part of our expansion strategy, we purchased an existing factory of 800 sqmtrs at Rabale (Navi Mumbai) from where we are presently carrying out the activities of assembling control panels and customising of GI ducts. Apart from Mumbai, we also have our project offices at Ghaziabad (Uttar Pradesh) and Lavasa (Pune) and a warehouse at Bhiwandi (Thane).

We are an ISO 9001:2008 company presently providing services to various infrastructure developers, educational institutions, real estate developers, retail malls, hotels, industrial complexes and also to other individual projects. For the past two decades, we have provided our services to clients belonging to different industrial segments. Some of our clients includes ME Cure Healthcare Ltd. (Nigeria), Jangid Plaza Inc. (Tanzania), Lavasa Corporation Limited, Fortune Hotel ITC Group (Lavasa), Rotork Control (India) Pvt. Ltd., Mantralaya Govt. of Maharashtra, Power Grid Corporation Ltd. , Mumbai Metro One Rail, Tata Memorial Hospital, Navi Mumbai , Bramha Crop (Le Meridian Hotel), Warasgaon Lake view Hotels Ltd. and La-Lagune (Suncity) Gurgaon, Hyatt Hotels at Raipur and Hampi (Chartered Hotels Pvt. Ltd.) etc.

We are authorised sales and service dealers for Daikin Airconditioning India Pvt. Limited, Samsung India Electronics Pvt. Limited, LG Electronics India Pvt. Limited and Mitsubishi Electric India Pvt. Limited

During the Financial Year 2014-15 our total income increased to ₹ 2,631.32 lacs as compared to ₹ 2,100.83 in the previous Financial Year. Similarly our Profit After Tax increased to ₹ 156.42 lacs in the Financial Year 2014-15 from ₹ 32.00 lacs during the last Financial Year.

We have now propose to enter into fabrication of electric control panel through our subsidiary viz; Perfect Control Panel Pvt. Limited (**Perfect Control**) which will enable us to have an in-house assembly line of electrical panels, both High Tension (HT) and Low Tension (LT).

### Our competitive strengths

- **Brand presence** ‘Perfect Infra’ represents a brand in the market we operate in. Our service offerings coupled with technical know-how, competitive fees, execution capabilities and track record of over a decade has provided us with a brand recognition and credibility. Our recognition and acceptance has significantly contributed to the success of our business.
- **Ability to undertake complex projects** We, over the period have acquired skills to undertake and manage complex projects across the sectors. Such complexity includes geographical expansions, procurement planning, human resource management, etc..We are also one of the few companies which are qualified by Central Public Works Division (CPWD) of India (Class B) for both HVAC and electrical which enables us to bid for government

projects. Such projects include Mantralaya (Govt. of Maharashtra), IIT Bombay, Indian Institute of Information Technology, Design and Manufacturing (IIITDM) and All India Radio (Bhopal), Indian Institute of Science Education and Research (Pune). This has helped our team to increase its efficacy towards complicated process and techniques involved in installation and commissioning projects of large scale.

- **Promoter & Senior management experience:** Mr Nimesh Mehta, our promoter, who is a mechanical engineer has an experience of more than 20 years in the HVAC industry and is well acquainted with the dynamics of the industry which has contributed to the company's growth. He is supported by his wife Ms. Manisha Mehta who looks after the legal and finance functions. In addition to our senior management team, we believe that our middle management team, skilled work force and marketing personnel provide us with the depth needed to manage our growth.
- **Capabilities to execute overseas projects:** Our Company has been able to establish its presence in geographies outside India such as Nigeria and Tanzania, leveraging its execution capabilities in the HVAC segment. We have already completed projects for companies in pharmaceutical and medical diagnostic sector in these places. We continue to focus on further penetrating these markets and plans to execute turnkey MEP projects.
- **Strong order book:** Currently we have a strong order book position of project with value over ₹ 5200 lacs. Some of the key projects under execution include Mantralaya – Government of Maharashtra, SRM University (Gurgaon), RITES Limited (Hyderabad), Novotel (Lavasa), Jangid Plaza Inc. (Tanzania), etc.
- **Panel manufacturing unit:** Our subsidiary viz; "Perfect Control Panels Pvt. Ltd" Perfect Control proposes to set up an in-house facility for manufacturing / assembly of electric panels required for the MEP projects executed by our Company and also for sale to the third parties/ customers. This facility would ensure low cost and timely delivery in the projects we execute, thereby leading to an increased profitability for our company.
- **Process Management:** We have implemented customised 'Systems, Applications & Products in Data Processing (SAP)' programme covering our offices which enables us to have a complete Enterprise Resource Planning and management.

## Our Business Verticals

Our business can be broadly divided into three verticals viz.

- HVAC/ MEP turnkey projects
- Renting of Air Conditioning systems
- Annual maintenance Contracts

The details of our business verticals are as follows:

### • HVAC/ MEP turnkey projects

We have developed expertise in undertaking installation & commissioning of HVAC / MEP Projects on a turnkey basis. HVAC systems condition and move air to desired areas of an indoor environment to create and maintain desirable temperature, humidity, ventilation and air purity. Our HVAC services includes; designing, supplying, installation, ventilation solutions for all types of commercial, industrial and domestic environments.

We provide full design and installation service with packages of work covering all mechanical, electrical and plumbing (MEP) design and installations. MEP design is critical for decision-making, accurate documentation, performance and cost-estimating, construction planning, managing and operating the resulting facility.

We have expertise in providing services to various sectors including commercial, industrial, retail, public, education and elite residential complexes. We have significant experience as principal contractors in the hospitality & industrial market, providing design, installation and commissioning of entire project. Over the years, various turnkey MEP projects have been delivered throughout India. We have also provided our services for our

clients in Tanzania and Nigeria. We support principal contractors with various sizes of projects.

Our HVAC/MEP vertical looks after the supply, testing and commissioning of:

1. Heating, Ventilation and Air-conditioning services
2. District Cooling system
3. Precision Control Cooling AC system
4. Plumbing and Drainage system
5. Fire Sprinkler and Hose Rod System
6. IT Data Centre, UPS,
7. Building Management system

- **Renting of Air Conditioning systems**

Our company provides Air-conditioners on rent to corporate customers normally under 3 years contract. With increase in construction activity in major cities, more and more retail space is given on rent rather than outright buying. We already have established customer base to whom we have rented air conditioners of around 1225 tonnes. We have over 600 ACs which have been let out. We have full fledged in house team to maintain and upkeep this systems to increase efficiency and life. Some of our esteemed clients in this area are Siemens Limited, Nava Sheva Port, Hindustan Platinum Limited, ICB Technimont, Super max. Internationally, real estate developers tie-up with HVAC Companies for jointly giving HVAC systems to consumers. We believe that we can expand this activity as there has been an increased trend in following such practices.

- **Annual maintenance Contracts (AMC)**

We undertake AMC which includes air conditioning servicing and other maintenance. Our AMC team comprises of preventive maintenance team and complaint redressal team. The preventive maintenance team conducts maintenance on the systems installed at regular intervals to ensure smooth operations. Our complaint redressal team comprises of engineers who are fully equipped with the necessary skills and tools to resolve the complaint immediately. A constant flow of customers for AMC is ensured from project division after the defect liability period. We also provide the gas and spares under the contract. We have serviced number of clients under all inclusive maintenance.

## **Process Flow**

### ***Project Planning***

- Once the job is awarded, planning is assigned to the design team for design evaluation and drawing development and estimation of materials.
- The Project management team works on the time schedules, procurement schedules and the manpower needs.
- After a coordinated effort between these two teams, the procurement department gets all desired instructions on the procurement schedule and the cost targets.
- The administration team works on the cash flow, insurance process and the team is prepared for execution.
- The site management team is given instructions by the project management team on the schedules and mile stones to be achieved.
- The quality checks, safety checks, mile stones achieved and measurements and the billing process is completely monitored by the management time to time.
- Final testing process, as-built documentation is coordinated by the design team to ensure end results and handing over.
- The service team organizes all quality checks during the execution and final handing over process thus is achieved in a professional manner.

### ***Site Management***

- The site management team takes inputs from the design team and the project management team and prepares for the execution. The team first analyses the drawings, time schedules and evaluates the team requirements. Each site team is provided with stores for material, necessary tools & tackles, communication equipment depending on the scale of the project
- The principle role of site management team is to coordinate with project team and fellow contractors to ensure smooth execution of the project. While the team prepares its targets for timely execution, it also ensures that the prerequisites are achieved by the fellow agencies by way of constant interaction and co-ordination.
- Reports are circulated by the site team to the Project management team on the progress updates, procurement team on the stock requirements and the project is administered based on this communication cycle.
- Planned and surprise checks for quality and safety are conducted by the management time to time. The service team conducts checks on their own for safer and flawless operation of the systems.
- Faultfinders can drop in any time to do their quality checks.
- The site management team makes all efforts to meet all the demands.

### ***After Sales Service***

- The organization believes in long term relations. The after sales service is as important as a good quality execution. The team conducts AMC and preventive maintenance on the systems installed at regular intervals to ensure smooth operation. The frequency depends on the nature of the project and usage.
- The service team is entrusted with the responsibility of preliminary checks during the execution stage, as the responsibility of after sales services lies with them.
- The team co-ordinates with the end users at regular intervals to check the working conditions feed back on the response of the service personnel and evolve methods to improve the existing operations.
- Service teams are well trained on the safety aspects of working.

We have trained site engineers, site managers to execute the projects. The purchase department operates from our office situated at Mumbai (Masjid Bunder) which procures various components/ machines/ spares required for the projects. Logistics relating to the materials including; air-conditioners, spares and other components required for our various ongoing projects is also handled by this department. The division combines the requirement from each ongoing project and places an order to our suppliers. This division assures in time delivery of all the materials required at each our site with the help of our in-house / hired transport vehicles.

We have a qualified team of technical engineers to prepare Good For Construction (GFC) drawings, take all necessary approvals from appointed consultants/ Project Management Consultants (PMCs) appointed by end customers. Our technical team visits all sites for technical discussion during the course of project execution. Billing engineers meticulously note down weekly progress of the projects and complete site data is transferred to the billing division to prepare running bills.

### **Infrastructure Facilities**

#### **Major tools/ machineries**

The list of tools/ major machines presently installed in our facility at Rabale (Navi Mumbai) are Crane 10 ton (1 no.), G.I bending Machine (3 no.), Lock Former machine (2 no.), Powder coating booth machine - heater (1 no.), Crane - 3 ton (1 no.), Spray machine (1 no.), Stand drill machine (2 no.), Recovery booth (1 no.), Air compressor (1 no.), Cutting machine 14" (1 no.), Weighing machine (2 no.), Chain pulley block - 3 ton (1 no.), Bakelite cutting machine (1 no.) and Bench Vise (1 no.). Apart from this our maintenance department is equipped with necessary tools, spares, equipments, testing equipments and vehicles.

### ***Power***

We have a sanctioned load of 20 KW power from Maharashtra State Electricity Distribution Co. Limited at our factory premises at Rabale (Navi Mumbai), which is sufficient to meet our power requirements.

### ***Water***

The present water requirement at our factory is around 1000 liters per day which is being catered through the local MIDC pipe line.

### **Material procurement**

Our major material requirement consists of high value items and low value items. High value items like air conditioners, chillers, Air Handling Unit, pumps, cooling towers, electrical cables, copper earthings etc. are procured from manufacturers, directly as per approved brand in respective projects. These manufacturers provide complete training to our engineers for flawless use of the high value items. Low value items like copper pipes, insulation materials, galvanized sheets, MS sheets, valves and other installation materials are procured from various registered vendors, generally under competitive bid. . We have not entered into any definitive agreement with any of the suppliers of the materials.

### ***Manpower***

Presently, we have adequate manpower at all levels, as detailed below:

<b>Category</b>	<b>Present</b>
Managerial	41
Skilled	94
Semi Skilled	27
Unskilled	13
<b>Total</b>	<b>175</b>

### ***Effluent Treatment***

Our manufacturing process does not generate any effluent.

### ***Environmental Clearance***

We have all the necessary approvals from the local authorities to operate our business. For more details please refer to Section “Government and Other Approvals” on page 193 of this Prospectus.

### ***Technology & Inputs***

The present technologies used in all our process are proven, well known and fairly accessible. We do not have any technology agreement/collaboration for any of our processes. No significant changes are expected in the present technology in our processes. However, all our process require suitable modifications/ adjustment for efficiency from time to time, which are easily performed without having any effect on the overall performance of the units.

### **Collaboration**

At present, we do not have any technical collaboration.



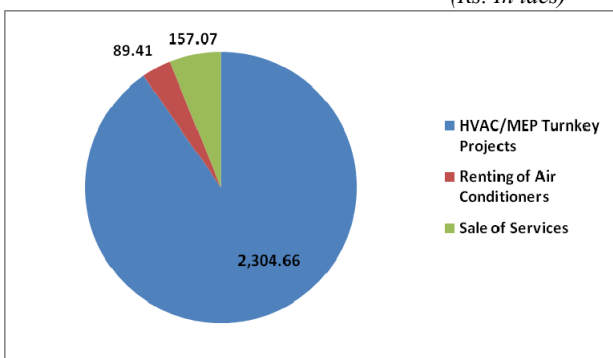
## Completed projects

Details of some of the prestigious projects completed by our company are as follows:

Sector	Details about the project	Nature of work undertaken	Year of Completion
<b>Hospitality</b>	Le Meredian, Mahableshwar	HVAC	2015
	Sri Vatsa Limited, Hyderabad	Electricals	2015
	Hyatt Hotel, Hampi and Raipur	HVAC	2014
	PIEM Hotel (Taj Group)	MEP	2014
	Bright Land Hotel Pvt Ltd, Mahableshwar	HVAC	2014
	Lavasa Convention Centre, Pune	HVAC & AMC	2011
	ITC Fortune Hotels, Lavasa, Pune	HVAC & AMC	2010
<b>Health Care</b>	Me Cure Healthcare Ltd, Lekki, Lagos, Nigeria	MEP	2014
	Hiranandani Hospital, Mumbai	HVAC	2013
	Apollo Hospital, Lavasa, Pune	HVAC & AMC	2011
	Ibadan Healthcare, Nigeria	MEP	2011
<b>Educational Institutes</b>	IIT Bombay	HVAC	2015
	ICAI, (BKC, Mumbai)	HVAC & AMC	2014
	Tata Institute of Fundamental Research, Mumbai	HVAC (Precision Air Conditioning) & AMC	2014
	J.B.C.N International School, Mumbai	HVAC & AMC	2012
	PTVA Institute of Management, Mumbai	HVAC & AMC	2011
<b>Residential Complex</b>	Suncity Projects Ltd, Gurgaon	HVAC	2015
	Common Wealth Games, Residential Complex, Akshar Dham, Delhi	HVAC	2010
<b>Misc.</b>	Mumbai Metro One Pvt Ltd	HVAC & AMC	2014
	Neela Tele films Ltd., Mumbai	HVAC	2012

## Revenue from Operation (FY 2014-15)

(Rs. In lacs)



## Business Strategy

We believe that adapting to market changes is a key factor required for the growth of any business. Hence, we continually monitor opportunities to grow our business. To achieve these goals, we intend to pursue the following principal strategies to optimize our competitive strengths:

- **Focus on HVAC & MEP Services:** We intend to continue our focus on our core expertise. Our HVAC & MEP business provides us with further growth opportunities through retention of existing clients and attainment of new ones. We believe that our inherent strength lies in the domain expertise developed over the years in providing HVAC & MEP services to different clients representing different business sectors. We shall make

efforts to further strengthen our core business by deploying additional resources such as hiring sector specific experts and expanding our office network. We shall continue to provide high quality service and improve our brand visibility and penetration through wider marketing initiatives.

- **Expanding and consolidation of our renting business.** We have currently assigned 608 air conditioners on rent to various midsize and large corporate. During the financial year 2014-15 we earned an income of Rs. 89.41 Lacs through renting our air conditioners. Our renting business helps us to maintain our healthy revenue stream and venture out more in turnkey projects. In past we had grown this vertical through acquisition of business of Crist Cool Industries, a proprietary firm engaged in this business.
- **Entry into manufacturing:** We through our subsidiary Perfect Control Panels Pvt. Ltd have ventured into manufacturing of electric control panels. This complements our contracting business which involves supply and installation of HVAC/MEP systems and related electric equipment.
- **Increasing our geographical reach:** HVAC & MEP markets have shown increased growth with many projects coming up in real estates and infrastructural developments. With thrust in the development of core infrastructure, we believe there are ample opportunities available for us to cater to the ever expanding requirement. Accordingly, we propose to venture out in other new geographic locations in India, Middle East as well as Africa.
- **Focus on Cordial relations with our Suppliers, Customers and employees:** We believe in developing and maintaining long term sustainable relationships with our suppliers, consumers and employees which will enable us to achieve our goals particularly, to get repeat orders and also entering into new markets. We offer our services at competitive prices, which will help us, achieve consumer satisfaction and build long term relationships.

## SWOT Analysis

Strengths	Weakness
<ul style="list-style-type: none"> <li>• An ISO 9001:2008 certified Company.</li> <li>• Dedicated, experienced and technically sound management.</li> <li>• Healthy order book.</li> <li>• International presence.</li> <li>• CPWD certification.</li> </ul>	<ul style="list-style-type: none"> <li>• High working capital requirement.</li> <li>• Volatility in revenue growth.</li> <li>• Small size of operation.</li> </ul>
Opportunities	Threats
<ul style="list-style-type: none"> <li>• Boom in core Infrastructure development and enhanced focus by governmental agencies.</li> <li>• Potential to add capacity in the existing facility and expand in other geographies.</li> <li>• Manufacturing of Control Panels.</li> </ul>	<ul style="list-style-type: none"> <li>• Project execution risk.</li> <li>• High competition.</li> </ul>

## Marketing Process

We have a separate marketing team for government and non government contracts. Our sales & marketing team keeps track on upcoming projects. We have good relationship with Project Management Consultants who refer clients on regular basis. Our Company has a registration with Central Public Works Division (CPWD) of India for undertaking both HVAC and electrical contracts, thereby opening up an opportunity to undertake direct government projects.

## Competitors

Our Industry is diversified including both large established players and small unorganized players. We have to compete with organized as well as unorganized sector on the basis of availability of product, product quality, product range and services. Further, there are relatively low entry barriers in this industry and any expansion in capacity of

existing manufacturers would further intensify competition. We face competition from big conglomerate like Voltas Limited, Blue Star Limited, Serling Wilson, LG Limited, etc which have their own turnkey project divisions. Further, we also face competitions from other Companies like ETA Engineering Private Limited, SEW Engineering India Private Limited, Astute Engineering Services Private Limited etc.

### **Export Obligation**

Our Company does not have any export obligation as on date.

### **Property**

#### ***Owned Properties***

The following properties are owned by us:

<b>Sr. No.</b>	<b>Brief Particulars</b>	<b>Area (sq. Fts.)</b>	<b>Date of Sale Deed/Agreement</b>	<b>Usage</b>
1.	Shop No. G-12, Ground Floor “EDM” Complex at Plot No. 1, Kaushambi Colony, Distt. Ghaziabad, Uttar Pradesh	470	June 20, 2013	Branch Office
2.	Gala No. 10, Shed No. A-3, Chamunda Commercial Complex, Bhiwandi, Thane.	2266	March 05, 2004	Warehouse
3.	Unit No. 303, 3rd Floor, ‘C’ Wing, Kailash Esplanade, LBS Marg, Ghatkopar (West), Mumbai- 400086	179	October 14, 2002	Branch Office
4.	59/4, Odhav Ashish Janardhan Park, Raghunath Nagar, Thane – 400604	565	March 31, 2008	Branch Office

#### ***Leasehold Properties***

The following properties are used by us on lease hold basis:

<b>Sr. No.</b>	<b>Brief Particulars</b>	<b>Area</b>	<b>Date of Sale Deed/Agreement &amp; Period of lease</b>	<b>Usage</b>
1.	Plot No. R-637, TTC Industrial Area, Rabale, Thane Belapur Road Navi Mumbai	800 sq. Mtrs.	June 11, 2014 95 years, starting from July 01, 1992	Registered office & Manufacturing unit
2.	Property no. 119 S.No. 35 Hissa no.02 , S.No. 36 Hissa No. 4 , Hill Street, Village Dadave, Taluka Mulshi , Dist. Pune	2167.60 Sq. Ft.	July 05, 2010 999 years	Branch Office
3.	Old R.R. No. 1071 Elphinston Estate, Masjid Bunder (E), Mumbai	250.84 Sq.Mtrs.	January 28, 1930 * 50 years	Corporate Office
4.	11/12, Group Floor, Swastik Disa Corporate Park Opposite Shreyas Cinema, L.B.S. Road, Ghatkopar (W), Opposite Shreyas Cinema, Mumbai	509.81 Sq.fts.	June 26, 2014 3 years	Branch Office
5.	Flat No 405, Srinivasa Heights, Srinivasa Colony, Manikonda Hyderabad - 500089	1038 sq. ft	April 01, 2014 **	Staff quarters
6.	S-531, School Block, Part II, Shakarpur New Delhi - 110 092	350 sq. Ft (approx.)	April 01, 2014 ***	Branch Office

Sr. No.	Brief Particulars	Area	Date of Sale Deed/Agreement & Period of lease	Usage
7.	Ram Cottage, Mahavir Darshan Building Compound, Off. L.B.S Marg, Near Shreyas Cinema, Ghatkopar (West), Mumbai 400 086	150 sq. Ft (approx.)	April 01, 2014 ****	Work shop

\* *This property is the ancestral property of one of the promoters Ms. Manisha Mehta. The lease period of the property has expired and the original lessor, Bombay Port Trust has filed an eviction suit against the heirs of the promoter. For further details, please refer to the section titled 'Outstanding Litigation and Material developments' appearing on page no 189 of the Prospectus.*

\*\* *The property is owned by our promoter Ms. Manisha Mehta and the same has been given on rent vide her letter dated April 01, 2014. No agreement has been entered into with Ms. Manisha Mehta w.r.t the said property.*

\*\*\* *The property belongs to Mr. Praveen Sood, one of our Key Managerial Personnel and the same has been given for use by the company. No agreement has been entered into with Mr. Praveen Sood w.r.t the said property and no rent has been paid for the same.*

\*\*\*\* *The property belongs to Mr. Ramchandra Singh, husband of Ms. Sharmila Singh (belonging to our promoter group and also one of our Whole time Director) and the same has been given on rent vide his letter dated April 01, 2014. No agreement has been entered into with Mr. Ramchandra Singh w.r.t the said property.*

## KEY INDUSTRY REGULATIONS AND POLICIES

### **CORPORATE LAWS**

#### **1. The Companies Act**

The Act deals with laws relating to companies and certain other associations. It primarily regulates the formation, financing, functioning and winding up of companies. The Act prescribes regulatory mechanism regarding all relevant aspects including organizational, financial and managerial aspects of companies. Regulation of the financial and management aspects constitutes the main focus of the Act. In the functioning of the corporate sector, although freedom of companies is important, protection of the investors and shareholders, on whose funds they flourish, is equally important. The Act plays the balancing role between these two competing factors, namely, management autonomy and investor protection.

#### **2. The Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act)**

The MSMED Act is for facilitating the promotion and development and enhancing the competitiveness of micro, small and medium enterprises and for matters connected therewith or incidental thereto. The MSMED Act provides a statutory, consultative mechanism at the national level with balanced representation of all sections of stakeholders and with a wide range of advisory functions. The MSMED Act also establishes specific funds for the promotion, development and enhancing competitiveness of the micro, small and medium enterprises, notification of schemes, effective ways for mitigating the problems of delayed payments to micro, small and medium enterprises. Any person who intends to establish a micro or small enterprise or a medium enterprise engaged in providing services or engaged in the manufacture or production of goods pertaining to any industry specified under the first schedule to the Industries (Development and Regulation) Act, 1951, shall file a memorandum of micro or small or medium enterprise, as the case may be, with such authority as may be specified by the state government or the Central Government.

### **LABOUR AND INDUSTRIAL LAWS**

#### **1. Factories Act, 1948, as amended (the “Factories Act”)**

The Factories Act defines a ‘factory’ to be any premises including the precincts thereof, on which on any day in the previous 12 months, 10 or more workers are or were working and in which a manufacturing process is being carried on or is ordinarily carried on with the aid of power; or where at least 20 workers are or were working on 146 any day in the preceding 12 months and on which a manufacturing process is being carried on or is ordinarily carried on without the aid of power. State governments prescribe rules with respect to the prior submission of plans, their approval for the establishment of factories and the registration and licensing of factories.

#### **2. The Contract Labour (Regulation and Abolition) Act, 1970, as amended (the “CLRA”)**

The CLRA requires establishments that employ or employed on any day in the previous twelve months, twenty or more workmen as contract labour to be registered and prescribes certain obligations with respect to the welfare and health of contract labour. The CLRA requires the principal employer of an establishment to which the CLRA applies to make an application to the registering officer in the prescribed manner for registration of the establishment. In the absence of registration, contract labour cannot be employed in the establishment. Likewise, every contractor to 104 whom the CLRA applies is required to obtain a license and not to undertake or execute any work through contract labour except under and in accordance with the license issued. To ensure the welfare and health of the contract labour, the CLRA imposes certain obligations on the contractor in relation to establishment of canteens, rest rooms, drinking water, washing facilities, first aid facilities, other facilities and payment of wages. However, in the event the contractor fails to provide these amenities, the principal employer is under an obligation to provide these facilities within a prescribed time period. Penalties, including both fines and imprisonment, may be levied for contravention of the provisions of the CLRA.

### **3. The Employees Provident Funds and Miscellaneous Provisions Act, 1952, as amended (the “EPF Act”)**

The EPF Act provides for the institution of compulsory provident fund, pension fund and deposit linked insurance funds for the benefit of employees in factories and other establishments. A liability is placed both on the employer and the employee to make certain contributions to the funds mentioned above.

### **4. The Employees’ State Insurance Act, 1948, as amended (the “ESI Act”)**

The ESI Act provides for certain benefits to employees in case of sickness, maternity and employment injury. All employees in establishments covered by the ESI Act are required to be insured, with an obligation imposed on the employer to make certain contributions in relation thereto. In addition, the establishment is also required to register itself under the ESI Act and maintain prescribed records and registers.

### **5. The Industrial Disputes Act, 1947, as amended (the “Industrial Disputes Act”)**

The Industrial Disputes Act provides the machinery and procedure for the investigation settlement of industrial disputes and for providing certain safeguards to the workers. The Industrial Disputes Act aims to improve the service conditions of industrial labour. When a dispute exists or is apprehended, the appropriate Government is empowered to refer the dispute to an authority mentioned under the Industrial Disputes Act in order to prevent the occurrence or continuance of the dispute. Reference may be made to a board of conciliation constituted under the Industrial Disputes Act, labour court, tribunal, arbitrator, or any other applicable authority, to prevent a strike or lock out while a proceeding is pending. Wide powers have been given to the labour courts and tribunals under the Industrial Disputes Act while adjudicating a dispute to grant appropriate relief.

### **6. Payment of Wages Act, 1936, as amended (the “Payment of Wages Act”)**

Every employer is required to pay wages to persons employed by him within wage-periods not exceeding one month under the Payment of Wages Act. This Act also provides for certain authorized deductions that may be made from the wages payable to such employed persons, including fines imposed for acts or omissions specified by notice with the previous approval of the appropriate Government or prescribed authority, deductions for absence from duty, deductions for house-accommodation amenities and services rendered by the employer and accepted as terms of employment by the employed person, deductions for recovery of advances and loans and deductions for payments to co-operative societies and insurance schemes. The appropriate Government has the power, under the Payment of Wages Act, to appoint authorities to hear and decide claims arising out of deductions from wages or delay in payment of wages, including all matters incidental to such claims.

### **7. Employees’ Compensation Act, 1923, as amended (the “Employees’ Compensation Act”)**

The Indian Parliament approved certain amendments to the Workmen’s Compensation Act, 1923, as amended, to substitute, inter-alia, references to “workmen” with “employees” including in the name of the statute. The amendment came into force on January 18, 2010. Under the Employees’ Compensation Act, if personal injury is caused to an employee by accident arising out of and in the course of employment, the employer would be liable to pay such employee compensation in accordance with the provisions of the Employees’ Compensation Act. However, no compensation is required to be paid (i) if the injury does not disable the employee for a period exceeding three days, (ii) where the employee, at the time of injury, was under the influence of drugs or alcohol, or (iii) where the employee wilfully disobeyed safety rules or wilfully removed or disregarded safety devices.

### **8. The Minimum Wages Act, 1948, as amended (the “Minimum Wages Act”)**

State Governments may stipulate the minimum wages applicable to a particular industry. The minimum wages may consist of a basic rate of wages and a special allowance; or a basic rate of wages with or without the cost of living allowance and the cash value of the concessions in respect of supplies of essential commodities; or an allinclusive rate allowing for the basic rate, the cost of living allowance and the cash value of the concessions, if any. Every employer is required to maintain such registers and records as prescribed by the Minimum Wages Act. Workmen are to be paid for overtime at overtime rates stipulated by the appropriate State Government. Contravention of the provisions of this legislation may in certain cases result in imprisonment up to six months



or a fine up to Rs. 500 or both. The appropriate State Government may prescribe rules including the mode of calculating the cash value of wages, time and conditions of payment and permissible deductions from wages.

**9. The Payment of Bonus Act, 1965, as amended (the “Bonus Act”)**

Pursuant to the Bonus Act, an employee in a factory or in any establishment where twenty or more persons are employed on any day during an accounting year, who has worked for at least thirty working days in a year is eligible to be paid bonus on the basis of profits, production or productivity. The Bonus Act also provides for the Government of India to make rules regarding preparation of registers, records, and other documents provided and grants powers to be exercised by the inspectors appointed under the Bonus Act. Contravention of the provisions of the Bonus Act by a company is punishable by imprisonment for up to six months or a fine of up to Rs. 1,000 or both, against persons in charge of, and responsible to the company for, the conduct of the business of the company at the time of contravention.

**10. The Payment of Gratuity Act, 1972, as amended (the “Gratuity Act”)**

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. However, the entitlement to gratuity in the event of death or disablement will not be contingent on an employee having completed five years of continuous service. The maximum amount of gratuity payable may not exceed Rs. 1,000,000. An employee is said to be in ‘continuous service’ for a certain period notwithstanding that his service has been interrupted during that period by sickness, accident, leave, absence without leave, lay-off, strike, lock-out or cessation of work not due to the fault of the employee. The employee is also deemed to be in continuous service if the employee has worked (in an establishment that works for at least six days in a week) for at least 240 days in a period of twelve months or 120 days in a period of six months immediately preceding the date of reference. Contravention of the provisions of the Gratuity Act by an employer is punishable by imprisonment for minimum of three months up to one year or a minimum fine of Rs. 10,000 and a maximum of Rs. 20,000 or both.

**11. Equal Remuneration Act, 1979**

Provides for payment of equal remuneration to men and women workers and for prevention discrimination, on the ground of sex, against female employees in the matters of employment.

**12. The Maternity Benefits Act, 1961**

The purpose of the Maternity Benefit Act is to regulate the employment of pregnant women and to ensure that they get paid leave for a specified period during and after their pregnancy. It provides, among other things, for paid leave of 12 weeks, payment of maternity benefits and enacts prohibitions on dismissal, reduction of wages paid to pregnant women

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

The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (“SHWW Act”) provides for the protection of women at workplace and prevention of sexual harassment at workplace. The SHWW Act also provides for a redressal mechanism to manage complaints in this regard. Sexual harassment includes one or more of the following acts or behaviour namely, physical contact or advances or a demand or request for sexual favours or making sexually coloured remarks, showing pornography or any other unwelcome physical, verbal or non verbal conduct of sexual nature. The SHWW Act makes it mandatory for a every employer of a workplace to constitute an Internal Complaint Committee which shall all be presided upon by a woman. It also provides for the manner and time period within which a complaint shall be made to the internal complaint committee i.e. a written complaint is to be made within period of 3(months) from the date of last incident. If the establishment as also complaints made against the employer himself shall be received by the local complaint committee. The penalty for non-compliance with any provision of the SHWW Act shall be punishable with a fine extending to Rs. 50,000/- only.



#### **14. Trade Unions Act, 1926**

The Trade Union Act, 1926 governs the dispute which arise between employers and workmen or between workmen and workmen or between employers and employers in connection to their employment, non employment and the terms of employment or the conditions of labour. For the purpose of Trade Union Act, 1926, —trade unions means combination, whether temporary or permanent, formed primarily for the purpose of regulating relations between workmen and employers, between workmen and workmen or between employers and employers, or for imposing restrictive condition on the conduct of any trade or business etc.

### **TAXATION LAWS**

#### **1. Income Tax Act, 1961 (Income Tax Act)**

The Income Tax Act deals with computation of tax liability of individuals, corporate, partnership firms and others. As per the provisions of Income Tax Act, the rates at which they are required to pay tax is calculated on the income declared by them or assessed by the authorities, after availing the deductions and concessions accorded under the Income Tax Act. The maintenance of books of accounts and relevant supporting documents and registers are mandatory under the Income Tax Act. Filing of returns of income is compulsory for all assesses. Furthermore, it requires every taxpayer to apply to the assessing officer for a permanent account number.

#### **2. Service Tax**

Chapter V of the Finance Act 1994 (as amended) and Chapter V-A of the Finance Act, 2003 requires that upon provision of certain listed services, a service tax with respect to the same must be paid. Every person who is liable to pay service tax must register himself for the same.

#### **3. Value Added Tax (VAT)**

VAT is a system of multi-point levies 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. 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 the Excise Tax Officer of the respective State.

#### **4. Central Sales Tax (“the CST”):**

The Central Sales Tax Act, 1956 (the —CST Act) imposes sales tax on the interstate sale of goods. Pursuant to Section 7 of the CST Act, every dealer involved in the sale of interstate goods is required to procure a sales tax registration certificate from the notified authority in accordance with the Central Sales Tax (Registration and Turnover) Rules, 1957. Initially sales tax was imposed by both the central government and the respective state governments where the dealers were located. Hence, each dealer had to procure separate sales tax registration each from the central government and state governments. However, since the introduction of value added taxation, the state sales tax acts have been repealed and replaced by the respective statutory acts relating to value added taxation.

#### **5. Customs Regulations**

All imports into India are subject to duties under the Customs Act, 1962 (Customs Act) at the rates specified under the Customs Tariff Act, 1975. However, the Central Government has the power to exempt certain specified goods from excise duty by notification.

## **6. Professional Tax:**

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

## **ENVIRONMENTAL LAWS**

### **1. The Environment (Protection) Act, 1986, as amended (the “EPA”)**

The EPA is umbrella legislation in respect of the various environmental protection laws in India. The EPA vests the Government of India with the power to take any measure it deems necessary or expedient for protecting and improving the quality of the environment and preventing and controlling environmental pollution. This includes rules for inter alia, laying down the quality of environment, standards for emission of discharge of environment pollutants from various sources, inspection of any premises, plant, equipment, machinery, examination of manufacturing processes and materials likely to cause pollution. Penalties for violation of the EPA include fines up to Rs. 100,000, imprisonment of up to five years or both. There are provisions with respect to certain compliances by persons handling hazardous substances, furnishing of information to the authorities in certain cases, establishment of environment laboratories and appointment of Government analysts.

### **2. The Environment Impact Assessment Notification S.O. 1533(E), 2006 (the “EIA Notification”)**

The EIA Notification issued under the EPA and the Environment (Protection) Rules, 1986 provides that the prior approval of the Ministry of Environment and Forests or State Environment Impact Assessment Authority as the case may be, is required in the event of any new project or activities or the expansion or modernization of existing projects or activities as specified in the EIA Notification. The EIA Notification states that obtaining of prior environmental clearance includes a maximum of four stages, i.e., screening, scoping, public consultation and appraisal.

### **3. The Water (Prevention and Control of Pollution) Act, 1974, as amended (the “Water Act”)**

The Water Act aims to prevent and control water pollution as well as restore water quality by establishing and empowering the Central Pollution Control Board and the State Pollution Control Boards. Under the Water Act, any person establishing any industry, operation or process, any treatment or disposal system, use of any new or altered outlet for the discharge of sewage or new discharge of sewage, must obtain the consent of the relevant State Pollution Control Board, which is empowered to establish standards and conditions that are required to be complied with. In certain cases the State Pollution Control Board may cause the local Magistrates to restrain the activities of such person who is likely to cause pollution. Penalty for the contravention of the provisions of the Water Act include imposition of fines or imprisonment or both. The Central Pollution Control Board has powers, inter alia, to specify and modify standards for streams and wells, while the State Pollution Control Boards have powers, inter alia, to inspect any sewage or trade effluents, and to review plans, specifications or other data relating to plants set up for treatment of water, to evolve efficient methods of disposal of sewage and trade effluents on land, to advise the State Government with respect to the suitability of any premises or location for carrying on any industry likely to pollute a stream or a well, to specify standards for treatment of sewage and trade effluents, to specify effluent standards to be complied with by persons while causing discharge of sewage,

to obtain information from any industry and to take emergency measures in case of pollution of any stream or well. A central water laboratory and a state water laboratory have been established under the Water Act.

#### **4. The Water (Prevention and Control of Pollution) Cess Act, 1977, as amended (the “Water Cess Act”)**

The Water Cess Act provides for levy and collection of a cess on water consumed by industries with a view to augment the resources of the Central and State Pollution Control Boards constituted under the Water Act. Every person carrying on an industry specified under the Water Cess Act is required to pay a cess calculated on the basis of the amount of water consumed for any of the purposes specified under the Water Cess Act at such rate not exceeding the rate specified under the Water Cess Act. A rebate of up to 25% on the cess payable is available to those persons who install any plant for the treatment of sewage or trade effluent, provided that they consume water within the quantity prescribed for that category of industries and also comply with the provision relating to restrictions on new outlets and discharges under the Water Act or any standards laid down under the EPA. For the purpose of recording the water consumption, every industry is required to affix meters as prescribed. Penalties for non-compliance with the obligation to furnish a return and evasion of cess include imprisonment of any person for a period up to six months or a fine of Rs. 1,000 or both and penalty for non payment of cess within a specified time includes an amount not exceeding the amount of cess which is in arrears.

#### **5. The Air (Prevention and Control of Pollution) Act, 1981, as amended (the “Air Act”)**

Pursuant to the provisions of the Air Act, any person, establishing or operating any industrial plant within an air pollution control area, must obtain the consent of the relevant State Pollution Control Board prior to establishing or operating such industrial plant. The State Pollution Control Board is required to grant consent within a period of four months of receipt of an application, but may impose conditions relating to pollution control equipment to be installed at the facilities. No person operating any industrial plant in any air pollution control area is permitted to discharge the emission of any air pollutant in excess of the standards laid down by the State Pollution Control Board. The penalties for the failure to comply with the above requirements include imprisonment of up to six years and the payment of a fine as may be deemed appropriate. Under the Air Act, the Central Board for the Prevention and Control of Water Pollution has powers, inter alia, to specify standards for quality of air, while the State Board for the Prevention and Control of Water Pollution have powers, inter alia, to inspect any control equipment, industrial plant or manufacturing process, to advise the State Government with respect to the suitability of any premises or location for carrying on any industry and to obtain information from any industry

### **OTHER APPLICABLE LAWS**

#### **1. Transfer of Property Act, 1882 (“the T.P Act”)**

The transfer of property, including immovable property, between living persons, as opposed to the transfer property by operation of law, is governed by the Transfer of Property Act, 1882 (T.P. Act.). The T.P. Act establishes the general principles relating to the transfer of property, including among other things, identifying the categories of properties that are capable of being transferred, the persons competent to transfer property, the validity of restrictions and conditions imposed on the transfer and the creation of contingent and vested interest in the property. Transfer of property is subject to stamping and registration under the specific statutes enacted for the purposes which have been dealt with hereinafter. The T.P. Act recognizes, among others, the following forms in which an interest in an immovable property may be transferred: • Sale: The transfer of ownership in property for a price, paid or promised to be paid. • Mortgage: The transfer of an interest in property for the purpose of securing the payment of a loan, existing or future debt, or performance of an engagement which gives rise to a pecuniary liability.

The T.P. Act recognizes, among others, the following forms in which an interest in an immovable property may be transferred:

- Sale: The transfer of ownership in property for a price, paid or promised to be paid.

- **Mortgage:** The transfer of an interest in property for the purpose of securing the payment of a loan, existing or future debt, or performance of an engagement which gives rise to a pecuniary liability. The T.P. Act recognises several forms of mortgages over a property.
- **Charges:** Transactions including the creation of security over property for payment of money to another which are not classifiable as a mortgage. Charges can be created either by operation of law, e.g. decree of the court attaching to specified immovable property, or by an act of the parties.
- **Leases:** The transfer of a right to enjoy property for consideration paid or rendered periodically or on specified occasions.
- **Leave and License:** The transfer of a right to do something upon immovable property without creating interest in the property

## **2. The Registration Act, 1908 (“the Registration Act”)**

The Registration Act, 1908 (Registration Act) was passed to consolidate the enactments relating to the registration of documents. The main purpose for which the Registration Act was designed was to ensure information about all deals concerning land so that correct land records could be maintained. The Registration Act is used for proper recording of transactions relating to other immovable property also. The Registration Act provides for registration of other documents also, which can give these documents more authenticity. Registering authorities have been provided in all the districts for this purpose.

## **3. The Indian Stamp Act, 1899 (“the Stamp Act”)**

Stamp duty in relation to certain specified categories of instruments as specified under Entry 91 of the list, is governed by the provisions of the Indian Stamp Act, 1899 (Stamp Act) which is enacted by the Central Government. All other instruments are required to be stamped, as per the rates prescribed by the respective State Governments. Stamp duty is required to be paid on all the documents that are registered and as stated above the percentage of stamp duty payable varies from one state to another. Certain states in India have enacted their own legislation in relation to stamp duty while the other states have adopted and amended the Stamp Act, as per the rates applicable in the state. On such instruments stamp duty is payable at the rates specified in Schedule I of the Stamp Act. Instruments chargeable to duty under the Stamp Act which are not duly stamped are incapable of being admitted in court as evidence of the transaction contained therein. The Stamp Act also provides for impounding of instruments which are not sufficiently stamped or not stamped at all. Unstamped

## **4. The Shops and Establishments Legislations**

Under the provisions of local shops and establishments legislations applicable in the states in which establishments are set up, establishments are required to be registered. Such legislations regulate the working and employment conditions of the workers employed in shops and establishments including commercial establishments and provide for fixation of working hours, rest intervals, overtime, holidays, leave, termination of service, maintenance of shops and establishments and other rights and obligations of the employers and employees. Our Company's offices have to be registered under the shops and establishments laws of the state where they are located.

## **5. Indian Contract Act 1872**

Indian Contract Act 1872 is the main source of law regulating contracts in Indian law, as subsequently amended. It is not a complete and exhaustive law on all types of contracts. It determines the circumstances in which promise made by the parties to a contract shall be legally binding on them. Each contract creates some right and duties upon the contracting parties. Indian contract deals with the enforcement of these rights and duties upon the parties. As per the provisions of the Indian Contract Act all agreements are contracts if they are made by the free consent of the parties competent to contract, for a lawful consideration and with a lawful object and are not expressly declared to be void. The parties to a contract must either perform or offer to perform their respective promises unless such performance is dispensed with or excused under the provisions of the Act or of any other law. When a contract has been broken the party who suffers by such breach is entitled to receive from the party who has broken the contract, compensation for any loss or damage caused to him thereby, which naturally arose

in the usual course of things from such breach or which the parties knew, when they made the contract, to be likely to result from the breach of it. The Indian Contract Act also lays down provisions of indemnity, guarantee, bailment and agency. Provisions relating to sale of goods and partnership which were originally in the act are now subject matter of separate enactments viz., the Sale of Goods Act and the Indian Partnership Act.

#### **6. Sale of Goods Act, 1930**

The law relating to the sale of goods is codified in the Sale of Goods Act, 1930. It defines sale and agreement to sell as a contract whereby the seller transfers or agrees to transfer the property in goods to the buyer for a price and provides that there may be a contract of sale between part owner and another and that the contract of sale may be absolute or conditional. Provisions are made in this Act for existing or future goods, perishable goods, ascertainment of price, conditions and warranties, effects of the contract, delivery to carrier, duties of seller and buyer, buyers' right of examining the goods, liability of buyer for neglecting or refusing the delivery of goods, rights of unpaid seller, suits for breach of the contract, sale, etc

#### **7. FEMA Regulations**

As laid down by the FEMA Regulations, no prior consents and approvals are required from the Reserve Bank of India, for Foreign Direct Investment under the automatic route within the specified sectoral caps. In respect of all industries not specified as FDI under the automatic route, and in respect of investment in excess of the specified sectoral limits under the automatic route, approval may be required from the FIPB and/or the RBI. The RBI, in exercise of its power under the FEMA, has notified the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000 ("FEMA Regulations") to prohibit, restrict or regulate, transfer by or issue of security to a person resident outside India. Foreign investment in India is governed primarily by the provisions of the FEMA which relates to regulation primarily by the RBI and the rules, regulations and notifications there under, and the policy prescribed by the Department of Industrial Policy and Promotion, Ministry of Commerce & Industry, Government of India.

#### **8. Foreign Trade (Development and Regulation) Act, 1992**

This statute seeks to increase foreign trade by regulating the imports and exports to and from India. This Legislation read with the Indian Foreign Trade Policy provides that no export or import can be made by a person or company without an importer exporter code number unless such person or company is specifically exempt. An application for an importer exporter code number has to be made to the office of the Joint Director General of Foreign Trade, Ministry of Commerce. An importer-exporter code number allotted to an applicant is valid for all its branches, divisions, units and factories.

## HISTORY AND OTHER CORPORATE MATTERS

### Brief history of Our Company

Our Company was originally incorporated on May 16, 1996, as “Perfect Aircon Engineering Private Limited” under the provisions of the Companies Act, 1956 with Registrar of Companies, Maharashtra, Mumbai vide registration no. 11-99583 (CIN: U29190MH1996PTC099583). Pursuant to Shareholders Resolution passed at the Extra Ordinary General Meeting of the Company held on April 05, 2005, our Company was converted into a public limited company and the name of our Company was changed to “Perfect Aircon Engineering Limited” and we received a fresh Certificate of Incorporation dated April 19, 2005 issued by the Registrar of Companies, Maharashtra, Mumbai with a new CIN: U29190MH1996PLC099583 being allotted to us. Later, since the word “Aircon” did not depict the object of the Company, the Company wanted to replace this word to “Infraengineers” which shows the object of the Company. Subsequently, the name of our Company was changed to “Perfect Infraengineers Limited” pursuant to Shareholders Resolution passed at the Extra Ordinary General Meeting of the Company held on April 20, 2009 and we received a fresh Certificate of Incorporation dated May 11, 2009 from the Registrar of Companies, Maharashtra, Mumbai. The Corporate Identification Number of our Company is U29190MH1996PLC099583.

### Changes in the Registered Office

From	To	With effect from	Reason for change
59/4, Odhav Ashish, Janardhan Park, Raghunath Nagar, Thane (West) - 400 604, Maharashtra, India	R – 637, TTC Industrial Area, MIDC, T. B. Road, Rabale, Navi Mumbai – 400 708, Maharashtra, India	January 15, 2015	Greater Operational Efficiency

### Key Events and Mile Stones

Year	Key Events / Milestone / Achievements
1996	<ul style="list-style-type: none"> <li>Incorporation of the Company</li> <li>Acquired the existing business of M/s. Perfect Engineering a proprietorship of Mr. Nimesh Mehta, which was engaged in air conditioner repairing and sales &amp; services</li> </ul>
2001	<ul style="list-style-type: none"> <li>Diversified into renting of air conditioners and providing all inclusive maintenance services on yearly contracts to multinational and other Indian corporate</li> </ul>
2003	<ul style="list-style-type: none"> <li>Acquired the assets of Crist Cool Industries</li> </ul>
2005	<ul style="list-style-type: none"> <li>Conversion of our Company from a Private Limited to a Public Limited Company.</li> </ul>
2007	<ul style="list-style-type: none"> <li>Ventured into Heating, Ventilation, Air-conditioning turnkey jobs of Five star Hotels, Hospitals, Basement Ventilation, Academic institutions for VRV ACs, chiller plants ,etc</li> </ul>
2009	<ul style="list-style-type: none"> <li>Name of Company was changed to “Perfect Infraengineers Limited” from “Perfect Aircon Engineering Limited”</li> <li>Added Electricals Business Division.</li> </ul>
2011	<ul style="list-style-type: none"> <li>Initiated turnkey jobs of HVAC and Electricals for African Countries</li> </ul>
2012	<ul style="list-style-type: none"> <li>Our Company was issued ISO 9001:2008 certificate by Certification Body of United Registrar of System</li> </ul>
2014	<ul style="list-style-type: none"> <li>Purchased our present factory at Rabale, Navi Mumbai, Maharashtra, India</li> </ul>
2015	<ul style="list-style-type: none"> <li>Incorporation of our subsidiary ‘Perfect Control Panels Pvt. Ltd.’</li> </ul>

For details on the description of our Company’s activities, products and the growth of our Company, please refer to the chapters “Our Business”, “Management’s Discussion and Analysis of Financial Conditions and Results of Operation” and “Basis for Issue Price” beginning on pages 90, 181 and 64, respectively.

### Main Objects of our Company

Our main objects enable us to carry on our current business as well as the business proposed to be carried out and the activities proposed to be undertaken pursuant to the objects of the Issue. The main objects of our Company are:



“To carry on the business of designers, manufacturers, developers, assemblers, sellers, buyers, importers, exporters, stockiest, distributors and service providers of or otherwise deal either independently or jointly with one or more companies in air conditioners, window split air conditioners, water coolers and refrigeration appliances. In addition, to carry on the business of electrical fittings, plumbing and sanitary, firefighting devices, closed Circuit televisions, Building Management Systems and fire alarm system, and all other infrastructure requisites. To engage in the business (whether manufacturing, buying, selling or acting as agents) of engineering work including the design manufacturing related to infrastructure utilities.”

### **Changes in Memorandum of Association**

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

<b>Sr. No.</b>	<b>Particulars</b>	<b>Date of Meeting</b>	<b>Type of Meeting</b>
1.	Authorised Capital with Rs. 5,00,000 divided into in 50,000 Equity Shares of Rs.10/- each.	Incorporation	-
2.	Increase in the authorized share capital of the Company from Rs. 5,00,000/- divided into 50,000 Equity Shares of Rs. 10/- each to Rs. 15,00,000/- divided into 1,50,000 Equity Shares of Rs. 10/- each.	April 26, 2002	EGM
3.	Increase in the authorized share capital of the Company from Rs. 15,00,000/- divided into 1,50,000 Equity Shares of Rs. 10/- each to Rs. 20,00,000/- divided into 2,00,000 Equity Shares of Rs. 10/- each.	January 13, 2005	EGM
4.	Conversion of our Company from a Private Limited to a Public Limited Company. Consequently Name of the Company has been changed to “Perfect Aircon Engineering Limited” from “Perfect Aircon Engineering Private limited” and a fresh Certificate of Incorporation dated April 19, 2005 bearing CIN U29190MH1996PLCO99583 was issued by Registrar of Companies, Maharashtra, Mumbai.	April 24, 2005	EGM
5.	Increase in the authorized share capital of the Company from Rs. 20,00,000/- divided into 2,00,000 Equity Shares of Rs. 10/- each to Rs. 30,00,000/- divided into 3,00,000 Equity Shares of Rs. 10/- each.	October 5, 2005	EGM
6.	Increase in the authorized share capital of the Company from Rs. 30,00,000/- divided into 3,00,000 Equity Shares of Rs. 10/- each to Rs. 50,00,000 divided into 5,00,000 Equity Shares of Rs. 10/- each.	January 10, 2006	EGM
7.	Increase in the authorized share capital of the Company from Rs. 50,00,000/- divided into 5,00,000 Equity Shares of Rs. 10/- each to Rs. 1,00,00,000 divided into 10,00,000 Equity Shares of Rs. 10/- each.	March 17, 2008	EGM
8.	Name of Company was changed from “Perfect Aircon Engineering Limited” to “Perfect Infraengineers Limited” and a fresh Certificate of Incorporation dated May 11, 2009 was issued by the Registrar of Companies, Rajasthan, Jaipur.	April 20, 2009	EGM
9.	Alteration of main business activity of the Company by deleting the existing sub-clause 1 of clause III A (Main Objects Clause) and replacing it with the new sub-clause 1 of clause III A (Main Objects Clause). The existing sub-clauses 4 & 5 of Clause III(B) deleted and replaced with new sub clause 4 & 5 added.		
10.	Increase in the authorized share capital of the Company from Rs. 1,00,00,000/- divided into 10,00,000 Equity Shares of Rs. 10/- each to Rs. 2,00,00,000 /-divided into 20,00,000 Equity Shares of Rs. 10/- each	June 9, 2010	EGM
11.	Increase in the authorized share capital of the Company from Rs.	January 27,	EGM



Sr. No.	Particulars	Date of Meeting	Type of Meeting
	2,00,00,000/- divided into 20,00,000 Equity Shares of Rs. 10/- each to Rs. 4,00,00,000/- divided into 40,00,000 Equity Shares of Rs. 10/- each.	2011	
12.	Increase in the authorized share capital of the Company from Rs. 4,00,00,000/- divided into 40,00,000 Equity Shares of Rs. 10/- each to Rs. 5,50,00,000/- divided into 55,00,000 Equity Shares of Rs. 10/- each.	December 30, 2014	EGM
13.	Increase in the authorized share capital of the Company from Rs. 5,50,00,000/- divided into 55,00,000 Equity Shares of Rs. 10/- each to Rs. 10,00,00,000 divided into 100,00,000 Equity Shares of Rs. 10/- each.	March 3, 2015	EGM

### **Adopting New Articles of Association of the Company**

Company has adopted a new set of Articles of Association of the Company, in the Annual General Meeting of the Company dated September 30, 2014

### **Injunctions or Restraining Orders**

Our Company is not operating under any and there are no injunctions or restraining orders.

### **Details regarding acquisition of business/undertakings, mergers, amalgamation, revaluation of assets etc.**

There are no mergers, amalgamation, etc. with respect to our Company. Our Company in the year 2003 has acquired the business of Crist Cool Industries, a proprietorship firm engaged in providing Air Conditioners on rent.

### **Revaluation of Assets**

Our company has not revalued its assets since incorporation.

### **Defaults or rescheduling of borrowings with financial institutions/ banks and conversion of loans into equity**

There have been no defaults or rescheduling of borrowings with financial institutions in respect of our current borrowings from lenders. Further, none of our loans have been converted into equity.

### **Number of Shareholders of our Company:**

Our Company has Twenty Nine (29) shareholders as on the date of filing of this Prospectus. For further details of our shareholding pattern, please refer to the chapter “Capital Structure - Build-up of Promoter’s Shareholding, Promoter’s contribution and Lock-in” on page 49”.

### **Technology, Market Competence and other details regarding our Company**

For details of our Company’s business, products and services, its growth, standing with reference to the prominent competitors, management, technologies and services, please refer to the chapters “Our Business” and “Industry Overview” on pages 90 and 67.

### **Capital raising through equity and debt**

Except as mentioned in the chapter “*Capital Structure*” beginning on page 45, our Company has not raised any capital by way of equity or convertible debentures.

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

There has been no change in the business activities of our Company during the last five years from the date of this Prospectus which may have had a material effect on the profit/loss account of our Company except for expansion of our services (HVAC and MEP) and initiating in house manufacturing of ducts and air vents which are more particularly mentioned at chapter “Our Business” beginning at page no 90.

**Shareholders Agreement**

There are no subsisting shareholders agreements among our shareholders in relation to our Company, to which our Company is a party or otherwise has notice of the same.

**OTHER AGREEMENTS:****Non Compete Agreement**

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

**Joint Venture**

Except the agreements entered in the ordinary course of the business carried on or intended to be carried on by us, we have not entered into any other Joint Venture agreement.

**Strategic Partners**

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

**Financial Partners**

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

**Details of Subsidiaries**

Our Company has 1 (One) Subsidiary within the meaning of Section 2 (87) of the Companies Act, 2013 as on the date of this Prospectus. For details in relation to same, please refer chapter titled “ Our Subsidiaries” on page 111 of this Prospectus.

**Details of Holding Company**

As on the date of the Prospectus, we are not subsidiary of any other Company.

**Lock-out or strikes**

There have been no lock-outs or strikes in our Company since Incorporation.

## OUR SUBSIDIARY

We have one subsidiary, viz. Perfect Control Panels Private Limited, the details of the same are as mentioned below:

### **Perfect Control Panels Private Limited**

#### **Corporate Information**

Perfect Control Panels Private Limited ('Perfect Control') was incorporated under the Companies Act, 2013 on February 20, 2015, in Mumbai (CIN Number: U31401MH2015PTC262109). The registered office of our subsidiary is situated at R – 637, TTC Industrial Area, MIDC, T. B. Road, Rabale, Navi Mumbai – 400708, Maharashtra, India. Perfect Control is in the process of setting up of a facility for manufacturing / assembly of electric panels required for the MEP projects executed by our Company and also for sale to the third parties/ customers. This facility would ensure low cost and timely delivery in the projects we execute, thereby leading to an increased profitability for our company. The facility is proposed to be set-up at the existing premises of our Company at Rabale, Navi Mumbai.

#### **Main Object**

To carry on in India or outside India the business of manufacturing of electrical control panels, power control centre, motor control center, power distribution board, lighting distribution board, auto main failure panel, sync panel, programmable logic panel, and bus duct, air handling duct, air handling units, insulated panels, cabinet for ventilation blower and all types of electrical panels and control systems.

#### **The Board of Directors of Perfect Control Panels Private Limited is as follows:**

1. Mr. Nimesh Mehta
2. Ms. Manisha Mehta
3. Mr. Devendra Mistry

#### **Capital Structure and Shareholding Pattern**

The authorised share capital of Perfect Control is Rs. 1,10,00,000 divided 11,00,000 equity shares of face value Rs. 10 each and the paid up capital is Rs.,2,70,000 divided into 27,000 equity shares of face value of Rs. 10 each.

The shareholding pattern of Perfect Control is as follows:

Sr. No.	Name of the Equity Shareholder	No. of Equity Shares held	% age of Shareholding
1.	M/s Perfect Infraengineers Limited	26,400	97.77
2.	Mr. Nimesh Mehta	300	1.11
3.	Mrs. Manisha Mehta	200	0.74
4.	Mr. Devendra Mistry	100	0.37
	<b>Total</b>	<b>27,000</b>	<b>100.00</b>

#### **Financial Performance**

Perfect Control was incorporated on February 20, 2015 and is yet to start its business, hence no financials are available as on date.

#### **Other Confirmations**

- Perfect Control is not listed on any stock exchange in India or abroad.
- Perfect Control had not made any public or rights issue in the last three years.
- Perfect Control has not become sick companies under the meaning of SICA and is not under winding up.

- Our Promoters have not disassociated themselves from any companies or firms during the preceding three years.
- The Promoters of our Company are interested to the extent of the shareholding in Perfect Control, directly and also through Perfect Infra.

**Interest of the Subsidiaries in our Company**

Our Subsidiary does not hold any equity shares in our Company. Further, Perfect Control does not have any business interest in our Company except as stated in the sections entitled “Our Business” and “Related Party Transactions” on pages 90 and 155, respectively. For further details of the transactions between our Company and our Subsidiaries, please see the section entitled “Related Party Transactions” on page 155.

**Material Transactions**

Other than as disclosed in the section entitled “Related Party Transactions” on page 155, there are no sales or purchase between our Company and any of our Subsidiaries where such sales or purchases exceed in value in the aggregate 10% of the total sales or purchases of our Company.

**Common Pursuits**

Presently we are also in the assembling of control panel, one of the business which is proposed to be carried out in our subsidiary. However, once our subsidiary initiates its business, we will discontinue the assembling activity currently carried on by us. Hence there will be no common pursuits.

## OUR MANAGEMENT

### Board of Directors

Currently, our company has 6 (Six) Directors out of which 3 (Three) are Independent Directors. We confirm that the composition of our Board of Directors complies with clause 52 of the SME Listing Agreement of NSE

The Articles of Association of our Company require that the Board of Directors shall not have less than three Directors and not more than 15 (Fifteen) Directors. Our Board currently comprises six Directors.

Mr. Nimesh Mehta (Chairman & Managing Director), Mrs. Manisha Mehta (Whole Time Director cum Chief Financial Officer) & Mrs. Sharmila Singh (Whole Time Director) are suitably supported by team of professionals and technically qualified executives who carry out the day to day affairs of the business of our Company. All Executive Directors of our Company are under the direct control & superintendence of the Board of Directors.

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

Sr. No.	Name, Father's Name, Age, Designation, Address, Experience, Qualifications, Occupation, Term & DIN	Nationality	Date of Appointment	Other Directorships/Partnerships/Trusteeships/Proprietorships
1	<b>Name:</b> Mr. Nimesh Natvarlal Mehta <b>S/o.</b> Mr. Natvarlal Mehta <b>Age:</b> 50 years <b>Designation:</b> Chairman and Managing Director <b>Address:</b> 803, Neelkanth Towers, Plot No. 206, Garodia Nagar, Ghatkopar (East), Mumbai 400077 <b>Experience:</b> 28 years <b>Qualification:</b> B.E.(Mechanical), M.B.A. (Marketing) <b>Occupation:</b> Business <b>DIN:</b> 00247264	Indian	First Directors w.e.f. May 16, 1996  Designated as the Managing Director in the EGM dated March 3, 2015 for a period of 3 years with effect from March 1, 2015	<ul style="list-style-type: none"> <li>• Perfect Control Panels Private Limited</li> <li>• Accurate Aircon Private Limited</li> </ul>
2	<b>Name:</b> Ms. Manisha Mehta <b>W/o.</b> Mr. Nimesh Natvarlal Mehta <b>Age:</b> 47 years <b>Designation:</b> Whole Time Director and Chief Financing Officer (CFO) <b>Address:</b> 803, Neelkanth Towers, Plot No. 206, Garodia Nagar, Ghatkopar (East), Mumbai 400077 <b>Experience:</b> 20 years <b>Qualification:</b> B.Com, Chartered Accountant <b>Occupation:</b> Business <b>DIN:</b> 00247274	Indian	First Directors w.e.f. May 16, 1996  Designated as the Whole Time Director & Chief Financial Officer (CFO) in the EGM dated March 3, 2015 for a period of 3 years with effect from March 1, 2015 subject to the liability to retire by rotation	<ul style="list-style-type: none"> <li>• Perfect Control Panels Private Limited</li> <li>• Accurate Aircon Private Limited</li> </ul>
3	<b>Name:</b> Ms. Sharmila Singh <b>W/o.</b> Mr. Ramchander Singh <b>Age:</b> 43 years <b>Designation:</b> Whole Time Director <b>Address:</b> 16, Udyan, Sainath Nagar, L. B. S. Marg, Ghatkopar (West), Mumbai 400086 <b>Experience:</b> 10 years	Indian	Appointed as Additional Director w.e.f. May 4, 2005  Re-appointed as Director vide AGM held on September 17, 2005	<ul style="list-style-type: none"> <li>• Accurate Aircon Private Limited</li> <li>• Himar Fabrics and Packaging Private Limited</li> </ul> <p>Proprietorship:</p> <ul style="list-style-type: none"> <li>• M/s. Accurate Services</li> </ul>

Sr. No.	Name, Father's Name, Age, Designation, Address, Experience, Qualifications, Occupation, Term & DIN	Nationality	Date of Appointment	Other Directorships/Partnerships/Trusteeships/Proprietorships
	<b>Qualification:</b> Diploma in Secretarial Practice <b>Occupation:</b> Business <b>DIN:</b> 02355992		Designated as the Whole Time Director in the EGM dt. March 3, 2015 for a period of 3 years with effect from March 1, 2015 subject to the liability to retire by rotation	
4	<b>Name:</b> Mr. Pradeep Bhawe <b>S/o.</b> Mr. Shirang Bhawe <b>Age:</b> 60 years <b>Designation:</b> Independent Director <b>Address:</b> 1203, Maitri Daffodil, Maitri Garden, Pokhran RD - 2, near Oswal Park, Thane (West) 400601 <b>Experience:</b> 37 years <b>Qualification:</b> M. Sc. (Physics) <b>Occupation:</b> Professional (retd. Banker) <b>DIN:</b> 06757517	Indian	Initial Appointment in board Meeting dt. March 30, 2015 as Additional Director  Appointed as Non-Executive Independent Director for a period of 5 years w.e.f. September 21, 2015	<ul style="list-style-type: none"> <li>• Canara Bank Securities Limited</li> <li>• Bobcards Limited</li> </ul>
5	<b>Name:</b> Mr. Vinay Deshmukh <b>S/o.</b> Mr. Raghunath Deshmukh <b>Age:</b> 48 years <b>Designation:</b> Independent Director <b>Address:</b> 1, Lakshman Zulla Building, III Floor, 50, Ranade Road, Dadar (West), Mumbai – 400 028 <b>Experience:</b> 26 years <b>Qualification:</b> Masters in Management Studies, B.E.(Mechanical) <b>Occupation:</b> Service <b>DIN:</b> 07153755	Indian	Initial Appointment in board Meeting dated April 10, 2015 as Additional Director  Appointed as Non-Executive Independent Director for a period of 5 years w.e.f. September 21, 2015	-
6	<b>Name:</b> Mr. Vipul Vora <b>S/o.</b> Mr. Jitendra Vora <b>Age:</b> 46 years <b>Designation:</b> Independent Director <b>Address:</b> A/5, Mahavir Jyot, Vallabh Baug Lane, Ghatkopar (East), Mumbai – 400 077 <b>Experience:</b> 23 years <b>Qualification:</b> Masters in Management Studies, B.E.(Production) <b>Occupation:</b> Service <b>DIN:</b> 07235502	Indian	Initial Appointment in board Meeting dated July 10, 2015 as Additional Director  Appointed as Non-Executive Independent Director for a period of 5 years w.e.f. September 21, 2015	My Port Services India (Proprietor)

#### Brief Profiles of our Directors

**Mr. Nimesh Mehta**, aged 50 years, is the Chairman and Managing Director of our Company. He holds Bachelors degree in Mechanical Engineering from University of Mumbai, Masters in Marketing Management from Jamnalal Bajaj Institute of Management Studies and has cleared Executive level of Cost and Works Accountancy. He has over 28 years of experience in manufacturing out of which 19 years have been with our Company. He is responsible for

building the business from scratch and bringing it up to the current position. His area of expertise being Mechanical, Electrical and Plumbing (MEP) contracts Heating, Ventilating, and Air conditioning (HVAC) projects and Civil work which forms the main business of our Company. His acumen in Marketing has helped the company to consolidate its position in the industry.

**Mrs. Manisha Mehta**, aged 47 years, is the Whole Time Director cum CFO of our Company and has contributed in financial structuring of our Company. She is a Chartered Accountant with 20 years of experience and expertise in bill discounting, bridge financing, project financing, intercorporate deposits, import letter of credit mobilization, direct and indirect taxes and all statutory compliances. She is associated with our company since inception and her expertise and experience is of great value to our company.

**Mrs. Sharmila Singh**, aged 43 years, is the Whole-time director of our Company. She is a Diploma holder in Secretarial Practice. She has expertise in the area of Human Resources. She has been associated with our Company for over a decade, and is responsible for the HR function of our Company.

**Mr. Pradeep Bhawe**, aged 60 years is the Non Executive & Independent Director of our company. He holds a Masters Degree in Physics from Nagpur University. He has an experience of 37 years consisting of 15 years of experience with senior level responsibilities in Capital Markets and over 2 years experience as an advisor for Banking, Finance and investment with focus on SME Segment. He has worked with Punjab National Bank and IndusInd Bank. He is on the Board of Directors of Canara Bank Securities Limited since November 2013

**Mr. Vinay Deshmukh**, aged 48 years is the Non Executive & Independent Director of our company. He is presently the CEO of Forbes Facility Services. He holds Bachelors degree in Mechanical Engineering and a Masters degree in Marketing Management. He has worked with Eureka Forbes Limited, Ion Exchange (I) Limited and Godrej and Boyce, gathering an experience of 26 years

**Mr. Vipul Vora**, aged 46 years is the Non Executive & Independent Director of our company. He is presently the proprietor of My Port Services India. He holds Bachelors degree in Production Engineering from VJTI, Mumbai. He has worked with Mukand Limited, Ispat Industries and Nhava Sheva International Container terminal Pvt. Ltd., gathering an experience of about 23 years

#### **Nature of any family relationship between any of our Directors cum Key Managerial Personnel**

The present Directors in our Board are related to each other, details of which are as follows:

<b>Sr. No.</b>	<b>Name of Director</b>	<b>Relationship with Directors</b>
1.	Mr. Nimesh Mehta	Spouse of Mrs. Manisha Mehta Brother of Mrs. Sharmila Singh
2.	Mrs. Manisha Mehta	Spouse of Mr. Nimesh Mehta Sister-in-law of Mrs. Sharmila Singh
3.	Mrs. Sharmila Singh	Sister of Mr. Nimesh Mehta Sister-in-law of Mrs. Manisha Mehta

#### **Confirmations**

- We have not entered into any arrangement or understanding with our major shareholders, customers, suppliers or others, pursuant to which our Directors were selected as Directors.
- The terms of appointment with our Chairman cum Managing Director, Mr. Nimesh Mehta, Whole Time Director cum Chief Financial Officer, Mrs. Manisha Mehta and Whole Time Director, Mrs. Sharmila Singh do not provide for any benefit upon termination of employment except the retirement benefits as applicable by law.
- None of our Directors is / was a Director in any listed Company, during the last five years from the date of filing of Prospectus, whose shares have been / were suspended from being traded on the Bombay Stock Exchange Limited and / or National Stock Exchange of India Limited.



- Further, none of our Directors is / was a Director of any listed Company which has been / was delisted from any recognized Stock Exchange.

### **Details of the Borrowing Powers**

Our Articles, subject to the provisions of the Act, authorise our Board, at its discretion, to generally raise or borrow or secure the payment of any sum or sums of money for the purposes of our Company. Pursuant to a resolution passed by our shareholders at the EGM held on March 3, 2015, our Board has been authorized to borrow any sum or sums of monies in excess of our aggregate paid-up capital and free reserves, provided that the total amount which may be so borrowed and outstanding shall not exceed the aggregate of the paid-up capital and free reserves of our Company by more than a sum of ₹ 200 Crores (Rupees Two Hundred Crores only).

### **Compensation of our Executive Directors**

The compensation payable to our Managing Director and Whole-time Directors will be governed as per the terms of their appointment and shall be subject to the provisions of Sections 2(54), 2(94), 188, 196, 197, 198 and 203 and any other applicable provisions, if any of the Companies Act, 2013 read with Schedule V to the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof or any of the applicable provisions of the companies act, 1956, for the time being in force).

The details of the remuneration paid to our Managing Director and Whole Time Directors are as follows:

#### **Mr. Nimesh Mehta**

Mr. Nimesh Mehta was appointed as Chairman cum Managing Director for a term of three years, with effect from March 1, 2015 pursuant to a resolution passed by the shareholders in an Extra – Ordinary Meeting dated March 3, 2015. The significant terms of his remuneration and employment include the following:

<b>Particulars</b>	<b>Remuneration w.e.f. March 1, 2015</b>
<b>Salary</b>	Rs. 18,00,800 per annum (including Rs. 2,00,000 towards Leave Travel Allowance.)
<b>Perquisites</b>	<ul style="list-style-type: none"> <li>• Rent free accommodation or in case of residence owned by the Director, payment/reimbursement of monthly society bill.</li> <li>• Payment/reimbursement of gas, electricity, water, telephone, furnishings at the residence.</li> <li>• Payment/reimbursement of medical/hospitalization expenses for self and family members, furnishings, payment of premium on personal, accident and health insurance, club fees</li> <li>• Payment /reimbursement of expenditure pertaining to education of children of Directors and</li> <li>• Provision of Company maintained car(s) for official use.</li> </ul> <p>The Perquisites shall be reimbursed to the extent of Rs. 8,00,000 per annum</p>
<b>Gratuity</b>	Payable in addition to the above remuneration at the rate of half months salary for each completed year of service
<b>Compensation paid in financial Year 2014 – 2015</b>	
<b>Salary</b>	Rs.10.57 Lacs is paid for the period ended March 31, 2015 Rs. 1.30 Lacs is payable outstanding as on March 31, 2015

#### **Mrs. Manisha Mehta**

Mrs. Manisha Mehta was appointed as Whole Time Director & Chief Financial Officer with effect from March 1, 2015 liable to retire by rotation pursuant to a resolution passed by the shareholders in an Extra – Ordinary Meeting dated March 3, 2015 for a term of three years. The significant terms of her remuneration and employment include the following:

Particulars	Remuneration w.e.f. March 1, 2015
<b>Salary</b>	Rs. 15,00,000 per annum (including Rs. 1,50,000 towards Leave Travel Allowance)
<b>Perquisites</b>	<ul style="list-style-type: none"> <li>Rent free accommodation or in case of residence owned by the Director, payment/ reimbursement of monthly society bill.</li> <li>Payment/reimbursement of gas, electricity, water, telephone, furnishings at the residence.</li> <li>Payment/reimbursement of medical/hospitalization expenses for self and family members, furnishings, payment of premium on personal, accident and health insurance, club fees</li> <li>Payment /reimbursement of expenditure pertaining to education of children of Directors and</li> <li>Provision of Company maintained car(s) for official use.</li> </ul> <p>The Perquisites shall be reimbursed to the extent of Rs. 6,00,000 per annum</p>
<b>Gratuity</b>	Payable in addition to the above remuneration at the rate of half months salary for each completed year of service
<b>Compensation paid in financial Year 2014 – 2015</b>	
<b>Salary</b>	Rs. 8.71 Lacs is paid for the period ended March 31, 2015 Rs. 2.03 Lacs is payable outstanding as on March 31, 2015

#### **Mrs. Sharmila Singh**

Mrs. Sharmila Singh was appointed as Whole Time Director with effect from March 1, 2015 liable to retire rotation pursuant to a resolution passed by the shareholders in an Extra – Ordinary Meeting dated March 3, 2015 for a term of three years. The significant terms of her remuneration and employment include the following:

Particulars	Remuneration w.e.f. March 1, 2015
<b>Salary</b>	Rs. 15,00,000 per annum (including Rs. 1,50,000 towards Leave Travel Allowance)
<b>Perquisites</b>	<ul style="list-style-type: none"> <li>Rent free accommodation or in case of residence owned by the Director, payment/ reimbursement of monthly society bill.</li> <li>Payment/reimbursement of gas, electricity, water, telephone, furnishings at the residence.</li> <li>Payment/reimbursement of medical/hospitalization expenses for self and family members, furnishings, payment of premium on personal, accident and health insurance, club fees</li> <li>Payment /reimbursement of expenditure pertaining to education of children of Directors and Provision of Company maintained car(s) for official use.</li> </ul> <p>The Perquisites shall be reimbursed to the extent of Rs. 6,00,000 per annum.</p>
<b>Gratuity</b>	Payable in addition to the above remuneration at the rate of half months salary for each completed year of service
<b>Compensation paid in financial Year 2014 – 2015</b>	
<b>Salary</b>	Rs. 6.3 Lacs is paid for the period ended March 31 2015 Rs. 0.83 Lacs is payable outstanding as on March 31, 2015

#### **Remuneration to Non-Executive Directors**

Except as stated in this Prospectus, no amount or benefit has been paid within the preceding two years or is intended to be paid or given to any of our Company's employees including the Directors and Key Management Personnel and other management personnel, other than in the ordinary course of their employment, or Sitting fees Rs.10,000/- is payable to Non-Executive and Independent Directors for attending each Board meeting or meeting of the committee of directors of the Board. Except as disclosed in this Prospectus, none of the beneficiaries of loans, advances and

sundry debtors are related to our Directors. Further, except as disclosed in this Prospectus there are no service contracts that have been entered into with the Directors and that except statutory benefits upon termination of their employment in our Company or retirement, no officer of our Company, including our Directors and other management personnel, are entitled to any benefits upon termination of employment. No sitting fee has been paid to the Directors of our Company in the earlier financial years.

### **Bonus or profit sharing plan for our Directors**

We have no bonus or profit sharing plan for our Directors.

### **Interest of Directors**

All of our Directors may be deemed to be interested to the extent of remuneration, fees or reimbursement of expenses payable to them under our Articles of Association, and 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 and allotted to the companies, firms, and trusts, if any, in which they are interested as directors, members, promoters, and /or trustees 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.

Certain of our Directors also hold directorships in our Group Companies which is authorized under their respective incorporation documents. None of our Directors have been appointed on our Board pursuant to any arrangement with our major shareholders, customers, suppliers or others.

The Managing Director and Whole-time Directors of our Company are interested to the extent of remuneration paid to them for services rendered as officer or employee of our Company. Further, the Directors are also interested to the extent of Equity Shares, if any, already held by them or their relatives in our Company. Our Directors are interested to the extent of unsecured Loan and Interest thereon as may be outstanding to be paid to them by our Company.

Further except as provided hereunder, our Directors are not interested in our Company in any manner:

<b>Sr. No.</b>	<b>Director</b>	<b>Interest</b>
1.	Mr. Nimesh Mehta	<ul style="list-style-type: none"> <li>• Director and shareholder in M/s. Perfect Control Panel Private Limited, a subsidiary of our Company.</li> <li>• Director in Accurate Aircon Pvt. Ltd, a group company of Our Company.</li> <li>• Has given personal guarantee against various loans taken by the Company.</li> </ul>
2.	Mrs. Manisha Mehta	<ul style="list-style-type: none"> <li>• Director and shareholder in M/s. Perfect Control Panel Private Limited, a subsidiary of our Company.</li> <li>• Director and shareholder in Accurate Aircon Pvt. Ltd, a group company of Our Company.</li> <li>• Has given personal guarantee against various loans taken by the Company.</li> <li>• Payment of rent of Rs. 10,000 per month towards usage of Hyderabad property</li> </ul>
3.	Mrs. Sharmila Singh	<ul style="list-style-type: none"> <li>• Security Deposit of ₹3.00 Lacs and monthly rent of ₹ 40,000 paid to her and Mr. Ramchander Singh her spouse for the premises at 12, Swastik Disha Corporate Park, L.B.S. Marg, Ghatkopar (West) Mumbai.</li> <li>• Security Deposit of ₹ 4.00 Lacs and Monthly rent of ₹ 18,000 paid to Mr. Ramchander Singh her spouse for the premises at Ram Cottage, Mahavir Darshan Building Compound, off L. B. S. Road, Near Shreyas Cinema, Ghatkopar (West), Mumbai.</li> <li>• Has given personal guarantee against various loans taken by the Company.</li> </ul>

Further each of the directors is interested as relatives of each other, except the Independent Directors.

Except as stated otherwise in this Prospectus, our Company has not entered into any Contract, Agreements or Arrangements during the preceding two years from the date of the Prospectus in which the Directors are interested directly or indirectly and no payments have been made to them in respect of the contracts, agreements or arrangements which are proposed to be entered into with them.

For the details unsecured loan taken from our promoters/ Directors and their relatives, please refer to Annexure XXXIII "Statement of Related Party Transaction" page no. 155 of this Prospectus.

#### **Shareholding of Our Directors as on the date of this Prospectus**

<b>Sr. No.</b>	<b>Name of the Director</b>	<b>No. of Shares Held</b>	<b>Holding in %</b>
1.	Mr. Nimesh Mehta	2566053	49.33
2.	Mrs. Manisha Mehta	2415832	46.45
3.	Mrs. Sharmila Singh	36620	0.70
	<b>Total</b>	<b>5018505</b>	<b>96.48</b>

*None of the Independent Directors of Company hold any Equity Shares of our Company as on the date of this Prospectus.*

*Our Articles of Association do not require our Directors to hold any qualification Equity Shares.*

#### **Shareholding of our Directors in Subsidiary / Associate Companies**

<b>Sr. No.</b>	<b>Name of the Director</b>	<b>Shares held in Perfect control Panels Private Limited (Subsidiary Company)</b>	<b>Holding in %</b>	<b>Shares held in Accurate Aircon Private Limited (Associate Company)</b>	<b>Holding in %</b>
1.	Mr. Nimesh Mehta	300	1.1	NIL	NIL
2.	Mrs. Manisha Mehta	200	0.74	1	0.01
3.	Mrs. Sharmila Singh	NIL	NIL	4999	49.99
	<b>Total</b>	<b>500</b>	<b>1.85</b>	<b>5000</b>	<b>50.000</b>

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

<b>Sr. No.</b>	<b>Name</b>	<b>Date of Change</b>	<b>Nature of Change</b>
1.	Mr. Pradeep Bhawe	March 30, 2015	Appointed as Additional Independent Director
2.	Mr. Vinay Deshmukh	April 10, 2015	Appointed as Additional Independent Director
3.	Mr. Hiren Mehta	March 30, 2015	Appointed as Additional Independent Director
4.	Mr. Hiren Mehta	July 06, 2015	Resignation
5.	Mr. Vipul Vora	July 10, 2015	Appointed as Additional Independent Director

#### **Payment or benefit to directors / officers of our Company**

Except as disclosed in the "Financial Statements - Restated Unconsolidated Statement of Related Party Transactions" in Annexure XXXIII of chapter "Financial Statements" on page 155, no amount or benefit has been paid or given within the two preceding years or is intended to be paid or given to any of our Directors except the normal remuneration for services rendered as Directors, officers or employees.

None of the beneficiaries of loans, advances and sundry debtors are related to the Directors of our Company. Further, except statutory benefits and contractual payments like gratuity and leave encashment, upon termination of their

employment in our Company or retirement, no officer of our Company, including the Directors and our key management personnel, are entitled to any benefits upon termination of employment.

## COMPLIANCE WITH CORPORATE GOVERNANCE

The provisions of the SME Listing Agreement to be entered into with NSE with respect to corporate governance and the SEBI (ICDR) Regulations, 2009 in respect of corporate governance will be applicable to our Company immediately upon the listing of our Company's Equity Shares on the SME Platform of NSE Limited. Our Company is in compliance with Corporate Governance Code as per Clause 52 of the SME Listing Agreement to be entered into with the NSE Limited on listing. The requirements pertaining to the Composition of the Board of Directors and the constitution of the committees such as the Audit Committee, Shareholder/ Investor Grievance Committee and Nomination and Remuneration Committees have already been complied with. Our Board of Directors consists of 6 (six) directors of which 3 (three) are Non-Executive Independent Directors (as defined under Clause 52), which constitutes 50% of the Board of Directors, which is in compliance with the requirements of Clause 52. Our Company has already constituted the following committees:

### 1. Audit Committee

Our Company has formed the Audit Committee vide Resolution passed in the meeting of the Board of Director dated April 10, 2015. The constituted Audit Committee comprises following members and the committee shall meet at least 4 times a year:

Name of the Director	Status in Committee	Nature of Directorship
Mr. Pradeep Bhawe	Chairman	Non Executive-Independent Director
Mr. Vinay Deshmukh	Member	Non Executive-Independent Director
Mrs. Manisha Mehta	Member	Director (Finance)

The Company Secretary of our Company shall act as a Secretary to the Audit Committee. The Chairman of the Audit Committee shall attend the Annual General Meeting of our Company to furnish clarifications to the shareholders in any matter relating to accounts. 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 day's notice in advance.

**C. Role and Powers:** The Role of Audit Committee together with its powers shall be as under:

- Overseeing the company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;
- 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;
- Approving payment to statutory auditors for any other services rendered by the statutory auditors;
- Approving initial or any subsequent modification of transactions of the company with related parties;
- Scrutinizing inter-corporate loans and investments
- Valuation of undertakings or assets of the company, wherever it is necessary;
- Monitoring the end use of funds raised through public offers and related matters
- Reviewing, with the management, the annual financial statements before submission to the Board for approval, with particular reference to;
  - a. matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 134 of the Companies Act, 2013 ;

- b. changes, if any, in accounting policies and practices along with reasons for the same;
  - c. major accounting entries involving estimates based on the exercise of judgment by management;
  - d. significant adjustments made in the financial statements arising out of audit findings;
  - e. compliance with listing and other legal requirements relating to financial statements;
  - f. disclosure of any related party transactions; and
  - g. qualifications in the audit report.
- Reviewing, with the management, the quarterly 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 draft offer document/draft 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;
  - Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems;
  - 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;
  - Discussing with the internal auditors any significant findings and follow up there on;
  - 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;
  - Discussing with the statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
  - Looking into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
  - Reviewing the functioning of the Whistle Blower mechanism, in case the same is existing;
  - Approving the appointment of the Chief Financial Officer (i.e. the whole time finance director or any other person heading the finance function) after assessing the qualifications, experience and background, etc., of the candidate; and
  - Carrying out any other function as is mentioned in the terms of reference of the Audit Committee or contained in the equity listing agreements as and when amended from time to time.

Further, the Audit Committee shall mandatorily review the following:

- a) management discussion and analysis of financial condition and results of operations;
- b) statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
- c) management letters / letters of internal control weaknesses issued by the statutory auditors;
- d) internal audit reports relating to internal control weaknesses; and
- e) the appointment, removal and terms of remuneration of the chief internal auditor.

## **2. Nomination and Remuneration/ Compensation Committee**

Our Company has formed the Nomination and Remuneration/ Compensation Committee vide Resolution of the Board of Directors dated April 10, 2015 comprises following Chairman and the members:

<b>Name of the Director</b>	<b>Status in Committee</b>	<b>Nature of Directorship</b>
Mr. Pradeep Bhawe	Chairman	Non Executive-Independent Director
Mr. Vinay Deshmukh	Member	Non Executive-Independent Director
Mr. Vipul Vora	Member	Non Executive-Independent Director

The Company Secretary of our Company shall act as a Secretary to the Nomination and Remuneration Committee. The scope and function of the Committee and its terms of reference shall include the following:



**A. Tenure:** The Nomination and Remuneration/ Compensation Committee shall continue to be in function as a committee of the Board until otherwise resolved by the Board.

**B. Meetings:** The committee shall meet as and when the need arise for review of Managerial Remuneration. The quorum for the meeting shall be one third of the total strength of the committee or two members, whichever is higher. Meeting of the Nomination and Remuneration/ Compensation Committee shall be called by at least seven day's notice in advance.

**C. Terms of Reference:**

- Identify persons who are qualified to become directors and may be appointed in senior management in accordance with the Criteria laid down, recommend to the Board their appointment and removal and shall carry out evaluation of every director's performance.
- Formulate the criteria for determining the qualifications, positive attributes and independence of a director and recommend to the board a policy relating to the remuneration for directors, KMPs and other employees.
- Determine our Company's policy on specific remuneration package for the Managing Director / Executive Director including pension rights.
- Decide the salary, allowances, perquisites, bonuses, notice period, severance fees and increment of Executive Directors.
- 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.
- Decide the amount of Commission payable to the Whole time Directors.
- 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.
- To formulate and administer the Employee Stock Option Scheme.

### **3 Stakeholders' Relationship Committee**

Our Company has formed the Stakeholders' Relationship Committee vide Resolution of the Board of Directors dated May 23, 2015 comprises following Chairman and the members:

<b>Name of the Director</b>	<b>Status in Committee</b>	<b>Nature of Directorship</b>
Mr. Pradeep Bhawe	Chairman	Non Executive-Independent Director
Mr. Nimesh Mehta	Member	Chairman and Managing Director
Ms. Manisha Mehta	Member	Director (Finance)

The Company Secretary of our Company shall act as a Secretary to the Stakeholders' Relationship Committee. The scope and function of the Committee and its terms of reference shall include the following:

**A. Tenure:** The Stakeholders' Relationship Committee shall continue to be in function as a committee of the Board until otherwise resolved by the Board.

**B. Meetings:** Our Company has decided to call two meetings of the Committee in the Financial Year. The quorum for the meeting shall be either two members or one third of the members of the committee, whichever is higher.

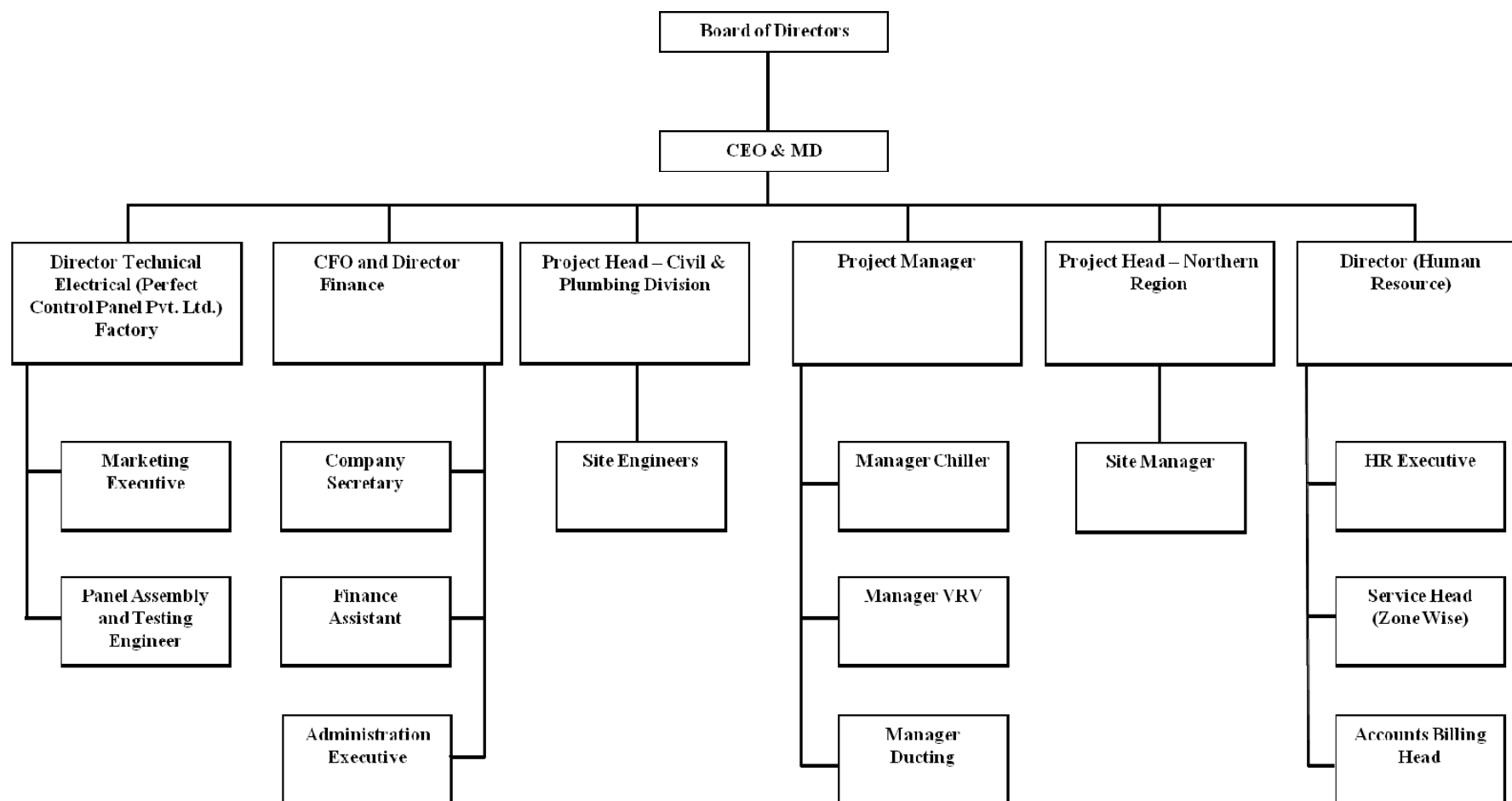
**C. Terms of Reference:**

- Consideration and redressal of grievances of the security holders of the Company, including complaints in respect of transfer of shares, non-receipt of declared dividends, balance sheets of the Company, etc.;
- Approval of transfer or transmission of equity shares, debentures or any other securities;
- Issue of duplicate certificates and new certificates on split/consolidation/renewal, etc.; and
- Carrying out any other function contained in the equity listing agreements as and when amended from time to time.



### Our Organization Chart

The following chart depicts our Management Organization Structure:



### OUR KEY MANAGERIAL PERSONNEL

Apart from list of Key Managerial Persons given below our Managing Director and the Whole-time directors are also Key Managerial Persons whose profiles are on page 113 of this Prospectus, our Company is supported by a well-laid team of professionals having exposure to various operational aspects of our line of business. A brief about the Key Managerial Personnel of our Company is given below:

Name, Designation & Educational Qualification	Age (Years)	Date of joining	Compensation paid for the F.Y ended 2015 (Rs. )	Over all experience (in years)	Previous employment
<b>Mr. Tarun Vora</b> Project Head – Civil and Plumbing Division Qualification: Diploma in Engineering (Civil)	60	June 01, 2013	12,00,000	35	Unity Infraprojects Limited
<b>Mr. Praveen Sood</b> Project Head – Northern Region HVAC Qualification: B.Com	59	March 01 2015	50,000	30	Own Business
<b>Mr. Manish Chaturvedi</b> Project Manager Qualification: BA	35	July 27, 2001	4,20,000	13	NA
<b>Mr. Vijay Vinod Mulwani</b> Whole time Company Secretary Qualification: Company Secretary	23	August 17, 2015	Nil	Fresher	NA

#### Brief Profile of Key Managerial Personnel

**Mr. Tarun Vora** aged 60 years is the Project Head of the Civil and Plumbing Division of our Company. A Diploma holder in Civil Engineering with 35 years work experience in various infrastructural projects like M.S. heavy pipe line, underground tunnels (T.B.M. as well conventional system), micro tunneling work, earthen dam, roads, fabrication and erection of heavy m.s. structures like foot over bridges and cover over platforms, industrial sheds for railways etc. He has also worked with core infra projects companies in various capacities and has good experience in Civil and Plumbing work.

**Mr. Praveen Sood** aged 59 years is the Project Head of Northern Region, HVAC Division of our Company. He holds a B.Com degree and has an experience of about 30 years. He was into the business of contracting of air conditioners for companies, such as Blue Star, Hitachi and Daikin. He handles the Northern region with office in Ghaziabad.

**Mr. Manish Chaturvedi** aged 35 years is the Project Head of our Company. He has 13 years of experience in handling project execution of HVAC turnkey jobs across India, for our Company.

**Mr. Vijay Mulwani** aged 23 years is the Company Secretary and Compliance Officer of our Company.

#### Relationship between Key Management Personnel

Except as mentioned in the Chapter “Our Management”, none of the key Management Personnel are related to each other.

#### Arrangements and Understanding with Major Shareholders

None of our key management personnel have been selected pursuant to any arrangement or understanding with any major shareholders, customers or suppliers of our Company, or others. Further all our KMP are permanent employee of our Company

### Shareholding of the Key Management 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 under:

Name	No. of equity shares held
Mr. Praveen Sood	37,333
Mr. Manish Chaturvedi	5,000

### Bonus or profit sharing plan of the Key Management Personnel

Our Company does not have a performance linked bonus or a profit sharing plan for the Key Management Personnel.

### Employee Stock Option Plan / Employee Stock Purchase Scheme

Our Company does not have any scheme of employee stock option or employee stock purchase.

### Loans taken by Directors / Key Management Personnel

Our Company has not granted any loans to our Directors and/ or Key Management Personnel.

### 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 year except as stated below:

Sr. No.	Name	Designation	Date of change	Reasons
1.	Tarun Vora	Project Head – Civil and Plumbing Division	June 01, 2013	Appointment
2.	Pravin Sood	Project Head – Northern Region HVAC	March 01 2015	Appointment
3.	Sudha Balaji	Company Secretary & Compliance Officer	February 04, 2015	Appointment
4.	Sudha Balaji	Company Secretary & Compliance Officer	August 12, 2015	Resignation
5.	Vijay Mulwani	Company Secretary & Compliance Officer	August 17, 2015	Appointment

### Interest of Key Management Personnel

Apart then mentioned in this Prospectus, the Key Management Personnel of our Company do not have any interest in our Company other than to the shares held by them and the extent of the remuneration, rent 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.



Except as stated otherwise in this Prospectus, we have not entered into any contract, agreement or arrangement during the preceding 2 (two) years from the date of this Prospectus in which the Key Managerial Personnel are interested directly or indirectly and no payments have been made to them in respect of these contracts, agreements or arrangements or are proposed to be made to them.

For further details the details please refer to “Annexure XXXIII Statement of Related Party Transaction” page no. 155 and Personal Guarantee towards Financial facilities of our Company please refer to “Financial Indebtedness” appearing on page no 187 and Our Management at page no. 113 of the Prospectus.

We confirm that:

- All the persons named as our Key Managerial Personnel above are the permanent employees of our Company.
- Except as otherwise stated in this Prospectus, 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 appointment letters and stated in this Prospectus, the Key Managerial Personnel have not entered into any other contractual arrangements or service contracts (including retirement and termination benefits) with the issuer.
- Presently, we do not have ESOP/ESPS scheme for our employees.

## OUR PROMOTERS

	<b>Mr. Nimesh Mehta: Chairman &amp; Managing Director</b>	
	<b>Qualification</b>	B.E.( Mechanical), M.B.A. in Marketing
	<b>Age</b>	50 years
	<b>Address</b>	803, Neelkanth Tower, Garodia Nagar, Ghatkopar (East), Mumbai – 400 086
	<b>Experience</b>	28 years
	<b>Occupation</b>	Business
	<b>Driving License Number</b>	Not Available
	<b>Voter Identification Card Number</b>	JLM0408039
	Mr. Nimesh Mehta, is the Chairman and Managing Director of our Company. He holds Bachelors degree in Mechanical Engineering from University of Mumbai, Masters in Marketing Management from Jamnalal Bajaj Institute of Management Studies and has cleared Executive level of Cost and Works Accountancy. He has over 28 years of experience in manufacturing out of which 19 years have been with our Company. He is responsible for building the business from scratch and bringing it up to the current position. His area of expertise being Mechanical, Electrical and Plumbing (MEP) contracts Heating, Ventilating, and Air conditioning (HVAC) projects and Civil work which forms the main business of our Company. His acumen in Marketing has helped the company to consolidate its position in the industry.	
	<b>Mrs. Manisha Mehta: Whole Time Director &amp; Chief Financial Officer</b>	
	<b>Qualification</b>	B. Com., Chartered Accountants
	<b>Age</b>	47 years
	<b>Address</b>	803, Neelkanth Tower, Garodia Nagar, Ghatkopar (East), Mumbai – 400 086
	<b>Experience</b>	20 years
	<b>Occupation</b>	Professional
	<b>Driving License Number</b>	MH 03/070/1992/C12736
	<b>Voter Identification Card Number</b>	JLM040813
	Mrs. Manisha Mehta is the Whole Time Director cum CFO of our Company and has contributed in financial structuring of our Company. She is a Chartered Accountant with 20 years of experience and expertise in bill discounting, bridge financing, project financing, intercorporate deposits, import letter of credit mobilization, direct and indirect taxes and all statutory compliances. She is associated with our company since inception and her expertise and experience is of great value to our company.	

*We confirm that the Permanent Account Number, Bank Account Number and Passport Number of the Promoter will be submitted to the stock exchange at the time of filing of this Prospectus with them.*

### Confirmations from our Promoters

Our Promoters have confirmed that they have not been declared as wilful 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.

### **Common Pursuits/ Conflict of Interest**

Our Promoters have promoted our Promoter Group / Group Company viz Perfect Control Panels Private Limited, which is engaged in the line of business similar to our Company. As on the date of this Prospectus, we cannot assure that our Promoters will not favor the interests of the said Company over our interest or that the said Company will not expand their businesses which may increase our chances of facing competition. This may adversely affect our business operations and financial condition of our Company. For details of our Promoter Group and Group Company refer to Section titled “Our Promoter” on page 126 of this Prospectus.

We shall adopt the necessary procedures and practices as permitted by law to address any conflicting situations, as and when they may arise.

### **Interest of Promoters**

Our promoters are not interested in our Company in any manner except to the extent of their shareholding and shareholding of their relatives in our Company who are also the Executive Director of our Company may be deemed to be interested to the extent of their remuneration, as per the terms of their appointment and reimbursement of expenses payable to them for the details kindly refer Chapter “Our Management” and “Related Party Transactions” on page 113 and 155 of this Prospectus.

### **Interest in the property of Our Company**

Our promoters do not have any interest in any property acquired by our Company in a period of two years before filing of this Prospectus or proposed to be acquired by us as on date of filing the Prospectus with RoC.

### **Related Party Transactions**

For the transactions with our Promoter Group entities, please refer to section titled “Annexure - XXXIII - Related Party Transactions” on page 155 of this Prospectus.

Except as stated in Annexure - XXXIII -Related Party Transactions” beginning on page 155 of the Prospectus, and as stated therein, our Promoters or any of the Promoter Group Entities do not have any other interest in our business.

### **Payment or Benefit to Promoters of Our Company**

For details of payments or benefits paid to our Promoters, please refer to the paragraph “Compensation of our Executive Directors” in the chapter titled “Our Management” on page 116. Also refer Annexure XXXIII on “Related Party Transactions” on page 155 forming part of “Financial Information” and Paragraph on “Interest of Promoters” on page 127 of this Prospectus.

Except as stated in the section “Related Party Transactions” on page 155 of the Prospectus, none of the beneficiaries of loans and advances and sundry debtors are related to the Directors.

### **Other ventures of our Promoters**

Save and except as disclosed in this section titled “Our Promoters”, Our Subsidiary and “Our Group Entity” beginning on page 126, 111 and 128, respectively of this Prospectus, there are no ventures promoted by our Promoters in which they have any business interests/ other interests.

### **Litigation details pertaining to our Promoters**

For details on litigations and disputes pending against the Promoters and defaults made by the Promoters please refer to the section titled “Outstanding Litigations and Material Developments” beginning on page 189 of this Prospectus.

### **Promoter Group**

Other than our Promoters, our Promoter Group, as defined under Regulation 2(zb) of the SEBI ICDR Regulations, comprises of individuals, body corporate and a firm.

### **Accurate Aircon Private Limited**

<b>Brief Description of Business</b>	To carry on in India or outside India the Business of Manufacturing of Electrical control panels, power control center, motor control center, power distribution board, lighting distribution board, auto main failure panel, sync panel, programmable logic panel, and bus duct, air handling duct, air handling units, insulated panels, cabinet for ventilation blower and all types of electrical panels and control systems.		
<b>Date of Incorporation</b>	June 12, 2009		
<b>CIN</b>	U29268MH2009PTC193272		
<b>PAN Card no.</b>	AAHCA8333J		
<b>Registered Office Address</b>	Mezzanine Floor, Bhanushali Chambers, Sant Tukaram Road, Dana Bunder, Masjid, Mumbai – 400009, Maharashtra, India		
<b>Board of Directors</b>	1. Mr. Ramchander Singh 2. Mrs. Sharmila Singh 3. Mr. Nimesh Mehta 4. Mrs. Manisha Mehta		
	<b>( Rs. in Lacs, except per share data)</b>		
<b>Audited Financial Information</b>	<b>For The Year Ended</b>		
	<b>March 31, 2014</b>	<b>March 31, 2013</b>	<b>March 31, 2012</b>
<b>Equity Capital</b>	1.00	1.00	1.00
<b>Reserves and Surplus (excluding Revaluation Reserve and Less Miscellaneous Expenses, if any )</b>	-0.57	-0.49	-0.36
<b>Networth</b>	0.43	0.51	0.64
<b>Income including other income</b>	0.00	0.00	0.00
<b>Profit/ (Loss) after tax</b>	-0.08	-0.12	-0.22
<b>Earnings per share (face value of Rs. 10 each)</b>	-0.80	-1.25	-2.19
<b>Net asset value per share (Rs)</b>	4.31	5.12	6.40

Shareholding Pattern as on the date of the Prospectus is as follows:

<b>Sr. No.</b>	<b>Name of the Equity Shareholder</b>	<b>No. of Shares held</b>	<b>%age of Shareholding</b>
1.	Mr. Ramchander Singh	5,000	50.00
2.	Mrs. Sharmila Singh	4,999	49.99
3.	Mrs. Manisha Mehta	1	0.01
	<b>Total</b>	<b>10,000</b>	<b>100.00</b>

### **Application under Fast Track Exit Scheme:**

The Board of Directors in their meeting held on April 22, 2015, have resolved to get the name of Accurate Aircon Private Limited Struck off from the Register of the Registrar of Companies, Mumbai, Maharashtra, under Section 560 of the Companies Act, 1956 under the Fast Track Exit Scheme. The Board is however, yet to file this application.

**Himar Fabrics and Packaging Private Limited ('Himar Fabrics')**

<b>Brief Description of Business</b>	<p>To carry on the business as dealers and manufacturer of plastics materials, man-made synthetic fibres and to manipulate, put to use and convert the same either by themselves or in combination with the other natural fibres and materials into fabrics, bags, sacks, containers utensils, bottles, tubes, wrapping plastics packaging materials and goods and other allied products by the process of blowing, moulding, forming, extruding, calendaring, dipping, laminating or by any other process used in the plastic industry.</p> <p>To carry on the business of spinners, weavers, manufacturers, packers and balers of natural and synthetic fibres and materials and to bleach, print and manufacture fabrics out of the same for use either by themselves or in combination with man-made synthetics fibres for the purpose of packaging materials.</p> <p>To carry on the business of manufacturers and dealers of all kinds of synthetics fibres, natural fibres and materials and to put to use, manipulate and convert any of the aforesaid into materials like cloth, tapes, cord, ropes, twines, etc. Or any other product from the same.</p>		
<b>Date of Incorporation</b>	October 19, 1970		
<b>CIN</b>	U25202MH1970PTC014828		
<b>PAN Card no.</b>	AAACH1177J		
<b>Registered Office Address</b>	Ashok Silk Mills Compound, 202 L.B.S. Marg, Opp. Damodar Park, Ghatkopar (W), Mumbai – 400086, Maharashtra, India		
<b>Board of Directors</b>	1. Mr. Ramchander Singh 2. Mrs. Sharmila Singh 3. Bipin Harshadri Barot		
	<b>(Rs. in Lacs, except per share data)</b>		
<b>Audited Financial Information</b>	<b>For The Year Ended</b>		
	<b>March 31, 2015</b>	<b>March 31, 2014</b>	<b>March 31, 2013</b>
<b>Equity Capital</b>	44.00	44.00	44.00
<b>Reserves and Surplus (excluding Revaluation Reserve and Less Miscellaneous Expenses, if any)</b>	(79.37)	(68.28)	(64.47)
<b>Networth</b>	(35.37)	(24.28)	(20.47)
<b>Income including other income</b>	11.67	11.47	20.56
<b>Profit/ (Loss) after tax</b>	(10.76)	(3.58)	0.98
<b>Earnings per share (face value of Rs. 10 each)</b>	(24.45)	(8.13)	2.23
<b>Net asset value per share (Rs)</b>	(80.39)	(55.18)	(46.52)

**Shareholding Pattern as on the date of the Prospectus is as follows:**

Sr. No.	Name of the Equity Shareholder	No. of Shares held	%age of Shareholding
1.	Mr. Ramchander Singh	19,700	44.77
2.	Mrs. Sharmila Singh	19,900	45.23
3.	Bipin Harshadri Barot	4,400	10.00
	<b>Total</b>	<b>44,000</b>	<b>100.00</b>

The Equity Shares of Himar Fabrics are not listed on any stock exchange and it has not made any capital issue during the past three years.

There is no litigation pending, in which Himar Fabrics is involved as on date of filing the Prospectus with ROC.

Himar Fabrics is not a Sick Industrial Company within the meaning of the Sick Industrial Companies (Special Provisions) Act, 1995.



## DIVIDEND POLICY

Under the Companies Act, an Indian company pays dividends upon a recommendation by its board of directors and approval by a majority of the shareholders, who have the right to decrease but not to increase the amount of dividend recommended by the board of directors. Under the Companies Act, dividends may be paid out of profits of a company in the year in which the dividend is declared or out of the undistributed profits or reserves of the previous Fiscal Years or out of both. At the time of declaration of Dividend transfer to special general reserve under the provisions of Companies (Transfer of Profits to Reserves) Rules, 1975 is being followed.

Our Company does not have a formal dividend policy. Any dividends declared are 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 dividends declared by our Company on the Equity Shares during the last five Financial Years are detailed in the following table:

Particulars	Fiscal 2015	Fiscal 2014	Fiscal 2013	Fiscal 2012	Fiscal 2011
Face value per Equity Share Rs.	10	10	10	10	10
Dividend paid per Equity Share	0.20	0	0.10	0.10	0.20
Dividend paid* (INR)	10,21,082	0	3,60,000	2,04,000	234,559

*\*Excluding dividend distribution tax*

Dividends are payable within 30 days of approval by the Equity Shareholders at its annual general meeting. When dividends are declared, all the Equity Shareholders whose names appear in the register of members of our Company as on the "record date" are entitled to be paid the dividend declared by our Company. Any Equity Shareholder who ceases to be an Equity Shareholder prior to the record date, or who becomes an Equity Shareholder after the record date, will not be entitled to the dividend declared by our Company.

## SECTION V – FINANCIAL STATEMENTS

### AUDITOR'S REPORT ON FINANCIAL INFORMATION

To,

The Board of Directors,  
**M/s Perfect Infraengineers Ltd.,**  
Plot No R-637, TTC Industrial Area,  
MIDC , Rabale,  
Thane Belapur Road,  
Navi Mumbai-400 701.

Dear Sirs,

We have examined the restated financial information of M/s Perfect Infraengineers Limited (the 'Company') for the one month ended April 30, 2015 and for the years ended on March 31, 2015, 2014, 2013, 2012, and 2011 annexed to this report for the purpose of inclusion in the offer document. This financial information has been prepared by the management and approved by the Board of Directors of the Company for the purpose of disclosure in the Offer Document being issued by the Company in connection with the proposed Initial Public Offering ('IPO') of equity shares.

This financial information has been prepared in accordance with the requirements of:

- i) Part I of Chapter III to the Companies Act, 2013 (the 'Act');
- ii) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (the 'Regulations') and the related amendments issued by the Securities and Exchange Board of India ('SEBI') as amended to date.

This financial information has been compiled by the management from the audited financial statements of the Company ) for the one month ended April 30, 2015 and for the years ended on March 31, 2015, 2014, 2013, 2012, and 2011.

We have examined such financial information in accordance with the requirements of:

- i) The (Revised) Guidance Note on Reports in Company Prospectuses issued by the Institute of Chartered Accountants of India ('ICAI'); and
- ii) The terms of reference received from the company vide letter dated September 22, 2015 requesting us to carry out work of such financial information proposed to be included in the offer document of the Company in connection with its proposed IPO.

#### **A. Financial information as per the Restated Summary Statements of the Company:**

1. We have, in terms of Securities and Exchange Board Of India (ICDR) Regulations, 2009 audited the financials of M/s Perfect Infraengineers Ltd as at April 30, 2015 and as at March 31, 2015 and also re-audited the balance sheet of M/s Perfect Infraengineers Ltd as at March 31, 2014, the statement of Profit and Loss and the cash flow statement of the Company for the year ended on that date, which have been audited by M/s Panachand K. Shah & Co., the erstwhile statutory auditors of the Company. In our opinion and to the best of our information and according to explanation given to us, and also as per the reliance placed on the reports for the financial year ending March 31, 2014 submitted by the erstwhile statutory auditors, M/s Panachand K. Shah & Co., the said accounts give the information required by the Companies Act, 2013, to the extent applicable for the relevant period, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India.
2. We have examined the attached Summary Statement of Assets and Liabilities, As Restated (refer Annexure I) of the Company as at April 30, 2015, March 31, 2015, 2014, 2013, 2012 and 2011, the attached Summary Statement of Profits and Losses, As Restated (refer Annexure II) of the Company for the one month ended April 30, 2015 and for years ended March 31, 2015, 2014, 2013, 2012, and 2011 and also the Statement of

Cash flows, As Restated (refer Annexure III) for the one month ended April 30, 2015 and for the years ended March 31, 2015, 2014, 2013, 2012 and 2011 collectively referred to as 'Restated Summary Statements of the Company'. These Restated Summary Statements of the Company have been arrived at after making such adjustments and regroupings to the audited financial statements of the Company which are appropriate and are more fully described in the Statement of Notes to Restated Summary Statements of the Company in Annexure IV.

The audit for the one month ended April 30, 2015 and for the year ended March 31, 2015 and re-audit for the financial year ended March 31, 2014 was conducted by us, audit for the financial year ended March 31, 2014, 2013, 2012 and 2011 was conducted by erstwhile statutory auditors of the Company M/s Panachand K. Shah & Co. The financial information included for the financial year ended March 31, 2013, 2012 and 2011 are based solely on report submitted by M/s Panachand K. Shah & Co. and have been relied upon by us while expressing our opinion and reporting on various financial information and annexures thereof expressly stated in the following paragraphs. We make no representation / opinion regarding those audited financial statements.

3. Based on the above and also as per the reliance placed by us on the Audited Financial Statements of the Company which were audited by M/s Panachand K. Shah & Co., Chartered Accountants, erstwhile statutory auditors as referred in Para 2 above, we state that:
  - a) The Restated Summary Statements of the Company have to be read in conjunction with the Statement of Notes to Restated Summary Statements of the Company in Annexure IV;
  - b) The Restated profits have been arrived at after making such material adjustments and regroupings as, in our opinion, are appropriate in the period/year to which they relate as described in the Statement of Notes to Restated Summary Statements of the Company in Annexure IV;
  - c) There are no extra-ordinary items which needs to be disclosed separately in the Restated Summary Statements of the Company.
4. We have not audited any financial statement of the company as of any date or for any period subsequent to April 30, 2015. Accordingly, we express no opinion on the financial position, results of operations or cash flows of the company as of any date or for any period subsequent to April 30, 2015.

**B. Other financial information:**

5. We have examined the following 'Other financial information' as prepared by the management and approved by the Board of Directors and annexed to this report in respect of the one month ended April 30, 2015 and years ended March 31, 2015, 2014, 2013, 2012 and 2011 of the Company, proposed to be included in the offer document. In respect of the financial years ended March 31, 2013, 2012 and 2011 this information has been included based on the Audited Financial Statements of the Company which were audited by M/s Panachand K. Shah & Co, Chartered Accountants and whose Auditor's Reports have been relied upon by us for the said years:
  - (i) Statement of Notes to Restated Summary Statements of the Company (Annexure IV);
  - (ii) Statement of Non-Current Investments, As Restated (Annexure V);
  - (iii) Statement of Long Term Loans and Advances, As Restated (Annexure VI);
  - (iv) Statement of Other Non Current Assets, As Restated (Annexure VII);
  - (v) Statement of Inventories, As Restated (Annexure VIII);
  - (vi) Statement of Trade Receivables, As Restated (Annexure IX);
  - (vii) Statement of Cash and Bank Balances, As Restated (Annexure X);
  - (viii) Statement of Short Term Loans and Advances, As Restated (Annexure XI);

- (ix) Statement of Other Current Assets, As Restated (Annexure XII);
  - (x) Statement of Long Term Borrowings, As Restated (Annexure XIII);
  - (xi) Statement of Deferred Tax Liabilities (Net), As Restated (Annexure XIV);
  - (xii) Statement of Other Non-Current Liabilities, As Restated (Annexure XV);
  - (xiii) Statement of Long Term Provisions, As Restated (Annexure XVI);
  - (xiv) Statement of Short Term Borrowings, As Restated (Annexure XVII);
  - (xv) Statement of Trade Payables, As Restated (Annexure XVIII);
  - (xvi) Statement of Other Current Liabilities, As Restated (Annexure XIX);
  - (xvii) Statement of Short Term Provisions, As Restated (Annexure XX);
  - (xviii) Statement of Share Capital, As Restated (Annexure XXI);
  - (xix) Statement of Reserves and Surplus, As Restated (Annexure XXII);
  - (xx) Statement of Revenue from operations, As Restated (Annexure XXIII);
  - (xxi) Statement of Other Income, As Restated (Annexure XXIV);
  - (xxii) Statement of Operating Costs, As Restated (Annexure XXV)
  - (xxiii) Statement of Employee Benefit Expense, As Restated (Annexure XXVI)
  - (xxiv) Statement of Finance Cost, As Restated (Annexure XXVII);
  - (xxv) Statement of Other Expenses, As Restated (Annexure XXVIII);
  - (xxvi) Capitalisation Statement, As Restated (Annexure XXIX);
  - (xxvii) Statement of Tax Shelter, As Restated (Annexure XXX);
  - (xxviii) Statement of Accounting Ratios, As Restated (Annexure XXXI)
  - (xxix) Statement of Dividend paid, As Restated (Annexure XXXII)
  - (xxx) Statement of Related Parties Transactions, As Restated (Annexure XXXIII)
  - (xxxi) Statement of Contingent Liabilities and Commitments, As Restated (Annexure XXXIV)
6. In our opinion, the 'Financial information as per the Restated Summary Statements of the Company' and 'Other financial information' mentioned above (read with Significant Accounting Policies and Statement of Notes to Restated Summary Statements in Annexure IV) and also as per reliance placed by us on the Audited Financial Statements of the Company which were audited by M/s Panachand K. Shah & Co., Chartered Accountants, as referred to in Paragraph 2 above and prepared after making the adjustments and regrouping as considered appropriate have been prepared in accordance with Part I of Chapter III to the Companies Act, 2013 and the relevant provisions of the SEBI Regulations. As a result of these regroupings and adjustments, the amount reported in the financial information may not necessarily be same as those appearing in the respective audited financial statements for the relevant years.

7. This report should not be in any way construed as a re-issuance or re-dating of any of the previous audit reports issued by M/s Panachand K. Shah & Co., Chartered Accountants or by us nor should it be construed as a new opinion on any of the financial statements referred to therein.
8. We have no responsibility to update our report for events and circumstances occurring after the date of this report.
9. This report is intended solely for your information and for inclusion in the Offer Document in connection with the proposed IPO of the equity shares of the Company and is not to be used, referred to or distributed for any other purpose without our prior written consent.

**For Godbole Bhavé & Co.**  
**Chartered Accountants**  
**Firm Registration No: 114445W**

Sd/-

**Arvind S. Mahajan**  
**Partner**  
**Membership No. 100483**  
**Place: Mumbai**  
**Date: 07.10.2015**

**Annexure I - SUMMARY STATEMENT OF ASSETS AND LIABILITIES, AS RESTATED**
**(Amount in INR lacs)**

Sr. No.	Particulars	Annexure	As at 30 <sup>th</sup> April 2015	2015	2014	2013	2012	2011
<b>A</b>	<b>Non-current assets</b>							
	<b>Fixed Assets</b>							
	Tangible Assets		641.59	642.23	355.07	318.29	189.03	198.31
	Less: Revaluation Reserve		-	-	-	-	-	-
	Net Block After Adjustment for Revaluation Reserve		641.59	642.23	355.07	318.29	189.03	198.31
	Intangible Assets under development		7.03	-	-	-	-	-
	Non-current Investments	Annexure V	12.01	12.01	11.07	10.87	8.97	8.75
	Long term loans and advances	Annexure VI	111.50	111.93	123.87	20.64	148.64	149.58
	Other non- current Assets	Annexure VII	57.38	56.41	1.79	-	6.50	49.57
	<b>Total Non-current assets</b>		829.50	822.58	491.81	349.80	353.13	406.21
<b>B</b>	<b>Current Assets</b>							
	Current Investments							
	Inventories	Annexure VIII	175.79	128.37	479.79	104.68	122.60	109.26
	Trade receivables	Annexure IX	1,223.07	1,234.62	807.39	958.49	566.41	394.24
	Cash and Cash equivalents	Annexure X	48.92	49.12	64.86	46.88	30.68	28.50
	Short- term loans and advances	Annexure XI	21.83	9.97	15.91	19.52	3.97	3.06
	Other Current Assets	Annexure XII	278.30	223.48	88.85	60.70	56.83	17.63
	<b>Total Current Assets</b>		1,747.90	1,645.56	1,456.80	1,190.27	780.49	552.69
<b>C</b>	<b>Non-current liabilities</b>							
	Long- term borrowings	Annexure XIII	357.36	365.30	139.26	90.13	-	0.72
	Deferred Tax Liabilities (Net)	Annexure XIV	12.61	16.79	12.35	11.86	6.21	6.41
	Other Non-current liabilities	Annexure XV	1.83	1.83	1.83	1.83	1.83	1.83
	Long- term provisions	Annexure XVI	28.98	27.89	23.08	19.54	9.25	4.45
	<b>Total Non-current liabilities</b>		400.79	411.82	176.52	123.36	17.29	13.41
<b>D</b>	<b>Current Liabilities</b>							
	Short-Term Borrowings	Annexure XVII	587.45	580.32	530.21	452.42	467.30	350.48
	Trade Payables	Annexure XVIII	488.31	418.30	342.43	262.62	115.46	95.85
	Other current liabilities	Annexure XIX	412.44	375.66	388.63	252.53	160.65	204.94
	Short- term provisions	Annexure XX	28.81	30.48	-	20.33	16.04	14.62
	<b>Total Current liabilities</b>		1,517.02	1,404.77	1,261.27	987.90	759.44	665.89
	<b>Net Worth (A+B-C-D)</b>		659.60	651.56	510.82	428.82	356.88	279.60
	<b>Represented by:</b>							
<b>E</b>	<b>Share capital</b>	Annexure XXI	510.54	510.54	382.91	359.88	213.50	203.50
<b>F</b>	<b>Reserves and Surplus</b>	Annexure XXII	149.06	141.02	127.91	68.94	143.38	76.10
	Less: Revaluation Reserve		-	-	-	-	-	-
	<b>Reserves and Surplus (net of revaluation reserves)</b>		149.06	141.02	127.91	68.94	143.38	76.10
	<b>Net worth (E+F)</b>		659.60	651.56	510.82	428.82	356.88	279.60

**Annexure II - SUMMARY STATEMENT OF PROFITS AND LOSSES, AS RESTATED**
**(Amount in INR lacs)**

Particulars	Annexure	For the month ended April 30, 2015	2015	2014	2013	2012	2011
<b>Revenue</b>							
Revenue from operation	Annexure XXIII	138.64	2,551.69	2,080.11	1,974.16	1,540.67	1,517.33
Other income	Annexure XXIV	0.27	79.63	20.72	6.19	22.93	21.57
<b>Total Revenue (I+II)</b>		<b>138.91</b>	<b>2,631.31</b>	<b>2,100.83</b>	<b>1,980.36</b>	<b>1,563.60</b>	<b>1,538.90</b>
<b>Expenses:</b>							
Operating Cost	Annexure XXV	66.71	1,571.00	1,275.93	1,243.19	947.91	990.26
Employee benefit expenses	Annexure XXVI	31.23	421.35	406.77	258.90	252.18	184.83
Finance Cost	Annexure XXVII	13.06	139.13	122.56	83.17	78.29	65.42
Depreciation expense – Tangible Assets		5.41	70.39	33.65	26.49	28.71	28.81
Other Expenses	Annexure XXVII	17.60	226.35	199.15	246.46	147.14	163.96
<b>Total Expenses</b>		<b>134.01</b>	<b>2,428.23</b>	<b>2,038.07</b>	<b>1,858.20</b>	<b>1,454.22</b>	<b>1,433.27</b>
<b>Profit before tax</b>		<b>4.90</b>	<b>203.09</b>	<b>62.76</b>	<b>122.16</b>	<b>109.37</b>	<b>105.62</b>
<b>Tax</b>							
Current Tax		1.04	42.25	30.27	43.25	37.25	37.97
Short/(Excess) Provision of Earlier years		-	(0.02)	-	2.34	2.67	4.56
Deferred tax Expense/(Income)		(4.18)	4.45	0.49	5.65	(0.20)	(6.54)
<b>Total Tax Expenses</b>		<b>(3.14)</b>	<b>46.67</b>	<b>30.76</b>	<b>51.24</b>	<b>39.72</b>	<b>35.99</b>
<b>Net profit as restated</b>		<b>8.04</b>	<b>156.41</b>	<b>32.00</b>	<b>70.92</b>	<b>69.65</b>	<b>69.63</b>



**Annexure III - STATEMENT OF CASH FLOWS, AS RESTATED**

(Amount in INR lacs)

Sr. No.	Particulars	For the period ended April 30, 2015	2015	2014	2013	2012	2011
<b>A</b>	<b>CASH FLOW FROM OPERATING ACTIVITIES</b>						
	<b>Net profit before tax, as restated</b>	4.90	203.09	62.76	122.16	109.37	105.62
	Adjustments for:						
	Depreciation and amortization	5.41	70.39	33.65	26.49	28.71	28.81
	Finance Cost	13.06	139.13	122.56	83.17	78.29	65.42
	(Profit)/ Loss on sale of fixed assets /investment	-	(41.07)	-	-	(0.07)	-
	Provision for Gratuity	1.09	4.81	3.54	10.29	4.80	-
	Bad Debts w/off	-	21.72	-	52.15	1.69	1.70
	Interest income	(0.26)	(4.88)	(3.05)	(2.82)	(2.13)	(1.30)
	Dividend Income	-	(0.75)	(0.75)	(0.75)	(0.75)	(0.61)
	<b>Operating profit before working capital changes</b>	24.20	392.44	218.72	290.68	219.91	199.65
	Adjustments for Increase / Decrease in Long Term Provisions	-	-	-	-	-	(3.07)
	Trade Payable	58.89	75.87	79.81	147.17	19.61	(7.70)
	Other Current Liabilities	31.36	(130.85)	142.07	166.75	(18.20)	-
	Other Long Term Liabilities						
	Loans and Advances	(5.37)	(246.30)	(99.61)	(21.48)	0.03	15.04
	Short Term Loan and Advances						
	Other Non Current Assets	(0.97)	-	-	6.50	43.08	-
	Inventories	(47.42)	351.42	(375.11)	17.92	(13.34)	(23.28)
	Trade Receivable	11.55	(448.95)	151.09	(483.56)	(173.85)	(27.19)
	Other Current Assets	(54.81)	-	(28.15)	(3.88)	(39.20)	-
	Cash generated from operations	17.43	(6.37)	88.82	120.10	38.03	153.45
	Income taxes paid (including fringe benefit tax)	(2.71)	(24.04)	(48.21)	(43.12)	(38.13)	(28.10)
	<b>Net Cash from Operating activities</b>	14.72	(30.41)	40.61	76.98	(0.10)	125.35
<b>B</b>	<b>CASH FLOW FROM INVESTING ACTIVITIES</b>						
	Purchases of fixed assets	(4.01)	(294.84)	(91.27)	(65.84)	(19.43)	(113.95)
	Sale of Fixed Assets	-	49.90	-	-	-	-
	Sale of Asset under grant cash receipt						
	Net Purchase and Sale of Investments	-	(0.94)	(0.20)	(1.90)	(0.15)	(3.55)
	Interest income	0.26	4.88	3.05	2.82	2.13	1.30
	Dividend Income	-	0.75	0.75	0.75	0.75	0.61
	<b>Net cash used in investing</b>	(3.75)	(240.25)	(87.67)	(64.17)	(16.70)	(115.60)

Sr. No.	Particulars	For the period ended April 30, 2015	2015	2014	2013	2012	2011
	activities						
<b>C</b>	<b>CASH FLOW FROM FINANCING ACTIVITIES</b>						
	Changes in Borrowings	(0.80)	392.92	141.78	83.70	90.00	68.50
	Changes in Short Term Borrowings						
	Share Issue Proceeds	-	-	50.00	5.20	10.00	7.00
	Interest Paid	(10.36)	(137.94)	(122.56)	(83.17)	(78.29)	(65.42)
	Payment of Dividend	-	(0.07)	(4.18)	(2.35)	(2.74)	(1.53)
	Receipt of Grants from Government						
	<b>Net Cash from/used in financing activities</b>	(11.16)	254.91	65.04	3.38	18.98	8.55
	<b>NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	(0.20)	(15.74)	17.98	16.19	2.18	18.29
	<b>Opening cash and cash equivalents</b>	49.12	64.86	46.88	30.68	28.50	10.21
	<b>Closing cash and cash equivalents*</b>	48.92	49.12	64.86	46.88	30.68	28.50

#### Annexure IV - STATEMENT OF NOTES TO RESTATED SUMMARY STATEMENTS OF THE COMPANY

### 1 SIGNIFICANT ACCOUNTING POLICIES

#### 1.1 Basis of preparation of financial statements

The 'Summary Statement of Assets and Liabilities, As Restated', of the Company as at April 30, 2015, March 31, 2015, 2014, 2013, 2012 and 2011 the 'Summary Statement of Profits and Losses, As Restated', and the 'Statement of Cash Flows, As Restated', for the one month ended April 30, 2015 and for the years ended March 31, 2015, 2014, 2013, 2012 and 2011 (collectively referred to as 'Restated Summary Statements') have been prepared specifically for the purpose of inclusion in the offer document in connection with the proposed Initial Public Offering (hereinafter referred to as 'IPO').

The financial statements have been prepared and presented under the historical cost convention, on the accrual basis of accounting (except where not reasonably determinable) and on accounting principles of Going Concern in accordance with the generally accepted accounting principles (GAAP) in India and comply with the Accounting Standards ("AS") prescribed in the Companies (Accounting Standards) Rules, 2006 and with the relevant provisions of the Companies Act, 2013, to the extent applicable.

The Restated Summary Statements of the Company have been prepared to comply in all material respects with the requirements of Part I of Chapter III to the Companies Act, 2013 and Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 issued by SEBI and as amended from time to time.

During the year ended March 31, 2012, the revised Schedule VI notified under the Companies Act, 1956, has become applicable to the Company, for preparation and presentation of its financial statements. Accordingly the Company has presented the financial statements as at March 31, 2014, March 31, 2013 and for the year ended March 31, 2012 along with the comparatives as at March 31, 2011 following the requirement of Revised Schedule VI. Further for the year ended March 31, 2015 the Schedule III notified under the Companies Act, 2013, has

become applicable to the Company, for preparation and presentation of its financial statements. Accordingly the Company has presented the financial statements as at March 31, 2015 alongwith the comparatives as at March 31, 2014 following the requirement of Schedule III. The adoption of Revised Schedule VI or Schedule III as applicable does not impact recognition and measurement principles followed for preparation of financial statements. However, it has significant impact on presentation and disclosures made in the financial statements. The Company has also reclassified the previous year figures pertaining to year ended March 31, 2012 and March 31, 2011 in accordance with the requirements of Revised Schedule VI as well as reclassified the previous year figures pertaining to year ended March 31, 2015 in accordance with the requirements of Schedule III, wherever applicable.

## **1.2 Use of Estimate:**

The preparation of financial statements in conformity with the generally accepted accounting principles requires management to make estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting year. The difference between the actual results and estimates are recognized in the year in which the results are known / materialized.

## **1.3 Revenue recognition:**

Revenues are recognized when it is earned and when there is no significant uncertainty as to its measurement and realization. The specific revenue recognition policies are as under:

- a. Revenue from Turnkey Contracts is recognized based on work completion of activity or achievement of milestone.
- b. Revenue from sale of products is recognized upon passing of the title of goods and/or on transfer of significant risk and rewards of ownership thereto.
- c. Revenue from Services is recognized on performance of Service in accordance with the terms of contract with customers.
- d. Dividend income is recognized when the right to receive dividend is established.
- e. Income such as annual maintenance contracts, Interest, Lease Rentals is recognized as per contractually agreed terms on time proportion basis.
- f. Export benefits are accounted for in the year of exports, based on eligibility and when there is no uncertainty of receiving the same.
- g. Other income is recognized when the right to receive is established.

## **1.4 Fixed Assets, Intangible Assets and Capital Work in Progress:**

Fixed Assets are stated at the cost of acquisition less accumulated depreciation and impairment losses, if any. All identifiable costs incurred up to the asset put to use are capitalized. Costs include purchase price (including non-refundable taxes/duties) and borrowing costs for the assets that necessarily take a substantial period of time to get ready for its intended use. Exchange differences arising on restatement / settlement of long-term foreign currency borrowings relating to acquisition of depreciable fixed assets are adjusted to the cost of the respective assets and depreciated over the remaining useful life of such assets. Machinery spares which can be used only in connection with an item of fixed asset and whose use is expected to be irregular are capitalised and depreciated over the useful life of the principal item of the relevant assets.

Intangible Assets are stated at the cost of acquisition less accumulated amortization.

Capital Work In Progress include cost of fixed assets that are not ready for their intended use as at the balance sheet date.

## **1.5 Depreciation:**

Depreciation has been provided on the written down value method as per the rates prescribed in Schedule II to the Companies Act, 2013 and In respect of additions to / deletion from the Fixed Assets, on pro rata basis.

### 1.6 Impairment of Assets:

An asset is treated as impaired when the carrying amount of assets exceeds its recoverable value. An impairment loss is charged to the Statement of Profit and Loss in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting year/s is reversed if there has been a change in the estimate of recoverable amount.

### 1.7 Investments:

Current Investments are carried at the lower of cost or quoted / fair value computed scrip wise. Long Term Investments are stated at cost. Provision for diminution in the value of long-term investments is made only if decline in the value of such investments is other than temporary.

### 1.8 Inventories:

- a. Inventories including Work-in-process and stores and spares are valued at the lower of cost and net realizable value.
- b. Cost of inventories is generally ascertained on first in first out basis.

### 1.9 Foreign currency transactions:

- a. Transactions in foreign currencies are normally recorded at the exchange rate prevailing on the date of the transaction.
- b. Monetary foreign currency items are reported at the exchange rates as at Balance Sheet date.
- c. In respect of transactions covered under forward exchange contracts, the difference between the exchange rates prevailing at the Balance Sheet date and rate on the date of the contract is recognized as exchange difference. The premium on forward contract/s is amortized over the life of the contract.
- d. Non-monetary foreign currency items are carried at cost.
- e. Any gains or losses on account of exchange difference either on settlement or on translation are recognized in the Statement of Profit and Loss.

### 1.10 Employee Benefits:

- a. Short-term employee benefits are recognized as an expense at the undiscounted amount in the Statement of Profit and Loss of the year in which the related service is rendered.
- b. Post-employment and other long-term employee benefits are recognized as an expense at the present value of amount payable determined using actual arithmetical valuation basis in the Statement of Profit and Loss of the year in which the employee has rendered services.

### 1.11 Provision for Current and Deferred Tax:

- a. **Current Tax:** Provision is made for income tax, under the tax payable method, based on the liability as computed after taking credit for allowances, exemptions, and MAT credit entitlement for the year. Adjustments in books are made only after the completion of the assessment. In case of matters under appeal, due to disallowances or otherwise, full provision is made when the Company accepts the said liabilities.
- b. **Deferred tax:** The differences that result between the profit / loss offered for income tax and the profit / loss as per the financial statements are identified and thereafter a deferred tax asset or deferred tax liability is recorded for timing differences, namely the differences that originate in one accounting period and reverse in another. Deferred tax is measured based on the tax rates and tax laws enacted or substantively enacted at the Balance Sheet date. Deferred tax asset is recognized only to the extent there is virtual certainty that the asset will be realized in the future. Carrying value of deferred tax asset is adjusted for its appropriateness at each balance sheet date.

### 1.12 Provisions, Contingent Liabilities and Contingent Assets :

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognised but are disclosed in the notes. Contingent Assets are neither recognised nor disclosed in the financial statements.

### 1.13 Borrowing Cost:

- Borrowing costs, less any income on the temporary investment out of those borrowings, that are directly attributable to acquisition of an asset that necessarily takes a substantial period of time to get ready for its intended use are capitalized as a part of the cost of that asset
- Other borrowing costs are recognized as expense in the period in which they are incurred.

### 1.14 Leases:

- Assets given on lease, under which the Company effectively retains all the risks and rewards of ownership, are classified as operating lease. Operating lease payments are recognized as income in the Statement of Profit and Loss on a straight-line basis over the lease term.
- Assets acquired under leases where all the risks and rewards of ownership are substantially transferred to the Company are classified as Finance leases. Such leases are capitalized at the inception of the lease at the lower of fair value or the present value of minimum lease payments and liability is created for an equivalent amount. Each lease rental paid is allocated between the liability and interest cost so as to obtain a constant periodic rate of interest on the outstanding liability for each year.

### 1.15 Provision for Doubtful Debts and Loans and Advances:

Provision is made for doubtful trade receivables, loans and advances when the management considers trade receivables, loans and advances to be doubtful of recovery.

### 1.16 Earnings per share

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year.

### 1.17 Deferred Revenue Expenditure

Expenditure incurred on Issue of Shares have been treated as Deferred Revenue Expenditure and the same is amortised over a period of 5 years.

### 1.18 Cash and Cash equivalents

Cash and Cash Equivalents for the purpose of Cash Flow Statement comprises Cash at bank and in hand and demand deposits with banks having maturity period less than three months.

## 2. TABLE HIGHLIGHTING MATERIAL ADJUSTMENTS:

- The summary of results of material restatements made in audited financial statements of the Company for the respective years and their impact on the profits of the Company is as under:

Figures in bracket represent increase in profits.

(Amount in INR lacs)

Particulars	Notes	For the month ended April 30, 2015	2015	2014	2013	2012	2011
<b>Profit after Tax as per Audited Financial Statements</b>		8.04	121.87	66.54	70.92	69.65	69.63
<b>Adjustments due to change in accounting estimates</b>	-	-	-	-	-	-	-
<b>Adjustments due to change in Accounting Policy</b>	-	-	-	-	-	-	-
<b>Other Adjustments</b>			-	-	-	-	-
Prior Period adjustments with respect to accounting of income	1	-	(7.66)	7.66	-	-	-
Prior Period adjustments with respect to accounting of Expenses	2	-	(25.55)	25.55	-	-	-

Indirect taxes adjustment	2	-	(1.34)	1.34	-	-	-
<b>Tax related Adjustments</b>	-	-	-	-	-	-	-
Deferred tax - Expense / (income)	-	-	-	-	-	-	-
Income Tax for earlier years - Expense / (income)	-	-	-	-	-	-	-
Provision for Tax - Expense / (income)	-	-	-	-	-	-	-
<b>Total</b>	-	-	-	-	-	-	-
<b>Restated Profit after Tax</b>	-	8.04	156.42	32.00	70.92	69.65	69.63

#### Notes on Material Adjustments

##### 1 Prior Period adjustments with respect to accounting of income

In the audited financial statements for the year ended March 31, 2014 certain items of income have been identified as income pertaining to later year.

Accordingly, in Restated Summary Statements, such unearned income has been appropriately adjusted in the year to which the transaction pertains.

##### 2 Prior period adjustments with respect to accounting of expenses

In the audited financial statements for the year ended March 31, 2014 certain items of expenses have been identified as expenses pertaining to later year and also certain expenses were not provided for, which were paid in later year.

Accordingly, in Restated Summary Statements, such expenses have been appropriately adjusted in the year to which the transaction pertains.

##### 3 Material Reclassification / Adjustments / Regrouping

Appropriate reclassifications / adjustments/ regrouping have been made in the Summary Statement of Assets and Liabilities, As Restated, Summary Statement of Profits and Losses, As Restated and Statement of Cash Flows, As Restated, wherever required, by reclassification of the corresponding items of income, expenses, assets and liabilities, in order to bring them in line with the groupings as per the audited financial statements of the Company for the year ended March 31, 2015 and the requirements of the SEBI Regulations. Material reclassifications/ adjustments/ regrouping are made for the year ended March 31, 2011 for the preparation and presentation of its financial statements as per Revised Schedule VI notified under the Companies Act, 1956, which has become applicable during the year ended March 31, 2012.

#### OTHER SIGNIFICANT NOTES

##### 1 Payment to Auditors

(Amount in INR lacs)

Particulars	For the month ended April 30, 2015	2015	2014	2013	2012	2011
<b>Auditor's Remuneration</b>						
Statutory/Tax Audit	0.25	3.00	1.69	1.35	1.35	1.00
Other Matters	-	3.00	-	-	-	0.20
<b>Total</b>	<b>0.25</b>	<b>6.00</b>	<b>1.69</b>	<b>1.35</b>	<b>1.35</b>	<b>1.20</b>

## 2 Director's Remuneration

(Amount in INR lacs)

Particulars	For the month ended April 30, 2015	2015	2014	2013	2012	2011
Director's Remuneration	3.59	25.58	29.34	26.74	24.95	25.25
Total	3.59	25.58	29.34	26.74	24.95	25.25

## 3 Expenditure and Earnings in foreign currencies

(Amount in INR lacs)

Particulars	For the month ended April 30, 2015	2014-15	2013-14	2012-13	2011-12	2010-11
<b>Earning in foreign currency</b>						
Exports	-	272.47	134.57	220.322	195.03	216.19
<b>Expenditure in foreign currency</b>						
Imports	-	62.87	-	-	-	-

## 4 DETAILS OF DUES TO MICRO AND SMALL ENTERPRISES AS DEFINED UNDER THE MSMED ACT, 2006:

No supplier has intimated to the Company about its status as Micro or Small Enterprises or its registration with the appropriate authority under MSMED and hence information pertaining to Disclosure in accordance with Micro, Small and Medium Enterprises Development (MSMED) Act, 2006 is not furnished by the Company.

- 5 Gratuity payable is provided on arithmetic basis considering Provisions of Payment of Gratuity Act, 1972. However the Company has not earmarked funds for the same.

## 6 SEGMENT REPORTING

The Company is predominantly in the business of execution of HVAC Contracts and allied activities and as such there are no separate reportable segments.



**Annexure V - STATEMENT OF NON-CURRENT INVESTMENTS, AS RESTATED**

(Amount in INR lacs)						
Particulars		As at 31 <sup>st</sup> March				
	As at April 30, 2015	2015	2014	2013	2012	2011
<b>Trade</b>						
Investment in Equity instruments	0.94	0.94	-	-	-	-
<b>Non Trade</b>						
Investment in Government Securities	0.20	0.20	0.20	-	-	-
Investment in Equity instruments	10.20	10.20	10.20	10.20	8.30	8.55
Investment in Mutual fund	0.20	0.20	0.20	0.20	0.20	0.20
Other Investments : Gold Coin	0.47	0.47	0.47	0.47	0.47	-
<b>Total</b>	<b>12.01</b>	<b>12.01</b>	<b>11.07</b>	<b>10.87</b>	<b>8.97</b>	<b>8.75</b>

**Annexure VI - STATEMENT OF LONG TERM LOANS AND ADVANCES AS RESTATED**

(Amount in INR lacs)						
Particulars	As at April 30, 2015	As at 31 <sup>st</sup> March				
		2015	2014	2013	2012	2011
Capital Advances	5.08	10.16	85.08	-	133.92	133.92
Rent Deposits	14.72	14.72	11.77	11.47	7.47	4.46
Deposit with suppliers	10.44	10.25	6.64	6.14	5.29	2.70
Other Deposits	81.25	76.80	20.38	3.03	1.95	8.49
<b>Total</b>	<b>111.50</b>	<b>111.93</b>	<b>123.87</b>	<b>20.64</b>	<b>148.64</b>	<b>149.58</b>

**Annexure VII - STATEMENT OF OTHER NON CURRENT ASSETS, AS RESTATED**

(Amount in INR lacs)						
Particulars	As at April 30, 2015	As at 31 <sup>st</sup> March				
		2015	2014	2013	2012	2011
Advance tax and TDS (Net of provision for tax)	-	-	1.79	-	-	-
Balance with Revenue Authorities	-	-	-	-	-	3.66
Retention with customers	45.31	44.35	-	-	6.50	45.91
Miscellaneous Exp (to the extent not W/off)	12.06	12.06	-	-	-	-
<b>Total</b>	<b>57.38</b>	<b>56.41</b>	<b>1.79</b>	<b>-</b>	<b>6.50</b>	<b>49.57</b>

**Annexure VIII - STATEMENT OF INVENTORIES, AS RESTATED**

Particulars	(Amount in INR lacs)					
	As at 31 <sup>st</sup> March					
	As at April 30, 2015	2015	2014	2013	2012	2011
Stock of raw materials	73.35	42.04	52.47	19.53	10.62	21.07
Stock of Spares and Components	71.02	84.33	87.49	32.31	42.80	53.35
Work in Process	31.42	2.00	339.83	52.85	69.18	34.85
<b>Total</b>	<b>175.79</b>	<b>128.37</b>	<b>479.79</b>	<b>104.68</b>	<b>122.60</b>	<b>109.26</b>

**Annexure IX - STATEMENT OF TRADE RECEIVABLES, AS RESTATED**

Particulars	(Amount in INR lacs)					
	As at 31 <sup>st</sup> March					
	As at April 30, 2015	2015	2014	2013	2012	2011
Unsecured, considered good						
Debts outstanding for a period exceeding six months from the date they are due for payment	334.26	325.39	100.10	142.32	65.57	31.80
Others	888.81	909.23	707.29	816.17	500.83	362.45
Dues from Directors and Relatives of Directors	-	-	-	-	-	-
<b>Total</b>	<b>1,223.07</b>	<b>1,234.62</b>	<b>807.39</b>	<b>958.49</b>	<b>566.41</b>	<b>394.24</b>

**Annexure X - STATEMENT OF CASH AND BANK BALANCES, AS RESTATED**

Particulars	(Amount in INR lacs)					
	As at 31 <sup>st</sup> March					
	As at April 30, 2015	2015	2014	2013	2012	2011
<b>Cash and cash equivalents</b>						
Cash on hand	1.05	1.83	2.06	8.75	1.79	2.81
Cheques, drafts on hand	-	-	-	-	-	-
<b>Balance with Bank</b>						
Balances with banks	3.52	10.86	1.48	8.70	5.07	6.91
<b>Other bank balances</b>						
Margin Money for Bank Guarantees	44.34	36.43	61.31	29.43	23.82	18.78
<b>Total</b>	<b>48.92</b>	<b>49.12</b>	<b>64.86</b>	<b>46.88</b>	<b>30.68</b>	<b>28.50</b>

**Annexure XI - STATEMENT OF SHORT TERM LOANS AND ADVANCES, AS RESTATED**

(Amount in INR lacs)

Particulars	As at 31 <sup>st</sup> March					
	As at April 30, 2015	2015	2014	2013	2012	2011
Advance to Suppliers	18.50	7.94	7.11	12.81	0.72	-
Advance to Employees	3.33	2.04	8.80	6.71	3.26	3.06
<b>Total</b>	<b>21.83</b>	<b>9.97</b>	<b>15.91</b>	<b>19.52</b>	<b>3.97</b>	<b>3.06</b>

**Annexure XII - STATEMENT OF OTHER CURRENT ASSETS, AS RESTATED**

(Amount in INR lacs)

Particulars	As at 31 <sup>st</sup> March					
	As at April 30, 2015	2015	2014	2013	2012	2011
Retention with customers	20.00	20.00	78.13	60.70	53.52	12.82
Accured Receivables	232.44	197.41	-	-	-	-
Balance with Revenue Authorities	2.76	-	9.10	-	1.82	-
Other Receivables	5.91	3.23	0.03	-	1.07	4.80
Prepaid Expenses	1.27	1.07	1.59	-	-	-
Accrued Interest on Bank Fixed Deposit/NSC	0.02	0.02	-	-	0.41	-
Claim Receivable	14.56	0.43	-	-	-	-
Miscellaneous Exp (to the extent not W/off)	1.34	1.34	-	-	-	-
<b>Total</b>	<b>278.30</b>	<b>223.48</b>	<b>88.85</b>	<b>60.70</b>	<b>56.83</b>	<b>17.63</b>

**Annexure XIII - STATEMENT OF LONG TERM BORROWINGS, AS RESTATED**

(Amount in INR lacs)

Particulars	As at 31 <sup>st</sup> March					
	As at April 30, 2015	2015	2014	2013	2012	2011
<b>Secured</b>						
<b>Term Loans</b>						
- from Banks	331.60	338.59	135.98	90.13	-	-
- from other parties	25.76	26.71	3.27	-	-	0.72
<b>Total</b>	<b>357.36</b>	<b>365.30</b>	<b>139.26</b>	<b>90.13</b>	<b>-</b>	<b>0.72</b>

**Annexure XIV - STATEMENT OF DEFERRED TAX LIABILITIES (NET), AS RESTATED**

(Amount in INR lacs)

Particulars	As at 31 <sup>st</sup> March					
	As at April 30, 2015	2015	2014	2013	2012	2011
<b>Deferred Tax Liability (A)</b>						
Depreciation/amortisation	24.85	27.14	11.25	8.52	7.77	7.89

Particulars	As at April 30, 2015	As at 31 <sup>st</sup> March				
		2015	2014	2013	2012	2011
Other Adjustments	-	-	1.10	3.34	-	-
<b>Deferred Tax Asset (B)</b>	-	-	-	-	-	-
On account of Disallowance U/s. 43 B	(12.24)	(10.35)	-	-	(1.56)	(1.48)
<b>Deferred Tax Liabilities (Net) [C] [A-B]</b>	<b>12.61</b>	<b>16.79</b>	<b>12.35</b>	<b>11.86</b>	<b>6.21</b>	<b>6.41</b>

#### Annexure XV- STATEMENT OF OTHER NON-CURRENT LIABILITIES, AS RESTATED

(Amount in INR lacs)

Particulars	As at April 30, 2015	As at 31 <sup>st</sup> March				
		2015	2014	2013	2012	2011
Deposits from Customers	1.83	1.83	1.83	1.83	1.83	1.83
<b>Total</b>	<b>1.83</b>	<b>1.83</b>	<b>1.83</b>	<b>1.83</b>	<b>1.83</b>	<b>1.83</b>

#### Annexure XVI - STATEMENT OF LONG TERM PROVISIONS, AS RESTATED

(Amount in INR lacs)

Particulars	As at April 30, 2015	As at 31 <sup>st</sup> March				
		2015	2014	2013	2012	2011
Provision For Gratuity	28.98	27.89	23.08	19.54	9.25	4.45
<b>Total</b>	<b>28.98</b>	<b>27.89</b>	<b>23.08</b>	<b>19.54</b>	<b>9.25</b>	<b>4.45</b>

#### Annexure XVII - STATEMENT OF SHORT TERM BORROWINGS, AS RESTATED

(Amount in INR lacs)

Particulars	As at April 30, 2015	As at 31 <sup>st</sup> March				
		2015	2014	2013	2012	2011
<b>Secured</b>						
Loans repayable on demand						
- from banks	547.92	536.55	494.22	452.42	467.30	350.48
<b>Unsecured</b>						
Loans repayable on demand						
- from banks	39.53	43.77	36.00	-	-	-
<b>Total</b>	<b>587.45</b>	<b>580.32</b>	<b>530.21</b>	<b>452.42</b>	<b>467.30</b>	<b>350.48</b>

#### Annexure XVIII - STATEMENT OF TRADE PAYABLE, AS RESTATED

(Amount in INR lacs)

Particulars	As at April 30, 2015	As at 31 <sup>st</sup> March				
		2015	2014	2013	2012	2011
Trade Creditors (including acceptances)	488.31	418.30	342.43	262.62	115.46	95.85
<b>Total</b>	<b>488.31</b>	<b>418.30</b>	<b>342.43</b>	<b>262.62</b>	<b>115.46</b>	<b>95.85</b>

**Annexure XIX - STATEMENT OF OTHER CURRENT LIABILITIES, AS RESTATED**  
(Amount in INR lacs)

Particulars	As at April 30, 2015	As at 31 <sup>st</sup> March				
		2015	2014	2013	2012	2011
Current Maturities of Long Term Liabilities	140.08	140.08	23.31	8.45	28.00	56.96
Interest Accrued but not due	3.89	1.19				
Unclaimed Dividend	-	-	0.07	0.07	0.05	0.04
Statutory Dues payable	20.62	27.72	42.66	56.32	20.32	18.27
Advance from Customers	168.62	142.66	259.44	162.41	28.70	53.25
Book Bank Overdraft	3.07	-	23.36	-	2.87	-
Capex Creditors	2.72	-	-	20.83	64.85	64.85
Employee Benefit Expenses payable	38.35	28.91	23.63	1.14	12.60	11.02
Unearned Revenue	20.56	20.90	7.66	-	-	-
Other payables	14.53	14.20	8.51	3.31	3.25	0.55
<b>Total</b>	<b>412.44</b>	<b>375.66</b>	<b>388.63</b>	<b>252.53</b>	<b>160.65</b>	<b>204.94</b>

**Annexure XX - STATEMENT OF SHORT TERM PROVISIONS, AS RESTATED**

(Amount in INR lacs)

Particulars	As at April 30, 2015	As at 31 <sup>st</sup> March				
		2015	2014	2013	2012	2011
Proposed Dividend	10.21	10.21	-	3.60	2.04	2.35
Provision for Dividend Distribution Tax	2.08	2.08	-	0.58	0.33	0.39
Provision for Income Tax (Net of Advance Tax & TDS)	16.52	18.19	-	16.14	13.67	11.88
<b>Total</b>	<b>28.81</b>	<b>30.48</b>	<b>-</b>	<b>20.33</b>	<b>16.04</b>	<b>14.62</b>

**Annexure XXI - STATEMENT OF SHARE CAPITAL, AS RESTATED**

(Amount in INR lacs)

Particulars		(Amount in INR lacs)				
	As at April 30, 2015	As at 31 <sup>st</sup> March				
		2015	2014	2013	2012	2011
<b>Authorised:</b>						
Equity Shares of INR 10/- each.	1,000.00	1,000.00	400.00	400.00	400.00	400.00
<b>Issued, Subscribed and Paid up:</b>						
Equity Shares of INR 10/- each.	510.54	510.54	382.91	359.88	213.50	203.50
<b>Total</b>	<b>510.54</b>	<b>510.54</b>	<b>382.91</b>	<b>359.88</b>	<b>213.50</b>	<b>203.50</b>

**Notes:**

**a) Reconciliation of Equity share capital:**

Particulars	As at		As at		As at		As at		As at		As at	
	April 30, 2015		31st March 2015		31st March 2014		31st March 2013		31st March 2012		31st March 2011	
	No of shares	Amount	No of shares	Amount	No of shares	Amount	No of shares	Amount	No of shares	Amount	No of shares	Amount
No of Equity shares outstanding at the end of the period	51.05	510.54	51.05	510.54	38.29	382.91	35.99	359.88	21.35	213.50	20.35	203.50
Face Value of INR 10/-												

**b) Rights, preferences and restrictions attached to shares:**

"The company has one class of Equity Shares having a par value of INR 10/- per share. Each equity holder is entitled to one vote per share and has a right to receive dividend as recommended by Board of Directors subject to necessary approval from the share. In the event of liquidation of the Company, the holders of Equity Shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of Equity Shares held."

**c) Number of Equity shares held by each shareholder holding more than 5% shares in the company are as follows:**

Particulars	Number of shares as at 30th April 2015	% of shares held	Number of shares as at 31st March 2015	% of shares held	Number of shares as at 31st March, 2014	% of shares held	Number of shares as at 31st March, 2013	% of shares held	Number of shares as at 31st March, 2012	% of shares held	Number of shares as at 31st March, 2011	% of shares held
Mr. Nimesh Mehta	2566053	50.26%	2566053	50.26%	1924540	50.26%	1825412	50.72%	1090578	51.08%	1040578	51.13%
Mrs. Manisha Mehta	2415832	47.32%	2415832	47.32%	1811874	47.32%	1736746	48.26%	1022252	47.88%	972252	47.78%

**Annexure XXII - STATEMENT OF RESERVES AND SURPLUS, AS RESTATED**

Particulars	(Amount in INR lacs)					
	As at 31 March					
	April 30, 2015	2015	2014	2013	2012	2011
General Reserve						
As per last Balance Sheet	-	15.00	10.00	10.00	5.00	10.00
Add: Transfer from Surplus in Statement of Profit & Loss	-	-	5.00	10.00	5.00	5.00
Less: Used for Bonus Issue	-	(15.00)	-	(10.00)	-	(10.00)

Particulars	April 30, 2015	As at 31 March				
		2015	2014	2013	2012	2011
Closing Balance	-	-	15.00	10.00	10.00	5.00
Security Premium	-	-	28.13	1.15	3.50	-
As per last Balance Sheet	-	28.13	1.15	3.50	3.50	13.68
Add: Issue of shares at premium	-	-	26.97	1.15	-	3.50
Less: Used for Bonus Issue	-	(28.13)	-	(3.50)	-	(13.68)
Closing Balance	-	-	28.13	1.15	3.50	3.50
<b>Surplus in Statement of Profit &amp; Loss Account</b>						
As per last Balance Sheet	141.02	84.79	57.79	129.88	67.60	82.02
Add: Surplus from Current year	8.04	156.41	32.00	70.92	69.65	69.63
Less: Transfer to General Reserve	-	-	(5.00)	(10.00)	(5.00)	(5.00)
Less: Used for Bonus Issue	-	(84.51)	-	(128.83)	-	(76.32)
Less: Depreciation Adjustment	-	(3.38)	-	-	-	-
Less: Proposed Dividend	-	(10.21)	-	(3.60)	(2.04)	(2.35)
Less: Dividend Distribution Tax	-	(2.08)	-	(0.58)	(0.33)	(0.39)
Closing Balance	149.06	141.02	84.79	57.79	129.88	67.60
<b>Total</b>	<b>149.06</b>	<b>141.02</b>	<b>127.91</b>	<b>68.94</b>	<b>143.38</b>	<b>76.10</b>

**Annexure XXIII - STATEMENT OF REVENUE FROM OPERATIONS, AS RESTATED**

Particulars	For the month ended on 30 <sup>th</sup> April, 2015	(Amount in INR lacs) For the year ended on 31 <sup>st</sup> March				
		2015	2014	2013	2012	2011
HVAC/MEP Turnkey Projects	100.82	2,304.66	1,754.32	1,507.77	1,299.06	1,327.82
Renting of Air Conditioners	8.46	89.41	106.97	110.71	100.27	85.08
Sale of Services	14.80	157.07	211.60	352.60	129.74	94.91
Other operating income	14.56	0.56	7.23	3.09	11.60	9.51
<b>Total</b>	<b>138.64</b>	<b>2,551.69</b>	<b>2,080.11</b>	<b>1,974.16</b>	<b>1,540.67</b>	<b>1,517.33</b>

**Annexure XXIV - STATEMENT OF OTHER INCOME, AS RESTATED**

Particulars	For the month ended on 30 <sup>th</sup> April, 2015	(Amount in INR lacs) For the month ended on 31 <sup>st</sup> March					Nature :Recurring Non Recurring	Related / Not / Related to business Activity
		2015	2014	2013	2012	2011		
Interest Income from Bank Deposits	0.26	4.88	3.05	2.82	2.13	1.30	Recurring	Related to
Dividend Income from long term investments	-	0.75	0.75	0.75	0.75	0.61	Recurring	Not related to
Profit on Sale of	-	0.00	-	-	0.07	-	Non	Not related



Investement							Recurring	to
Net gain on foreign currency transaction	-	0.72	15.33	-	10.68	2.56	Recurring	Related to
Profit on Sale of Fixed Asset	-	41.07	-	-	-	-	Non Recurring	Not related to
Sundry provisions and credit balances no longer required, written back	-	31.63	0.60	-	-	11.75	Non Recurring	Not related to
Other non-operating income	0.01	0.57	0.98	2.62	9.30	5.35	Non Recurring	Not related to
<b>Total</b>	<b>0.27</b>	<b>79.63</b>	<b>20.72</b>	<b>6.19</b>	<b>22.93</b>	<b>21.57</b>		

**Annexure XXV - STATEMENT OF OPERATING COSTS, AS RESTATED**

(Amount in INR lacs)

(Amount in Lakhs)						
		For the month ended on 31 <sup>st</sup> March				
Particulars	For the month ended on 30 <sup>th</sup> April, 2015	2015	2014	2013	2012	2011
<b>Cost of Materials / Services Consumed</b>						
Opening Stock	128.37	479.79	104.68	122.60	109.26	85.98
Purchases	99.97	1,102.20	1,469.89	1,126.04	880.53	880.79
Labour	3.63	31.76	143.61	84.45	46.60	93.93
Site expenses	10.53	85.61	37.54	14.79	34.12	38.82
Consultation Charges	-	-	-	-	-	-
Closing Stock	(175.79)	(128.37)	(479.79)	(104.68)	(122.60)	(109.26)
<b>Total</b>	<b>66.71</b>	<b>1,571.00</b>	<b>1,275.93</b>	<b>1,243.19</b>	<b>947.91</b>	<b>990.26</b>

**Annexure XXVI- STATEMENT OF EMPLOYEE BENEFIT EXPENSE, AS RESTATED**

(Amount in INR lacs)

Particulars	For the month ended on 30 <sup>th</sup> April, 2015	For the month ended on 31 <sup>st</sup> March				
		2015	2014	2013	2012	2011
Salaries, wages and bonus	28.70	405.71	396.71	242.32	243.18	178.50
Contribution to provident and other funds	2.53	15.65	10.06	16.58	9.00	6.33
<b>Total</b>	<b>31.23</b>	<b>421.35</b>	<b>406.77</b>	<b>258.90</b>	<b>252.18</b>	<b>184.83</b>

**Annexure XXVII - STATEMENT OF FINANCE COST, AS RESTATED**

(Amount in INR lacs)						
Particulars	For the month ended on 30 <sup>th</sup> April, 2015	For the year ended on 31 <sup>st</sup> March				
		2015	2014	2013	2012	2011
Interest paid to Banks	10.86	120.95	80.57	65.38	61.86	56.03
Interest Paid to Others	1.55	3.31	1.18	1.08	2.04	0.42
Other Borrowing Costs	0.65	14.87	40.81	16.70	14.39	8.98
<b>Total</b>	<b>13.06</b>	<b>139.13</b>	<b>122.56</b>	<b>83.17</b>	<b>78.29</b>	<b>65.42</b>

**Annexure XXVIII - STATEMENT OF OTHER EXPENSES, AS RESTATED**

(Amount in INR lacs)						
Particulars	For the year ended 31 March					
	For the month ended on 30 <sup>th</sup> April, 2015	2015	2014	2013	2012	2011
<b>Auditor's Remuneration</b>						
Statutory/Tax Audit	0.25	3.00	1.69	1.35	1.35	1.00
Other Matters	-	-	-	-	-	0.20
<b>Administrative And General Expenses</b>						
Advertisement	-	0.15	-	1.08	0.49	0.02
Bad Debts written off	-	21.72	-	52.15	1.69	1.70
Books & Periodicals Subscriptions and Membership	0.01	0.69	0.34	0.09	0.24	0.12
Business Promotion Expenses	-	5.13	0.67	1.69	0.87	1.16
Communication Expenses	0.56	9.41	8.67	7.23	4.69	8.40
Discount	0.19	3.31	3.39	5.05	7.16	29.79
Donations	-	0.02	0.25	0.02	0.02	0.06
Indirect Taxes Paid	-	1.42	0.57	20.76	8.25	-
Insurance	0.10	3.06	0.72	1.17	1.92	1.06
Legal & Professional Fees	0.48	9.09	8.08	11.12	5.93	9.41
Miscellaneous Expenses	0.58	1.31	12.26	18.00	9.10	13.32
Net loss on foreign currency transactions	-	-	-	0.31	-	-
Packing Expenses	-	0.03	0.48	0.30	0.88	-
Penalty	-	-	-	-	-	0.35
Postage , Fax and Courier	0.04	0.32	0.24	0.24	0.51	0.23
Power and fuel	0.56	8.16	9.42	8.45	6.45	6.18
Printing, Stationery and Xerox	0.35	2.26	0.54	0.04	1.49	0.82
Rates & Taxes	0.06	0.63	4.84	-	2.00	2.18
Rent	1.67	19.56	12.49	8.57	7.13	12.13
Repairs and maintenance	0.49	14.85	9.52	5.69	7.58	2.57
Security Expenses	0.12	1.22	-	-	-	-

Particulars	For the year ended 31 March					
	For the month ended on 30 <sup>th</sup> April, 2015	2015	2014	2013	2012	2011
Transportation charges	5.66	32.54	33.58	32.82	30.75	32.43
Travelling & Conveyance Expenses	6.47	88.45	91.41	70.33	48.66	40.83
<b>Total</b>	<b>17.60</b>	<b>226.35</b>	<b>199.15</b>	<b>246.46</b>	<b>147.14</b>	<b>163.96</b>

**Annexure XXIX - CAPITALISATION STATEMENT, AS RESTATED**

(Amount in INR lacs)

Particulars	Pre IPO as at	Post IPO
	30/04/2015	
<b>Borrowings:</b>		
Short-term	587.45	587.45
Long Term (A)	497.45	497.45
<b>Total Debt (B)</b>	<b>1084.90</b>	<b>1084.90</b>
<b>Shareholders' funds:</b>		
Share Capital	510.54	770.94
Reserves and Surplus (Net of Revaluation Reserve)	149.06	487.58
<b>Total Shareholders Funds (C)</b>	<b>659.60</b>	<b>1258.52</b>
<b>Long-term borrowings/equity ratio (A/C)</b>	<b>75.42%</b>	<b>39.53%</b>
<b>Total borrowings/equity ratio (B/C)</b>	<b>164.48%</b>	<b>86.20%</b>

- 1) The figures disclosed above are based on the Restated Summary Statements of the company.
- 2) The figure of Reserves and Surplus in the Company's Post IPO capitalisation data has been updated only in respect of Securities Premium to be generated on account of proposed fresh issue of shares under IPO.

**Annexure XXX - STATEMENT OF TAX SHELTER, AS RESTATED**

(Amount in INR lacs)

Particulars	For the month ended on 30 <sup>th</sup> April, 2015	For the year ended 31 March				
		2015	2014	2013	2012	2011
Profit before tax, As Restated (A)	4.90	203.09	62.76	122.16	109.37	105.62
Tax rate - statutory rate (B)	32.45%	32.45%	30.90%	32.45%	32.45%	33.22%
Average Tax Rate (Refer Note 4)	21.24%					
Tax as per actual rate on profits (C = A*B)	1.04	65.89	19.39	39.63	35.49	35.09
Adjustments						

Particulars	For the month ended on 30 <sup>th</sup> April, 2015	For the year ended 31 March				
		2015	2014	2013	2012	2011
<b>Tax impact of permanent differences</b>						
Donation not allowable as per the provisions of the Income-tax Act,1961	0.00	0.00	0.08	0.01	0.01	0.02
Dividend Income Exempt	-	-	-	-	-	-
Capital Gain considered separately	-	-	-	-	(0.01)	-
Other Disallowances	-	-	-	0.00	-	0.12
Profit/Loss on sale of Assets		-	-	-	-	-
Interest on tax	-	0.21				
<b>Total tax impact of permanent difference (D)</b>	0.00	0.22	0.08	0.01	(0.01)	0.14
<b>Tax impact of timing differences</b>						
Difference between tax depreciation and book depreciation	-	(0.26)	(2.28)	(1.78)	0.10	(0.44)
Provision for retirement benefits (Gratuity)	-	1.56	1.09	3.34	1.56	1.48
Tax impact on Other Items	-	(14.02)	0.92	-	0.11	-
Tax impact on Restated Items	-	(11.14)	10.67	-	-	-
<b>Total tax impact of timing difference (E)</b>	-	(23.86)	10.40	1.56	1.77	1.04
<b>Net adjustments F=(D+E)</b>	0.00	(23.64)	10.48	1.57	1.77	1.18
<b>Adjusted tax liability (C+F)</b>	1.04	42.25	29.87	41.20	37.25	36.26
<b>Total tax as per return of income</b>	NA	NA	29.87	41.20	37.25	36.26

**Notes:**

1. The aforesaid Statement of Tax Shelters has been prepared as per the Summary Statement of Profits and Losses, As Restated of the Company.
2. The above statement should be read with the Notes to the Summary Statement of Assets and Liabilities, As Restated, Summary Statement of Profits and Losses, As Restated and Summary Statement of Cash Flows, As Restated as appearing in Annexure IV.
3. The permanent / timing differences for the years ended March 31, 2015, 2014, 2013, 2012 and 2011 have been computed based on acknowledged copies of Income Tax Returns of the respective years and for the year ended March 31, 2015 same is computed based on estimated computation of Income

**Annexure XXXI - STATEMENT OF ACCOUNTING RATIOS, AS RESTATED**

Particulars	(Amount in INR lacs)					
	As at 31 <sup>st</sup> March					
	As at April 30, 2015	2015	2014	2013	2012	2011
Net Worth (INR in lacs)	659.60	651.56	510.82	428.82	356.88	279.60
Restated Profit After Tax (INR in lacs)	8.04	156.41	32.00	70.92	69.65	69.63

Particulars	As at 31 <sup>st</sup> March					
	As at April 30, 2015	2015	2014	2013	2012	2011
Total number of weighted shares outstanding at the end of the period / year after Bonus	5105408	5105408	3645553	3565318	2035548	2000192
<b>Earnings Per Share INR 10/- each</b>						
Basic & Diluted Earning Per Share after considering Sub-division and Bonus issue* (INR)	0.16	3.06	0.88	1.99	3.42	3.48
Return On net Worth (%)	1.22%	24.01%	6.26%	16.54%	19.52%	24.91%
Net Assets Value Per Share of INR 10/- each after considering Sub-division and Bonus issue* (INR)	12.92	12.76	14.01	12.03	17.53	13.98
Face Value after considering subdivision* (INR)	10	10	10	10	10	10

**Annexure XXXII- STATEMENT OF DIVIDEND, AS RESTATED**

(Amount in INR lacs)

(Amount in ₹ Lakhs)						
Particulars	As at April 30, 2015	As at 31 <sup>st</sup> March				
		2015	2014	2013	2012	2011
<b>Dividend on Equity Shares</b>						
Dividend in % - Final	0.00%	2%	0%	1%	1%	2%
Proposed Dividend	-	10.21	-	3.60	2.04	2.35
Dividend Tax	-	2.08	-	0.58	0.33	0.39

**ANNEXURE XXXIII – STATEMENT OF RELATED PARTIES TRANSACTIONS, AS RESTATED**

Names of the Related parties and Nature of Relationships as per the Accounting Standard 18- "Related Party Disclosures"

Related parties, as defined under Clause 3 of Accounting Standard (AS 18) "Related Party Disclosures" prescribed by Companies (Accounting Standards) Amendment Rules, 2006, have been identified on the basis of representation made by the Management and taken on record by the Board of Directors.

Sr No	Particulars	As at 31 <sup>st</sup> March					
		As at April 30, 2015	2015	2014	2013	2012	2011
1	<b>Key Managerial Personnel ( KMP )</b>	Mr. Nimesh Natvarlal Mehta	Mr. Nimesh Natvarlal Mehta	Mr. Nimesh Natvarlal Mehta	Mr. Nimesh Natvarlal Mehta	Mr. Nimesh Natvarlal Mehta	Mr. Nimesh Natvarlal Mehta
		Director	Director	Director	Director	Director	Director
		Mrs. Manisha Nimesh Mehta	Mrs. Manisha Nimesh Mehta	Mrs. Manisha Nimesh Mehta	Mrs. Manisha Nimesh Mehta	Mrs. Manisha Nimesh Mehta	Mrs. Manisha Nimesh Mehta
		Director	Director	Director	Director	Director	Director
		Mrs. Sharmila	Mrs. Sharmila	Mrs. Sharmila	Mrs. Sharmila	Mrs. Sharmila	Mrs. Sharmila

Sr No	Particulars	As at 31 <sup>st</sup> March					
		As at April 30, 2015	2015	2014	2013	2012	2011
		Ramchandra Singh Director	Ramchandra Singh Director	Ramchandra Singh Director	Ramchandra Singh Director	Ramchandra Singh Director	Ramchandra Singh Director
		Mrs. Sudha Balaji Company Secretary	Mrs. Sudha Balaji Company Secretary				
2	Other Related Parties	Accurate service Proprietorship of Director	Accurate service Proprietorship of Director	Accurate service Proprietorship of Director	Accurate service Proprietorship of Director	Accurate service Proprietorship of Director	Accurate service Proprietorship of Director
		Accurate Aircon Pvt Ltd Company where all our Executive directors are Directors	Accurate Aircon Pvt Ltd Company where all our Executive directors are Directors	Accurate Aircon Pvt Ltd Company where all our Executive directors are Directors	Accurate Aircon Pvt Ltd Company where all our Executive directors are Directors	Accurate Aircon Pvt Ltd Company where all our Executive directors are Directors	Accurate Aircon Pvt Ltd Company where all our Executive directors are Directors
		Mr Ramchandra Singh Spouse of Director	Mr Ramchandra Singh Spouse of Director	Mr Ramchandra Singh Spouse of Director	Mr Ramchandra Singh Spouse of Director	Mr Ramchandra Singh Spouse of Director	Mr Ramchandra Singh Spouse of Director
3	Subsidiary	Perfect Control Panels Pvt Ltd	Perfect Control Panels Pvt Ltd	-	-	-	-

Sr. No.	Nature of transactions / relationship / Name of Related Party	As at April 30, 2015	(Amount in INR lacs) As at / Year Ended				
			2015	2014	2013	2012	2011
1	Salary / perquisites / Dividend						
	Key Management Personnel (KMP)						
	Mr. Nimesh Natvarlal Mehta Director						
	Remuneration	1.34	10.57	13.83	11.44	10.10	10.1
	Dividend paid	-	-	1.83	1.04	1.20	0.68
	Mrs. Manisha Nimesh Mehta Director						
	Remuneration	1.13	8.71	10.76	9.45	9.45	9.2
	Dividend paid	-	-	1.74	0.97	1.12	0.63
	Rent paid	0.10	1.2				
	Mrs. Sharmila Ramchandra Singh Director						

Sr. No.	Nature of transactions / relationship / Name of Related Party	As at April 30, 2015	As at / Year Ended				
			2015	2014	2013	2012	2011
	<b>Remuneration</b>	1.13	6.3	4.75	5.85	5.40	5.95
	<b>Dividend paid</b>	-	-	0.01	0.00	0.00	0.00
	<b>Rent paid</b>	0.22	2.4				
	<b>Mrs. Sudha Balaji Company Secretary</b>						
	<b>Remuneration</b>	0.50	0.50	-	-	-	-
	<b>Total</b>	<b>4.41</b>	<b>29.68</b>	<b>32.92</b>	<b>28.75</b>	<b>27.27</b>	<b>26.56</b>
<b>2</b>	<b>Transactions / Expenses incurred during the period</b>						
	<b>Other party and Subsidiary</b>						
	<b>Accurate service</b>						
	<b>Proprietorship of Director</b>						
	<b>Purchases</b>	-	4.25	0.12	0.67	-	-
	<b>Sales</b>	-	3.45	-	1.04	20.70	8.00
	<b>Mr Ramchandra Singh Spouse of Director</b>						
	<b>Rent</b>	0.40	4.56	2.16	2.00	2.00	-
	<b>Perfect Control Panels Pvt Ltd</b>						
	<b>Subscription to Shares</b>	-	0.94	-	-	-	-
	<b>Total</b>	<b>0.40</b>	<b>13.20</b>	<b>2.28</b>	<b>3.71</b>	<b>22.70</b>	<b>8.00</b>
<b>3</b>	<b>Accounts Receivable</b>						
	<b>Outstanding/Other Receivable</b>						
	<b>Perfect Control Panels Pvt Ltd</b>						
	<b>Investment</b>	0.94	0.94	-	-	-	-
	<b>Mrs. Sharmila Ramchandra Singh</b>						
	<b>Accurate service</b>						
	<b>Proprietorship of Director</b>	1.68	1.68	-	0.27	-	-
	<b>Perfect Control Panels Pvt Ltd</b>						
	<b>Recoverable Exp</b>	0.43	0.43	-	-	-	-
	<b>Total</b>	<b>3.05</b>	<b>3.05</b>	<b>-</b>	<b>0.27</b>	<b>-</b>	<b>-</b>
<b>4</b>	<b>Accounts Payable Outstanding</b>						
	<b>Mr. Nimesh Natvarlal Mehta Director</b>						
	<b>Remuneration</b>	0.98	1.30	0.59	0.69	-	-
	<b>Mrs. Manisha Nimesh Mehta Director</b>						
	<b>Remuneration</b>	2.53	2.03	-	0.45	-	-
	<b>Rent</b>	0.61	0.51	-	-	-	-
	<b>Mrs. Sharmila Ramchandra Singh Director</b>						
	<b>Remuneration</b>	1.96	0.83	-	-	-	-
	<b>Rent</b>	0.22	-				
	<b>Mrs. Sudha Balaji Company Secretary</b>						
	<b>Remuneration</b>	0.50	0.50				



Sr. No.	Nature of transactions / relationship / Name of Related Party	As at April 30, 2015	As at / Year Ended				
			2015	2014	2013	2012	2011
	Accurate service Proprietorship of Director	-	-	0.52	0.67	-	0.28
	Mr. Ramchandra Singh Spouse of Director	0.22	--	-	-	-	-
	<b>Total</b>	<b>7.01</b>	<b>5.17</b>	<b>1.11</b>	<b>1.81</b>	<b>-</b>	<b>0.28</b>

#### ANNEXURE XXXIV –STATEMENT OF CONTINGENT LIABILITIES AND COMMITMENTS, AS RESTATED

##### Contingent Liability not provided for

(Amount in INR lacs)

Particulars	As at April 30, 2015	As at 31 <sup>st</sup> March				
		2015	2014	2013	2012	2011
Bank Guarantees issued to customers	231.53	249.20	327.52	180.74	103.68	56.55

##### Capital Commitments

(Amount in INR lacs)

Particulars	As at April 30, 2015	As at 31 <sup>st</sup> March				
		2015	2014	2013	2012	2011
i) Estimated amount of contracts remaining to be executed and not provided for in these accounts (net of advance) in respect of purchase of:						
Tangible Fixed Assets	49.15	49.15	219.15	-	-	-
Intangible Fixed Assets	1.03	1.91	-	-	-	-

#### ANNEXURE XXXV –SEGMENT REPORTING, AS RESTATED

The Company is predominantly in the business of execution of HVAC Contracts and allied activities and as such there are no separate reportable segments.

**AUDITOR'S REPORT ON RESTATED CONSOLIDATED FINANCIAL INFORMATION**

To,

The Board of Directors,  
**M/s Perfect Infraengineers Ltd.,**  
Plot No R-637, TTC Industrial Area,  
MIDC , Rabale,  
Thane Belapur Road,  
Navi Mumbai-400 701.

Dear Sirs,

We have examined the consolidated restated financial information of M/s Perfect Infraengineers Limited (the 'Holding Company') and its subsidiary (the Holding Company and its subsidiary together referred to as "the Group") for the one month period ended on April 30, 2015 and for the year ended on March 31, 2015 annexed to this report for the purpose of inclusion in the offer document. This financial information has been prepared by the management and approved by the Board of Directors of the Company for the purpose of disclosure in the Offer Document being issued by the Company in connection with the proposed Initial Public Offering ('IPO') of equity shares.

This financial information has been prepared in accordance with the requirements of:

- i) Part I of Chapter III to the Companies Act, 2013 (the 'Act');
- ii) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (the 'Regulations') and the related amendments issued by the Securities and Exchange Board of India ('SEBI') as amended to date.

This financial information has been compiled by the management from the audited consolidated financial statements of the Company") for the one month period ended on April 30, 2015 and for the year ended on March 31, 2015.

We have examined such financial information in accordance with the requirements of:

- i) The (Revised) Guidance Note on Reports in Company Prospectuses issued by the Institute of Chartered Accountants of India ('ICAI'); and
- ii) The terms of reference received from the company vide letter dated September 22, 2015 requesting us to carry out work of such financial information proposed to be included in the offer document of the Company in connection with its proposed IPO.

**A. Financial information as per the Restated Summary Statements of the Company:**

1. We have, in terms of Securities and Exchange Board Of India (ICDR) Regulations, 2009 audited the Consolidated financials of M/s Perfect Infraengineers Ltd as on April 30, 2015 and as on March 31, 2015, the said accounts give the information required by the Companies Act, 2013, to the extent applicable for the relevant period, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India.
2. We have examined the attached Consolidated Summary Statement of Assets and Liabilities, As Restated (refer Annexure I) of the Company as at April 30, 2015 and as on March 31, 2015, the attached Consolidated Summary Statement of Profits and Losses, As Restated (refer Annexure II) of the Company for the one month period ended April 30, 2015 and for the year ended March 31, 2015 and also the Statement of Cash flows, As Restated (refer Annexure III) for the one month period ended April 30, 2015 and for the year ended March 31, 2015 collectively referred to as 'Restated Consolidated Summary Statements of the Group'. These Restated Consolidated Summary Statements of the Group have been arrived at after making such adjustments and regroupings to the audited financial statements of the Company which are appropriate and are more fully described in the Statement of Notes to Restated Consolidated Summary Statements of the Company in Annexure IV.

The audit for the one month period ended April 30, 2015 and for the year ended March 31, 2015 was conducted by us. As the Subsidiary of the Company namely M/s Perfect Control Panels Private Limited was incorporated on

February 20, 2015, Restated Consolidated Summary Statements of the Group consists data for the one month period ended April 30, 2015 and for the year ended March 31, 2015 only.

3. Based on the above, we state that:
  - a) The Restated Consolidated Summary Statements of the Group have to be read in conjunction with the Statement of Notes to Restated Consolidated Summary Statements of the Group in Annexure IV;
  - b) The Restated Consolidated profits have been arrived at after making such material adjustments and regroupings as, in our opinion, are appropriate as described in the Statement of Notes to Restated Consolidated Summary Statements of the Company in Annexure IV;
  - c) There are no extra-ordinary items which needs to be disclosed separately in the Restated Consolidated Summary Statements of the Group.
4. We have not audited any financial statement of the Group as of any date or for any period subsequent to April 30, 2015. Accordingly, we express no opinion on the financial position, results of operations or cash flows of the company as of any date or for any period subsequent to April 30, 2015.

**B. Other financial information:**

5. We have examined the following 'Other financial information' as prepared by the management and approved by the Board of Directors and annexed to this report in respect of the one month period ended April 30, 2015 and year ended March 31, 2015 of the Group, proposed to be included in the offer document.:
  - (i) Statement of Notes to Consolidated Restated Summary Statements of Group (Annexure IV);
  - (ii) Statement of Non-Current Investments, As Restated (Annexure V);
  - (iii) Statement of Long Term Loans and Advances, As Restated (Annexure VI);
  - (iv) Statement of Other Non Current Assets, As Restated (Annexure VII);
  - (v) Statement of Inventories, As Restated (Annexure VIII);
  - (vi) Statement of Trade Receivables, As Restated (Annexure IX);
  - (vii) Statement of Cash and Bank Balances, As Restated (Annexure X);
  - (viii) Statement of Short Term Loans and Advances, As Restated (Annexure XI);
  - (ix) Statement of Other Current Assets, As Restated (Annexure XII);
  - (x) Statement of Long Term Borrowings, As Restated (Annexure XIII);
  - (xi) Statement of Deferred Tax Liabilities (Net), As Restated (Annexure XIV);
  - (xii) Statement of Other Non-Current Liabilities, As Restated (Annexure XV);
  - (xiii) Statement of Long Term Provisions, As Restated (Annexure XVI);
  - (xiv) Statement of Short Term Borrowings, As Restated (Annexure XVII);
  - (xv) Statement of Trade Payables, As Restated (Annexure XVIII);
  - (xvi) Statement of Other Current Liabilities, As Restated (Annexure XIX);
  - (xvii) Statement of Short Term Provisions, As Restated (Annexure XX);
  - (xviii) Statement of Share Capital, As Restated (Annexure XXI);
  - (xix) Statement of Reserves and Surplus, As Restated (Annexure XXII);
  - (xx) Statement of Revenue from operations, As Restated (Annexure XXIII);
  - (xxi) Statement of Other Income, As Restated (Annexure XXIV);
  - (xxii) Statement of Operating Costs, As Restated (Annexure XXV)

- (xxiii) Statement of Employee Benefit Expense, As Restated (Annexure XXVI)
  - (xxiv) Statement of Finance Cost, As Restated (Annexure XXVII);
  - (xxv) Statement of Other Expenses, As Restated (Annexure XXVIII);
  - (xxvi) Capitalisation Statement, As Restated (Annexure XXIX);
  - (xxvii) Statement of Tax Shelter, As Restated (Annexure XXX);
  - (xxviii) Statement of Accounting Ratios, As Restated (Annexure XXXI)
  - (xxix) Statement of Dividend paid, As Restated (Annexure XXXII)
  - (xxx) Statement of Related Parties Transactions, As Restated (Annexure XXXIII)
  - (xxxi) Statement of Contingent Liabilities and Commitments, As Restated (Annexure XXXIV)
6. In our opinion, the 'Financial information as per the Restated Consolidated Summary Statements of the Group' and 'Other financial information' mentioned above (read with Significant Accounting Policies and Statement of Notes to Restated Consolidated Summary Statements in Annexure IV) and prepared after making the adjustments and regrouping as considered appropriate have been prepared in accordance with Part I of Chapter III to the Companies Act, 2013 and the relevant provisions of the SEBI Regulations. As a result of these regroupings and adjustments, the amount reported in the financial information may not necessarily be same as those appearing in the audited financial statements for the year.
7. We have no responsibility to update our report for events and circumstances occurring after the date of this report.
8. This report is intended solely for your information and for inclusion in the Offer Document in connection with the proposed IPO of the equity shares of the Company and is not to be used, referred to or distributed for any other purpose without our prior written consent.

**For Godbole Bhawe & Co.**  
**Chartered Accountants**  
**Firm Registration No: 114445W**

Sd/-

**Arvind S. Mahajan**  
**Partner**  
**Membership No. 100483**  
**Place: Mumbai**  
**Date: 07.10.2015**

# **Annexure I - SUMMARY STATEMENT OF CONSOLIDATED ASSETS AND LIABILITIES, AS RESTATED**

(Amount in INR lacs)

Sr. No.	Particulars	Annexure	As at April 30, 2015	As at March 31, 2015
<b>A</b>	<b>Non-current assets</b>			
	<b>Fixed Assets</b>			
	Tangible Assets		641.59	642.23
	Less: Revaluation Reserve		-	-
	Net Block After Adjustment for Revaluation Reserve		641.59	642.23
	Intangible Assets under development		7.03	
	Non-current Investments	Annexure V	11.07	11.07
	Long term loans and advances	Annexure VI	111.75	112.18
	Other non- current Assets	Annexure VII	57.85	56.88
	<b>Total Non-current assets</b>		829.28	822.36
<b>B</b>	<b>Current Assets</b>			
	Current Investments		-	-
	Inventories	Annexure VIII	175.79	128.37
	Trade receivables	Annexure IX	1,223.07	1,234.62
	Cash and Cash equivalents	Annexure X	49.37	49.98
	Short- term loans and advances	Annexure XI	21.97	10.11
	Other Current Assets	Annexure XII	277.99	223.18
	<b>Total Current Assets</b>		1,748.18	1,646.25
<b>C</b>	<b>Non-current liabilities</b>			
	Long- term borrowings	Annexure XIII	357.36	365.30
	Deferred Tax Liabilities (Net)	Annexure XIV	12.61	16.79
	Other Non-current liabilities	Annexure XV	1.83	1.83
	Long- term provisions	Annexure XVI	28.98	27.89
	<b>Total Non-current liabilities</b>		400.79	411.81
<b>D</b>	<b>Current Liabilities</b>			
	Short-Term Borrowings	Annexure XVII	587.45	580.32
	Trade Payables	Annexure XVIII	488.31	418.71
	Other current liabilities	Annexure XIX	412.44	375.66
	Short- term provisions	Annexure XX	28.81	30.48
	<b>Total Current liabilities</b>		1,517.02	1,405.18
	<b>Net Worth (A+B-C-D)</b>		659.66	651.62
	<b>Represented by:</b>			
<b>E</b>	<b>Share capital</b>	Annexure XXI	510.54	510.54
<b>F</b>	<b>Reserves and Surplus</b>	Annexure XXII	149.06	141.02
	Less: Revaluation Reserve		-	-
	<b>Reserves and Surplus (net of revaluation reserves)</b>		149.06	141.02
<b>G</b>	<b>Minority Interest</b>		0.06	0.06
	<b>Net worth (E+F)</b>		659.66	651.62

**Annexure II - SUMMARY STATEMENT OF CONSOLIDATED PROFITS AND LOSSES, AS RESTATED**

(Amount in INR lacs)			
Particulars	Annexure	For the month ended April 30, 2015	For the Year ended March 31, 2015
<b>Revenue</b>			
Revenue from operation	Annexure XXIII	138.64	2,551.69
Other income	Annexure XXIV	0.27	79.63
<b>Total Revenue (I+II)</b>		138.91	2,631.31
<b>Expenses:</b>			
Operating Cost	Annexure XXV	66.71	1,571.00
Employee benefit expenses	Annexure XXVI	31.23	421.35
Finance Cost	Annexure XXVII	13.06	139.13
Depreciation expense – Tangible Assets		5.41	70.39
Less: Transferred from Revaluation Reserve		-	-
Amortization expense - Intangible Assets		-	-
Other Expenses	Annexure XXVIII	17.60	226.35
<b>Total Expenses</b>		134.01	2,428.23
<b>Profit before tax</b>		4.90	203.09
<b>Tax</b>			
Current Tax		1.04	42.25
Short/(Excess) Provision of Earlier years		-	(0.02)
Deferred tax Expense/(Income)		(4.18)	4.45
Total Tax Expenses		(3.14)	46.67
<b>Net profit as restated</b>		8.04	156.41

**Annexure III - STATEMENT OF CONSOLIDATED CASH FLOWS, AS RESTATED**

(Amount in INR lacs)			
Sr. No.	Particulars	For the month ended April 30, 2015	For the Year ended March 31, 2015
<b>A</b>	<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
	<b>Net profit before tax, as restated</b>	4.90	203.09
	Adjustments for:		
	Depreciation and amortization	5.41	70.39
	Finance Cost	13.06	139.13
	(Profit)/ Loss on sale of fixed assets /investment	-	(41.07)
	Provision for Gratuity	1.09	4.81
	Bad Debts w/off	-	21.72
	Interest income	(0.26)	(4.88)
	Dividend Income	-	(0.75)
	<b>Operating profit before working capital changes</b>	<b>24.20</b>	<b>392.44</b>
	Adjustments for Increase / Decrease in Long Term Provisions	-	-
	Trade Payable	58.61	76.28
	Other Current Liabilities	31.36	(130.85)
	Other Long Term Liabilities		
	Loans and Advances	(5.51)	(246.85)
	Short Term Loan and Advances		

Sr. No.	Particulars	For the month ended April 30, 2015	For the Year ended March 31, 2015
	Other Non Current Assets	(0.97)	
	Inventories	(47.42)	351.42
	Trade Receivable	11.55	(448.95)
	Other Current Assets	(54.81)	-
	Cash generated from operations	17.01	(6.50)
	Income taxes paid (including fringe benefit tax)	(2.71)	(24.04)
	<b>Net Cash from Operating activities</b>	<b>14.30</b>	<b>(30.54)</b>
<b>B</b>	<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
	Purchases of fixed assets	(4.01)	(294.84)
	Sale of Fixed Assets	-	49.90
	Sale of Asset under grant cash receipt		
	Net Purchase and Sale of Investments	-	0.00
	Interest income	0.26	4.88
	Dividend Income	-	0.75
	<b>Net cash used in investing activities</b>	<b>(3.75)</b>	<b>(239.31)</b>
<b>C</b>	<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
	Changes in Borrowings	(0.80)	392.92
	Changes in Short Term Borrowings		
	Share Issue Proceeds		
	Minority Interest	-	0.06
	Interest Paid	(10.36)	(137.94)
	Payment of Dividend	-	(0.07)
	Receipt of Grants from Government	-	-
	<b>Net Cash from/used in financing activities</b>	<b>(11.16)</b>	<b>254.97</b>
	<b>NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>(0.61)</b>	<b>(14.87)</b>
	<b>Opening cash and cash equivalents</b>	<b>49.98</b>	<b>64.86</b>
	<b>Closing cash and cash equivalents*</b>	<b>49.37</b>	<b>49.98</b>

#### Annexure IV - STATEMENT OF NOTES TO RESTATED SUMMARY STATEMENTS OF THE COMPANY

### 1 SIGNIFICANT ACCOUNTING POLICIES

- 1.1 The consolidated financial statement relates to Perfect Infraengineers Limited and its Subsidiary Company. The company considered for consolidation and basis of consolidation is as follows :

Sr No.	Name of the Subsidiary	Country of Incorporation	Proportion of Ownership, Interest & Relationship	Financial month/year ended on
1.	Perfect Control Panels Pvt Ltd	India	94% subsidiary of Perfect Infraengineers Limited	April 30, 2015 and March 31, 2015

### 1.2 Principals of Consolidation

- a) The financial statements of the Company and its Subsidiary Company are combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions in accordance with Accounting Standard (AS – 21) “Consolidated Financial Statements”.



- b) The difference between the cost of investment in the subsidiaries, over the net assets at the time of acquisition of shares in the subsidiaries is recognized in the consolidated financial statements as Goodwill or Capital Reserve as the case may be.
- c) Share of Minority Interest in net profit / loss of the consolidated subsidiaries for the year is identified and adjusted against the profit / loss of the group in order to arrive at the net profit / loss attributable to shareholders of the Company.
- d) Share of Minority Interest in net assets of the consolidated subsidiaries is identified and presented in the consolidated balance sheet separate from liabilities and the equity of the Company's shareholders.

### **1.3 Basis of preparation of consolidated financial statements**

The 'Summary Statement of Assets and Liabilities, As Restated', of the Company as at April 30, 2015 and March 31, 2015 the 'Summary Statement of Profits and Losses, As Restated', and the 'Statement of Cash Flows, As Restated', for the one month ended April 30, 2015 and for the year ended March 31, 2015 (collectively referred to as 'Restated Summary Statements') have been prepared specifically for the purpose of inclusion in the offer document in connection with the proposed Initial Public Offering (hereinafter referred to as 'IPO').

The consolidated financial statements have been prepared and presented under the historical cost convention, on the accrual basis of accounting (except where not reasonably determinable) and on accounting principles of Going Concern in accordance with the generally accepted accounting principles (GAAP) in India and comply with the Accounting Standards ("AS") prescribed in the Companies (Accounting Standards) Rules, 2006 and with the relevant provisions of the Companies Act, 2013, to the extent applicable.

The Restated Summary Statements of the Company have been prepared to comply in all material respects with the requirements of Part I of Chapter III to the Companies Act, 2013 and Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 issued by SEBI and as amended from time to time.

### **1.4 Use of Estimate:**

The preparation of consolidated financial statements in conformity with the generally accepted accounting principles requires management to make estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the consolidated financial statements and the reported amount of revenues and expenses during the reporting year. The difference between the actual results and estimates are recognized in the year in which the results are known / materialized.

### **1.5 Revenue recognition:**

Revenues are recognized when it is earned and when there is no significant uncertainty as to its measurement and realization. The specific revenue recognition policies are as under:

- a. Revenue from Turnkey Contracts is recognized based on work completion of activity or achievement of milestone.
- b. Revenue from sale of products is recognized upon passing of the title of goods and/or on transfer of significant risk and rewards of ownership thereto.
- c. Revenue from Services is recognized on performance of Service in accordance with the terms of contract with customers.
- d. Dividend income is recognized when the right to receive dividend is established.
- e. Income such as annual maintenance contracts, Interest, Lease Rentals is recognized as per contractually agreed terms on time proportion basis.
- f. Export benefits are accounted for in the year of exports, based on eligibility and when there is no uncertainty of receiving the same.
- g. Other income is recognized when the right to receive is established.

#### **1.6 Fixed Assets, Intangible Assets and Capital Work in Progress:**

Fixed Assets are stated at the cost of acquisition less accumulated depreciation and impairment losses, if any. All identifiable costs incurred up to the asset put to use are capitalized. Costs include purchase price (including non-refundable taxes/duties) and borrowing costs for the assets that necessarily take a substantial period of time to get ready for its intended use. Exchange differences arising on restatement / settlement of long-term foreign currency borrowings relating to acquisition of depreciable fixed assets are adjusted to the cost of the respective assets and depreciated over the remaining useful life of such assets. Machinery spares which can be used only in connection with an item of fixed asset and whose use is expected to be irregular are capitalised and depreciated over the useful life of the principal item of the relevant assets.

Intangible Assets are stated at the cost of acquisition less accumulated amortization.

Capital Work In Progress include cost of fixed assets that are not ready for their intended use as at the balance sheet date.

#### **1.7 Depreciation:**

Depreciation has been provided on the written down value method as per the rates prescribed in Schedule II to the Companies Act, 2013 and In respect of additions to / deletion from the Fixed Assets, on pro rata basis.

#### **1.8 Impairment of Assets:**

An asset is treated as impaired when the carrying amount of assets exceeds its recoverable value. An impairment loss is charged to the Statement of Profit and Loss in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting year/s is reversed if there has been a change in the estimate of recoverable amount.

#### **1.9 Investments:**

Current Investments are carried at the lower of cost or quoted / fair value computed scrip wise. Long Term Investments are stated at cost. Provision for diminution in the value of long-term investments is made only if decline in the value of such investments is other than temporary.

#### **1.10 Inventories:**

- a. Inventories including Work-in-process and stores and spares are valued at the lower of cost and net realizable value.
- b. Cost of inventories is generally ascertained on first in first out basis.

#### **1.11 Foreign currency transactions:**

- a. Transactions in foreign currencies are normally recorded at the exchange rate prevailing on the date of the transaction.
- b. Monetary foreign currency items are reported at the exchange rates as at Balance Sheet date.
- c. In respect of transactions covered under forward exchange contracts, the difference between the exchange rates prevailing at the Balance Sheet date and rate on the date of the contract is recognized as exchange difference. The premium on forward contract/s is amortized over the life of the contract.
- a. Non-monetary foreign currency items are carried at cost.
- b. Any gains or losses on account of exchange difference either on settlement or on translation are recognized in the Statement of Profit and Loss.

#### **1.12 Employee Benefits:**

- a. Short-term employee benefits are recognized as an expense at the undiscounted amount in the Statement of Profit and Loss of the year in which the related service is rendered.
- b. Post-employment and other long-term employee benefits are recognized as an expense at the present value of amount payable determined using actual arithmetical valuation basis in the Statement of Profit and Loss of the year in which the employee has rendered services.

### **1.13 Provision for Current and Deferred Tax:**

- a. **Current Tax:** Provision is made for income tax, under the tax payable method, based on the liability as computed after taking credit for allowances, exemptions, and MAT credit entitlement for the year. Adjustments in books are made only after the completion of the assessment. In case of matters under appeal, due to disallowances or otherwise, full provision is made when the Company accepts the said liabilities.
- b. **Deferred tax:** The differences that result between the profit / loss offered for income tax and the profit / loss as per the consolidated financial statements are identified and thereafter a deferred tax asset or deferred tax liability is recorded for timing differences, namely the differences that originate in one accounting period and reverse in another. Deferred tax is measured based on the tax rates and tax laws enacted or substantively enacted at the Balance Sheet date. Deferred tax asset is recognized only to the extent there is virtual certainty that the asset will be realized in the future. Carrying value of deferred tax asset is adjusted for its appropriateness at each balance sheet date.

### **1.14 Provisions, Contingent Liabilities and Contingent Assets :**

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognised but are disclosed in the notes. Contingent Assets are neither recognised nor disclosed in the consolidated financial statements.

### **1.15 Borrowing Cost:**

- a. Borrowing costs, less any income on the temporary investment out of those borrowings, that are directly attributable to acquisition of an asset that necessarily takes a substantial period of time to get ready for its intended use are capitalized as a part of the cost of that asset
- b. Other borrowing costs are recognized as expense in the period in which they are incurred.

### **1.16 Leases:**

- a. Assets given on lease, under which the Company effectively retains all the risks and rewards of ownership, are classified as operating lease. Operating lease payments are recognized as income in the Statement of Profit and Loss on a straight-line basis over the lease term.
- b. Assets acquired under leases where all the risks and rewards of ownership are substantially transferred to the Company are classified as Finance leases. Such leases are capitalized at the inception of the lease at the lower of fair value or the present value of minimum lease payments and liability is created for an equivalent amount. Each lease rental paid is allocated between the liability and interest cost so as to obtain a constant periodic rate of interest on the outstanding liability for each year.

### **1.17 Provision for Doubtful Debts and Loans and Advances:**

Provision is made for doubtful trade receivables, loans and advances when the management considers trade receivables, loans and advances to be doubtful of recovery.

### **1.18 Earnings per share**

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year.

### **1.19 Deferred Revenue Expenditure**

Expenditure incurred on Issue of Shares have been treated as Deferred Revenue Expenditure and the same is amortised over a period of 5 years.

### **1.20 Cash and Cash equivalents**

Cash and Cash Equivalents for the purpose of Cash Flow Statement comprises Cash at bank and in hand and demand deposits with banks having maturity period less than three months.

## 2. TABLE HIGHLIGHTING MATERIAL ADJUSTMENTS:

2.1 The summary of results of material restatements made in audited consolidated financial statements of the Company for the respective years and their impact on the profits of the Company is as under:

Figures in bracket represent increase in profits.

(Amount in INR lacs)			
Particulars	Notes	For the month ended 30th April	For the year ended 31st March
		2015	2015
<b>Profit after Tax as per Audited Consolidated financial Statements</b>		8.04	121.87
<b>Adjustments due to change in accounting estimates</b>	-	-	-
<b>Adjustments due to change in Accounting Policy</b>	-	-	-
<b>Other Adjustments</b>		-	-
Prior Period adjustments with respect to accounting of income	1	-	(7.66)
Prior Period adjustments with respect to accounting of Expenses	2	-	(25.55)
Indirect taxes adjustment	2	-	(1.34)
<b>Tax related Adjustments</b>	-	-	-
Deferred tax - Expense / (income)	-	-	-
Income Tax for earlier years - Expense / (income)	-	-	-
Provision for Tax - Expense / (income)	-	-	-
<b>Total</b>	-	-	-
<b>Restated Profit after Tax</b>	-	8.04	156.42

### Notes on Material Adjustments

#### 1 Prior Period adjustments with respect to accounting of income

In the audited financial statements for the year ended March 31, 2014 certain items of income have been identified as income pertaining to later year.

Accordingly, in Restated Summary Statements, such unearned income has been appropriately adjusted in the year to which the transaction pertains.

#### 2 Prior period adjustments with respect to accounting of expenses

In the audited financial statements for the year ended March 31, 2014 certain items of expenses have been identified as expenses pertaining to later year and also certain expenses were not provided for, which were paid in later year.

Accordingly, in Restated Summary Statements, such expenses have been appropriately adjusted in the year to which the transaction pertains.

#### 3 Material Reclassification / Adjustments / Regrouping

Appropriate reclassifications / adjustments/ regrouping have been made in the Summary Statement of Assets and Liabilities, As Restated, Summary Statement of Profits and Losses, As Restated and Statement of Cash Flows, As Restated, wherever required, by reclassification of the corresponding items of income, expenses, assets and liabilities, in order to bring them in line with the groupings as per the audited financial statements of the Company for the year ended March 31, 2015 and the requirements of the SEBI Regulations. Material reclassifications/ adjustments/ regrouping are made for the year ended March 31, 2011 for the preparation and

presentation of its financial statements as per Revised Schedule VI notified under the Companies Act, 1956, which has become applicable during the year ended March 31, 2012.

## OTHER SIGNIFICANT NOTES

### 1 Payment to Auditors

(Amount in INR lacs)

Particulars	For the month ended 30 April 2015	For the year ended 31 March 2015
<b>Auditor's Remuneration</b>		
Statutory/Tax Audit	0.25	3.00
Other Matters	-	3.00
<b>Total</b>	<b>0.25</b>	<b>6.00</b>

### 2 Director's Remuneration

(Amount in INR lacs)

Particulars	For the month ended 30 April 2015	For the year ended 31 March 2015
Director's Remuneration	3.59	25.58
<b>Total</b>	<b>3.59</b>	<b>25.58</b>

### 3 Expenditure and Earnings in foreign currencies

(Amount in INR lacs)

Particulars	For the month ended 30 April 2015	For the year ended 31 March 2015
<b>Earning in foreign currency</b>		
Exports	-	272.47
<b>Expenditure in foreign currency</b>		
Imports	-	62.87

### 4 DETAILS OF DUES TO MICRO AND SMALL ENTERPRISES AS DEFINED UNDER THE MSMED ACT, 2006:

No supplier has intimated to the Company about its status as Micro or Small Enterprises or its registration with the appropriate authority under MSMED and hence information pertaining to Disclosure in accordance with Micro, Small and Medium Enterprises Development (MSMED) Act, 2006 is not furnished by the Company.

### 5 Gratuity payable is provided on arithmetic basis considering Provisions of Payment of Gratuity Act, 1972. However the Company has not earmarked funds for the same.

### 6 SEGMENT REPORTING

The Company is predominantly in the business of execution of HVAC Contracts and allied activities and as such there are no separate reportable segments.

### 7 Since the subsidiary company viz. M/s. Perfect Control Panels Pvt Ltd was incorporated on 20<sup>th</sup> February 2015, the consolidated figures are provided for the one month period ended April 30, 2015 and for the year ended March 31, 2015 only.

Further, as the subsidiary has not commenced its commercial operations, no statement of profit & loss is prepared for the one month period ended April 30, 2015 and for the year ended March 31, 2015.

**Annexure V - STATEMENT OF NON-CURRENT INVESTMENTS, AS RESTATED**

(Amount in INR lacs)		
Particulars	As at 30 <sup>th</sup> April, 2015	As at 31 <sup>st</sup> March, 2015
<b>Non Trade</b>		
Investment in Government Securities	0.20	0.20
Investment in Equity instruments	10.20	10.20
Investment in Mutual fund	0.20	0.20
Other Investments : Gold Coin	0.47	0.47
<b>Total</b>	<b>11.07</b>	<b>11.07</b>

**Annexure VI - STATEMENT OF LONG TERM LOANS AND ADVANCES AS RESTATED**

(Amount in INR lacs)		
Particulars	As at 30 <sup>th</sup> April, 2015	As at 31 <sup>st</sup> March, 2015
Capital Advances	5.08	10.16
Rent Deposits	14.72	14.72
Deposit with suppliers	10.44	10.25
Other Deposits	81.50	77.05
<b>Total</b>	<b>111.75</b>	<b>112.18</b>

**Annexure VII - STATEMENT OF OTHER NON CURRENT ASSETS, AS RESTATED**

(Amount in INR lacs)		
Particulars	As at 30 <sup>th</sup> April, 2015	As at 31 <sup>st</sup> March, 2015
Advance tax and TDS (Net of provision for tax)	-	-
Balance with Revenue Authorities	-	-
Retention with customers	45.31	44.35
Miscellaneous Exp (to the extent not W/off)	12.54	12.53
<b>Total</b>	<b>57.85</b>	<b>56.88</b>

**Annexure VIII - STATEMENT OF INVENTORIES, AS RESTATED**

(Amount in INR lacs)		
Particulars	As at 30 <sup>th</sup> April, 2015	As at 31 <sup>st</sup> March, 2015
Stock of raw materials	73.35	42.04
Stock of Spares and Components	71.02	84.33
Work in Process	31.42	2.00
<b>Total</b>	<b>175.79</b>	<b>128.37</b>

**Annexure IX - STATEMENT OF TRADE RECEIVABLES, AS RESTATED**

(Amount in INR lacs)		
Particulars	As at 30 <sup>th</sup> April, 2015	As at 31 <sup>st</sup> March, 2015
<b>Unsecured, considered good</b>		
Debts outstanding for a period exceeding six months from the date they are due for payment	334.26	325.39
Others	888.81	909.23
Dues from Directors and Relatives of Directors	-	-
<b>Total</b>	<b>1,223.07</b>	<b>1,234.62</b>

**Annexure X - STATEMENT OF CASH AND BANK BALANCES, AS RESTATED**

(Amount in INR lacs)		
Particulars	As at 30 <sup>th</sup> April, 2015	As at 31 <sup>st</sup> March, 2015
<b>Cash and cash equivalents</b>		
Cash on hand	1.05	1.83
Cheques, drafts on hand		-
<b>Balance with Bank</b>		
Balances with banks	3.97	11.73
<b>Other bank balances</b>		
Margin Money for Bank Guarantees	44.34	36.43
<b>Total</b>	<b>49.37</b>	<b>49.98</b>

**Annexure XI - STATEMENT OF SHORT TERM LOANS AND ADVANCES, AS RESTATED**

(Amount in INR lacs)		
Particulars	As at 30 <sup>th</sup> April, 2015	As at 31 <sup>st</sup> March, 2015
Advance to Suppliers	18.64	8.07
Advance to Employees	3.33	2.04
<b>Total</b>	<b>21.97</b>	<b>10.11</b>

**Annexure XII - STATEMENT OF OTHER CURRENT ASSETS, AS RESTATED**

(Amount in INR lacs)		
Particulars	As at 30 <sup>th</sup> April, 2015	As at 31 <sup>st</sup> March, 2015
Retention with customers	20.00	20.00
Accrued Receivables	232.44	197.41
Balance with Revenue Authorities	2.76	-
Other Receivables	5.49	3.23
Prepaid Expenses	1.27	1.07
Accrued Interest on Bank Fixed Deposit/NSC	0.02	0.02
Claim Receivable	14.56	-
Miscellaneous Exp (to the extent not W/off)	1.46	1.46
<b>Total</b>	<b>277.99</b>	<b>223.18</b>

**Annexure XIII - STATEMENT OF LONG TERM BORROWINGS, AS RESTATED**

(Amount in INR lacs)		
Particulars	As at 30 <sup>th</sup> April, 2015	As at 31 <sup>st</sup> March, 2015
<b>Secured</b>		
<b>Term Loans</b>		
- from Banks	331.60	338.59
- from other parties	25.76	26.71
<b>Total</b>	<b>357.36</b>	<b>365.30</b>



**Annexure XIV - STATEMENT OF DEFERRED TAX LIABILITIES (NET), AS RESTATED**

(Amount in INR lacs)		
Particulars	As at 30 <sup>th</sup> April, 2015	As at 31 <sup>st</sup> March, 2015
<b>Deferred Tax Liability (A)</b>		
Depreciation/amortisation	24.85	27.14
<b>Deferred Tax Asset (B)</b>	-	-
On account of Disallowance U/s. 43 B	(12.24)	(10.35)
<b>Deferred Tax Liabilities (Net) [C] (A-B)</b>	<b>12.61</b>	<b>16.79</b>

**Annexure XV- STATEMENT OF OTHER NON-CURRENT LIABILITIES, AS RESTATED**

(Amount in INR lacs)		
Particulars	As at 30 <sup>th</sup> April, 2015	As at 31 <sup>st</sup> March, 2015
Deposits from Customers	1.83	1.83
<b>Total</b>	<b>1.83</b>	<b>1.83</b>

**Annexure XVI - STATEMENT OF LONG TERM PROVISIONS, AS RESTATED**

(Amount in INR lacs)		
Particulars	As at 30 <sup>th</sup> April, 2015	As at 31 <sup>st</sup> March, 2015
Provision For Gratuity	28.98	27.89
<b>Total</b>	<b>28.98</b>	<b>27.89</b>

**Annexure XVII - STATEMENT OF SHORT TERM BORROWINGS, AS RESTATED**

(Amount in INR lacs)		
Particulars	As at 30 <sup>th</sup> April, 2015	As at 31 <sup>st</sup> March, 2015
<b>Secured</b>		
Loans repayable on demand		
- from banks	547.92	536.55
<b>Unsecured</b>		
Loans repayable on demand		
- from banks	39.53	43.77
<b>Total</b>	<b>587.45</b>	<b>580.32</b>

**Annexure XVIII - STATEMENT OF TRADE PAYABLE, AS RESTATED**

(Amount in INR lacs)		
Particulars	As at 30 <sup>th</sup> April, 2015	As at 31 <sup>st</sup> March, 2015
Trade Creditors (including acceptances)	488.31	418.71
<b>Total</b>	<b>488.31</b>	<b>418.71</b>

**Annexure XIX - STATEMENT OF OTHER CURRENT LIABILITIES, AS RESTATED**

(Amount in INR lacs)		
Particulars	As at 30 <sup>th</sup> April, 2015	As at 31 <sup>st</sup> March, 2015
Current Maturities of Long Term Liabilities	140.08	140.08
Intrest Accrued but not due	3.89	1.19
Unclaimed dividend	-	-

Particulars	As at 30 <sup>th</sup> April, 2015	As at 31 <sup>st</sup> March, 2015
Statutory Dues payable	20.62	27.72
Advance from Customers	168.62	142.66
Book Bank Overdraft	3.07	-
Capex Creditors	2.72	-
Employee Benefit Expenses payable	38.35	28.91
Unearned Revenue	20.56	20.90
Other payables	14.53	14.20
<b>Total</b>	<b>412.44</b>	<b>375.66</b>

**Annexure XX - STATEMENT OF SHORT TERM PROVISIONS, AS RESTATED**

(Amount in INR lacs)		
Particulars	As at 30 <sup>th</sup> April, 2015	As at 31 <sup>st</sup> March, 2015
Proposed Dividend	10.21	10.21
Provision for Dividend Distribution Tax	2.08	2.08
Provision for Income Tax (Net of Advance Tax & TDS)	16.52	18.19
<b>Total</b>	<b>28.81</b>	<b>30.48</b>

**Annexure XXI - STATEMENT OF SHARE CAPITAL, AS RESTATED**

(Amount in INR lacs)		
Particulars	As at 30 <sup>th</sup> April, 2015	As at 31 <sup>st</sup> March, 2015
<b>Authorised:</b>		
Equity Shares of INR 10/- each.	1,000.00	1,000.00
<b>Issued, Subscribed and Paid up:</b>		
Equity Shares of INR 10/- each.	510.54	510.54
<b>Total</b>	<b>510.54</b>	<b>510.54</b>

**Notes:**

**a) Reconciliation of Equity share capital:**

Particulars	As at		As at	
	30 <sup>th</sup> April 2015		31st March 2015	
	No of shares	Amount	No of shares	Amount
No of Equity shares outstanding at the end of the period Face Value of INR 10/-	51.05	510.54	51.05	510.54

**b) Rights, preferences and restrictions attached to shares:**

The company has one class of Equity Shares having a par value of INR 10/- per share. Each equity holder is entitled to one vote per share and has a right to receive dividend as recommended by Board of Directors subject to necessary approval from the shareholders.

In the event of liquidation of the Company, the holders of Equity Shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of Equity Shares held.

- c) Number of Equity shares held by each shareholder holding more than 5% shares in the company are as follows:

Particulars	Number of shares as at 30th April 2015	% of shares held	Number of shares as at 31st March 2015	% of shares held
Mr. Nimesh Mehta	2566053	50.26%	2566053	50.26%
Mrs. Manisha Mehta	2415832	47.32%	2415832	47.32%

#### Annexure XXII - STATEMENT OF RESERVES AND SURPLUS, AS RESTATED

(Amount in INR lacs)		
Particulars	As at 30 <sup>th</sup> April, 2015	As at 31 <sup>st</sup> March, 2015
General Reserve		
As per last Balance Sheet	-	15.00
Add: Transfer from Surplus in Statement of Profit & Loss	-	-
Less: Used for Bonus Issue	-	(15.00)
Closing Balance	-	-
Security Premium		
As per last Balance Sheet	-	28.13
Add: Issue of shares at premium	-	-
Less: Used for Bonus Issue	-	(28.13)
Closing Balance	-	-
Surplus in Statement of Profit & Loss Account		
As per last Balance Sheet	141.02	84.79
Add: Surplus from Current year	8.04	156.41
Less: Transfer to General Reserve	-	-
Less: Used for Bonus Issue	-	(84.51)
Less: Depreciation Adjustment	-	(3.38)
Less: Proposed Dividend	-	(10.21)
Less: Dividend Distribution Tax	-	(2.08)
Closing Balance	149.06	141.02
<b>Total</b>	<b>149.06</b>	<b>141.02</b>

#### Annexure XXIII - STATEMENT OF REVENUE FROM OPERATIONS, AS RESTATED

(Amount in INR lacs)		
Particulars	As at 30 <sup>th</sup> April, 2015	As at 31 <sup>st</sup> March, 2015
HVAC/MEP Turnkey Projects	100.82	2,304.66
Renting of Air Conditioners	8.46	89.41
Sale of Services	14.80	157.07
Other operating income	14.56	0.56
<b>Total</b>	<b>138.64</b>	<b>2,551.69</b>

**Annexure XXIV - STATEMENT OF OTHER INCOME, AS RESTATED**

(Amount in INR lacs)				
Particulars	As at 30 <sup>th</sup> April, 2015	As at 31 <sup>st</sup> March, 2015	Nature :Recurring / Non Recurring	Related / Not Related to business Activity
Interest Income from Bank Deposits	0.26	4.88	Recurring	Related to
Dividend Income from long term investments	-	0.75	Recurring	Not related to
Profit on Sale of Investment	-	0.00	Non Recurring	Not related to
Net gain on foreign currency transaction	-	0.72	Recurring	Related to
Profit on Sale of Fixed Asset	-	41.07	Non Recurring	Not related to
Sundry provisions and credit balances no longer required, written back	-	31.63	Non Recurring	Not related to
Other non-operating income	0.01	0.57	Non Recurring	Not related to
<b>Total</b>	<b>0.27</b>	<b>79.63</b>		

**Annexure XXV - STATEMENT OF OPERATING COSTS, AS RESTATED**

(Amount in INR lacs)		
Particulars	For the year ended 30th April, 2015	For the year ended 31 <sup>st</sup> March, 2015
<b>Cost of Materials / Services Consumed</b>		
Opening Stock	128.37	479.79
Purchases	99.97	1,102.20
Labour	3.63	31.76
Site expenses	10.53	85.61
Closing Stock	(175.79)	(128.37)
<b>Total</b>	<b>66.71</b>	<b>1,571.00</b>

**Annexure XXVI- STATEMENT OF EMPLOYEE BENEFIT EXPENSE, AS RESTATED**

(Amount in INR lacs)		
Particulars	For the year ended 30th April, 2015	For the year ended 31 <sup>st</sup> March, 2015
Salaries, wages and bonus	28.70	405.71
Contribution to provident and other funds	2.53	15.65
<b>Total</b>	<b>31.23</b>	<b>421.35</b>

**Annexure XXVII - STATEMENT OF FINANCE COST, AS RESTATED**

(Amount in INR lacs)		
Particulars	For the year ended 30th April, 2015	For the year ended 31 <sup>st</sup> March, 2015
Interest paid to Banks	10.86	120.95
Interest Paid to Others	1.55	3.31
Other Borrowing Costs	0.65	14.87
<b>Total</b>	<b>13.06</b>	<b>139.13</b>

**Annexure XXVIII - STATEMENT OF OTHER EXPENSES, AS RESTATED**

	(Amount in INR lacs)	
	For the year ended 30th April, 2015	For the year ended 31 <sup>st</sup> March, 2015
<b>Auditor's Remuneration</b>		
Statutory/Tax Audit	0.25	3.00
<b>Administrative And General Expenses</b>	-	
Advertisement		0.15
Bad Debts written off	-	21.72
Books & Periodicals Subscriptions and Membership	0.01	0.69
Business Promotion Expenses	-	5.13
Communication Expenses	0.56	9.41
Discount	0.19	3.31
Donations	-	0.02
Indirect Taxes Paid	-	1.42
Insurance	0.10	3.06
Legal & Professional Fees	0.48	9.09
Miscellaneous Expenses	0.58	1.31
Net loss on foreign currency transaction	-	-
Packing Expenses	-	0.03
Penalty	-	-
Postage , Fax and Courier	0.04	0.32
Power and fuel	0.56	8.16
Printing, Stationery and Xerox	0.35	2.26
Rates & Taxes	0.06	0.63
Rent	1.67	19.56
Repairs and maintenance	0.49	14.85
Security Expenses	0.12	1.22
Transportation charges	5.66	32.54
Travelling & Conveyance Expenses	6.47	88.45
<b>Total</b>	<b>17.60</b>	<b>226.35</b>

**Annexure XXIX - CAPITALISATION STATEMENT, AS RESTATED**

	(Amount in INR lacs)	
Particulars	Pre IPO as at 30/4/2015	Post IPO
<b>Borrowings:</b>		
Short-term	587.45	587.45
Long Term (A)	497.45	497.45

Particulars	Pre IPO as at	Post IPO
	30/4/2015	
<b>Total Debt (B)</b>	1084.90	1084.90
<b>Shareholders' funds:</b>		
Share Capital	510.54	770.94
Reserves and Surplus (Net of Revaluation Reserve)	146.31	487.58
<b>Total Shareholders Funds (C)</b>	656.85	1258.52
<b>Long-term borrowings/equity ratio (A/C)</b>	75.73%	39.53%
<b>Total borrowings/equity ratio (B/C)</b>	165.17%	86.20%

- 1) The figures disclosed above are based on the Restated Summary Statements of the company.
- 2) The figure of Reserves and Surplus in the Company's Post IPO capitalisation data has been updated only in respect of Securities Premium to be generated on account of proposed fresh issue of shares under IPO.

#### Annexure XXX - STATEMENT OF TAX SHELTER, AS RESTATED

	(Amount in INR lacs)	
	For the year ended 30th April, 2015	For the year ended 31 <sup>st</sup> March, 2015
Profit before tax, As Restated (A)	4.90	203.09
Tax rate - statutory rate (B)	32.45%	32.45%
Average Tax Rate (Refer note 4)	21.24%	
Tax as per actual rate on profits (C = A*B )	1.04	65.89
Adjustments		
<b>Tax impact of permanent differences</b>		
Donation not allowable as per the provisions of the Income-tax Act, 1961	0.00	0.00
Dividend Income Exempt	-	-
Capital Gain considered separately	-	-
Other Disallowances	-	-
Loss on sale of Assets	-	-
Interest on tax	-	0.21
<b>Total tax impact of permanent difference (D)</b>	0.00	0.22
<b>Tax impact of timing differences</b>		
Difference between tax depreciation and book depreciation	-	(0.26)
Provision for retirement benefits (Gratuity)	-	1.56
Tax impact on Other Items	-	(14.02)
Tax impact on Restated Items	-	(11.14)
<b>Total tax impact of timing difference (E)</b>	-	(23.86)
<b>Net adjustments F=(D+E)</b>	0.00	(23.64)
<b>Adjusted tax liability (C+F)</b>	1.04	42.25
<b>Total tax as per return of income</b>	NA	NA

Notes:

1. The aforesaid Statement of Tax Shelters has been prepared as per the Summary Statement of Profits and Losses, As Restated of the Company.
2. The above statement should be read with the Notes to the Summary Statement of Assets and Liabilities, As Restated, Summary Statement of Profits and Losses, As Restated and Summary Statement of Cash Flows, As Restated as appearing in Annexure IV.
3. The permanent / timing differences for the years ended March 31, 2015 same is computed based on estimated computation of Income
4. The tax payable for the on emonth ended April 2015 is provided on the basis of average tax rate worked out on the basis of estimated annual income statement as recommended by AS – 25 “Interim Financial Reporting” issued by ICAI and hence disclosure with respect to components in above table are not furnished.

**Annexure XXXI - STATEMENT OF ACCOUNTING RATIOS, AS RESTATED**

(Amount in INR lacs)		
Particulars	For the year ended 30th April, 2015	For the year ended 31 <sup>st</sup> March, 2015
Net Worth (INR in lacs)	656.85	651.62
Restated Profit After Tax (INR in lacs)	5.28	156.41
Total number of weighted shares outstanding at the end of the period / year after Bonus	5105408	5105408
<b>Earnings Per Share INR 10/- each</b>		
Basic & Diluted Earnings Per Share after considering Sub-division and Bonus issue* (INR)	0.10	3.06
Return On net Worth (%)	0.80%	24.00%
Net Assets Value Per Share of INR 10/- each after considering Sub-division and Bonus issue* (INR)	12.87	12.76
Face Value after considering Sub-division* (INR)	10	10

**Annexure XXXII- STATEMENT OF DIVIDEND, AS RESTATED**

(Amount in INR lacs)		
Particulars	For the year ended 30th April, 2015	For the year ended 31 <sup>st</sup> March, 2015
<b>Dividend on Equity Shares</b>		
Dividend in % - Final	0.00%	0.20%
Proposed Dividend	-	10.21
Dividend Tax	-	2.08

**ANNEXURE XXXIII – STATEMENT OF RELATED PARTIES TRANSACTIONS, AS RESTATED**

Names of the Related parties and Nature of Relationships as per the Accounting Standard 18- "Related Party Disclosures"

Related parties, as defined under Clause 3 of Accounting Standard (AS 18) “Related Party Disclosures” prescribed by Companies (Accounting Standards) Amendment Rules, 2006, have been identified on the basis of representation made by the Management and taken on record by the Board of Directors.

Sr. No.	Particulars	For the year ended 30th April, 2015	For the year ended 31 <sup>st</sup> March, 2015
1	Key Managerial Personnel (KMP)	Mr. Nimesh Natvarlal Mehta Director	Mr. Nimesh Natvarlal Mehta Director
		Mrs. Manisha Nimesh Mehta Director	Mrs. Manisha Nimesh Mehta Director



Sr. No.	Particulars	For the year ended 30th April, 2015	For the year ended 31 <sup>st</sup> March, 2015
		Mrs. Sharmila Ramchandra Singh Director	Mrs. Sharmila Ramchandra Singh Director
		Mrs. Sudha Balaji Company Secretary	Mrs. Sudha Balaji Company Secretary
2	Other Related Parties	Accurate service Proprietorship of Director	Accurate service Proprietorship of Director
		Accurate Aircon Pvt Ltd Company where all our Executive directors are Directors	Accurate Aircon Pvt Ltd Company where all our Executive directors are Directors
		Mr Ramchandra Singh Spouse of Director	Mr Ramchandra Singh Spouse of Director

Amount in INR lacs)			
Sr. No.	Nature of transactions / relationship / Name of Related Party	As at 30 <sup>th</sup> April 2015	As at 31 <sup>st</sup> March, 2015
1	Salary / perquisites / Dividend		
	Key Management Personnel (KMP)		
	Mr. Nimesh Natvarlal Mehta Director		
	Remuneration	1.34	10.57
	Dividend paid		-
	Mrs. Manisha Nimesh Mehta Director		
	Remuneration	1.13	8.71
	Rent paid	0.10	1.2
	Mrs. Sharmila Ramchandra Singh Director		
	Remuneration	1.13	6.3
	Rent paid	0.22	2.4
	Mrs. Sudha Balaji Company Secretary		
	Remuneration	0.50	0.50
	Total	4.41	29.68
2	Transactions / Expenses incurred during the period		
	Other party and Subsidiary		
	Accurate service Proprietorship of Director		
	Purchases		4.25
	Sales		3.45
	Mr Ramchandra Singh Spouse of Director		
	Rent	0.40	4.56
	Total	0.40	12.26
3	Accounts Receivable Outstanding/Other Receivable		
	Mrs. Sharmila Ramchandra Singh		
	Accurate service Proprietorship of Director	1.68	1.68
	Total	1.68	1.68

Sr. No.	Nature of transactions / relationship / Name of Related Party	As at 30 <sup>th</sup> April 2015	As at 31 <sup>st</sup> March, 2015
<b>4</b>	<b>Accounts Payable Outstanding</b>		
	<b>Mr. Nimesh Natvarlal Mehta Director</b>		
	Remuneration	0.98	1.30
	<b>Mrs. Manisha Nimesh Mehta Director</b>		
	Remuneration	2.53	2.03
	Rent	0.61	0.51
	<b>Mrs. Sharmila Ramchandra Singh Director</b>		
	Remuneration	1.96	0.83
	Rent	0.22	
	<b>Mrs. Sudha Balaji Company Secretary</b>		
	Remuneration	0.50	0.50
	<b>Mr Ramchandra Singh Spouse of Director</b>	0.22	-
	<b>Total</b>	<b>7.01</b>	<b>5.17</b>

**ANNEXURE XXXIV –STATEMENT OF CONTINGENT LIABILITIES AND COMMITMENTS, AS RESTATED**

**Contingent Liability not provided for**

Particulars	(Amount in INR lacs)	
	As at 30 <sup>th</sup> April 2015	As at 31 <sup>st</sup> March, 2015
Bank Guarantees issued to customers	231.53	249.20

**Capital Commitments**

Particulars	(Amount in INR lacs)	
	As at 30 <sup>th</sup> April 2015	As at 31 <sup>st</sup> March, 2015
i) Estimated amount of contracts remaining to be executed and not provided for in these accounts (net of advance) in respect of purchase of:		
Tangible Fixed Assets	49.15	49.15
Intangible Fixed Assets	1.03	1.91

**ANNEXURE XXXV –SEGMENT REPORTING, AS RESTATED**

The Company is predominantly in the business of execution of HVAC Contracts and allied activities and as such there are no separate reportable segments.

## **MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS**

### **Management's Discussion and Analysis of Financial Condition and Results of Operations as Reflected in the Financial Statements**

#### **a. Overview of our Business:**

Incorporated in 1996, Perfect Infraengineers Limited ('Perfect Infra') was initially involved in selling and servicing air-condition systems, gradually diversified into following three verticals in which it is presently involved:

- Undertaking HVAC / MEP turnkey projects
- Renting of Air Conditioning systems
- Annual maintenance contracts (AMC) of air-conditions

#### **b. Quality and ISO certification**

- We are an ISO 9001:2008 company presently providing services to various infrastructure developers, educational institutions, real estate developers, retail malls, hotels, industrial complexes and also to other individual projects.
- We are amongst the few companies qualified by Central Public Works Division (CPWD) of India for both HVAC and electrical, enabling us to bid and execute government projects.
- We have successfully adapted our system to VRF (Variable Refrigerant Flow) technology and implemented various projects under the same.

#### **c. Capacity Expansion**

We are into projects business and not a manufacturing company, hence capacity expansion is not applicable.

#### **d. Promoters experience & their Shareholding**

Our promoters have been involved in the business for over two decades. Our promoters & promoters group currently holds entire 98.51% of our equity Capital.

#### **e. Factors that may affect Results of Operations**

Except as otherwise stated in the Risk Factors given in this Offer Document and the following important factors could cause actual results to differ materially from the expectations include, among others:

- **General economic and business conditions;**

As a company operating in India, we are affected by the general economic conditions in the country. The Indian economy has grown over the past several years. This improved performance was propelled by the growth in industrial activity and robust services sector. The overall economic growth will therefore impact the results of its operations. The growth prospects of the business of the Company and its ability to implement the strategies will be influenced by macroeconomic growth.

- **Our ability to successfully implement its strategy and its growth and expansion plans;**

Our growth plans are considerable and would put significant demands on our management team and other resources. Any delay in implementation of its strategy and its growth and expansion plans could impact the Company's roll out schedules and cause cost and time over runs.

- **Factors affecting industrial activity;**

Any change in the factors such as industrial policies, tariffs, excise duties etc which may affect the activities of our Indian industries, especially the construction and electronic industry at large may affect our results of operation

- **Increasing competition in the industry;**

Industry is diversified including both large established players and small unorganized players. We have to compete with organized as well as unorganized sector on the basis of availability of product, product quality, product range and services. Further, there are relatively low entry barriers in this industry and any expansion in capacity of existing manufacturers would further intensify competition. We face competition from big conglomerate like Voltas Limited, Blue Star Limited, Serling Wilson, LG Limited, etc which have their own turnkey project divisions. Further, we also face competitions from other Companies like ETA Engineering Private Limited, SEW Engineering India Private Limited, Astute Engineering Services Private Limited etc.

- **Cyclical or seasonal fluctuations in the operating results;**

Cyclical or seasonal fluctuations in the operating results of the Company may affect the enduring financial performance at large.

- **Changes in laws and regulations that apply to the industry;**

There are some laws and regulations applicable to the industry in which we operate, which we have to comply/ follow. In case of a failure to comply with these laws and regulations or to obtain or renew the necessary permits and approvals our business may be affected.

- **Changes in fiscal, economic or political conditions in India;**

External factors such as potential terrorist attacks, acts of war or geopolitical and social turmoil in many parts of the world could constrain our ability to do business, increase the costs and negatively affect our financial performance.

- **Changes in the foreign exchange control regulations, interest rates and tax laws in India.**

Any change in the foreign exchange control regulation, mainly interest rates and tax laws pertaining to India affects the liquidity of cash in the market which in turn affects the purchasing power of the economy.

**f. Outlook**

The company is committed to put continuous efforts for providing services of superior quality and innovation using best practices, adopting sales & marketing strategies and investment in people development. We are confident of continuous good performance of growth by using better technologies and consistent efforts. Fundamental growth drivers of the Indian economy continue to exist. The overall scenario for economy is showing recovery trends and we believe it will help our industry to grow at a faster rate, and we at Perfect infraengineers Limited remains optimistic about our future.

**g. Overview of Our Results of Operations**

The following table sets forth select financial data from our restated statements of profit and loss for the financial years ended March 31, 2015, 2014, 2013 2012 and 2011:

	(₹ in Lac)			
Particulars	Year ended 31.03.2015	Year ended 31.03.2014	Year ended 31.03.2013	Year ended 31.03.2012
<b><u>Revenue</u></b>				
Revenue from Operations	2,551.69	2,080.11	1,974.16	1,540.67
Other Income	79.63	20.72	6.19	22.93
<b>Total Revenue</b>	<b>2,631.32</b>	<b>2,100.83</b>	<b>1,980.36</b>	<b>1,563.60</b>
<b><u>Expenses</u></b>				
Operating Cost	1,571.00	1,275.93	1,243.19	947.91
Employee Benefit Expenses	421.35	406.77	258.90	252.18
Finance Cost	139.13	122.56	83.17	78.29

Particulars	Year ended 31.03.2015	Year ended 31.03.2014	Year ended 31.03.2013	Year ended 31.03.2012
Depreciation expense - Tangible Assets	70.39	33.65	26.49	28.71
Less: Transferred from Revaluation Reserve	-	-	-	-
Amortization expense - Intangible Assets	-	-	-	-
Other Expenses	226.35	199.15	246.46	147.14
<b>Total Expenses</b>	<b>2,428.23</b>	<b>2,038.07</b>	<b>1,858.20</b>	<b>1,454.22</b>
<b>Profit before Tax</b>	<b>203.10</b>	<b>62.76</b>	<b>122.16</b>	<b>109.37</b>
<b>Tax Expenses</b>				
Current Tax	42.25	30.27	43.25	37.25
Short/(Excess) Provision of Earlier years	(0.02)	-	2.34	2.67
Deferred tax Expense/(Income)	4.45	0.49	5.65	(0.20)
<b>Total Tax Expenses</b>	<b>46.67</b>	<b>30.76</b>	<b>51.24</b>	<b>39.72</b>
<b>Profit for the period</b>	<b>156.42</b>	<b>32.00</b>	<b>70.92</b>	<b>69.65</b>

#### **Comparison of performance for FY 2015 with FY 2014**

##### **Total Income**

Revenue from Operations: We are into the business of undertaking HVAC/ MEP turnkey projects, renting of Air Conditioning systems and also AMC of air-conditions. The revenue from operations in the company is mainly through 3 (three) verticals viz; HVAC/MEP Turnkey Projects, Renting of AC, Sale of Services. Major income of our company is generated from the HVAC/MEP Turnkey Projects executed by us. During the Financial year 2014-15 our revenue from operations increased to ₹ 2551.69 lacs from ₹ 2080.11 lacs in Financial Year 2013-14 i.e; an increase of over 22%. This was mainly on account of increased income from projects. Major projects completed by us during the year included ICAI, Mumbai Metro, Bharat Diamond Bourse, Mecure (Nigeria), etc. The same was also on account of increase in order position and advance received thereof, faster progress of Mantralaya and Tanzania projects.

Other Income: Other income during Financial Year 2014-15 increased to ₹ 79.63 lacs from ₹ 20.72 lacs during the previous year under comparison. Our other income for Financial Year 2014-15 comprised mainly of profit on sale of fixed assets, credit balances written back and interest income. We had during the year under comparison, sold our office situated at Sakinaka, Andheri (East), Mumbai and the proceeds of the same were used to purchase our existing factory premises situated at Rabale, Navi Mumbai.

##### **Expenditure**

Operating cost: The operating cost consists of cost of materials consumed, site expenses, staff cost and rent at site. Our expenditure on materials consumption increased to ₹ 1571 lacs in Financial Year 2014-15 from ₹ 1275.93 lacs in Financial Year 2013-14 i.e., an increase of 23% which commensurate with the increase in the revenue from operations.

Employee Expenses: Our Employee expenses have increased marginally to ₹ 421.35 lacs in Financial Year 2014-15 from ₹ 421.35 lacs in Financial Year 2013-14 which was mainly due to yearly increase in the salary levels of employees.

Finance Charges: The overall finance charges during the Financial Year 2014-15 has increased to ₹ 139.13 lacs from ₹ 122.56 lacs in the Financial Year 2013-14. During the year under review, we have borrowed additional funds to the extent of ₹ 250 lacs (term loan) to finance the purchase of our factory at Rabale, Navi Mumbai. This has led to an increase in the interest paid to the bank by over Rs. 40 lacs from the previous year. The other borrowing cost of the company has reduced from ₹ 40.81 lacs in Financial Year 2013-14 to ₹ 14.87 lacs in Financial Year 2014-15.

**Depreciation:** During Financial Year 2014-15 there has been a major addition of Factory Building at Rabale to the tune of ₹ 358.68 lacs in the assets of the company. This addition has led to an increase in the depreciation provision from ₹ 33.65 lacs in Financial Year 2013-14 to ₹ 70.39 lacs in Financial Year 2014-15.

**Other Expenses:** Other expenses for Financial Year 2014-15 has increased by around 14% i.e from ₹199.15 lacs to ₹226.35 lacs, mainly due to increase in Business promotion expenses, Insurance, rent paid by the company and bad debts written off. The increase in rent expenses is mainly towards the rent paid for the various premises taken on rent at the project site

#### **Profit after Tax (PAT)**

The PAT for Financial Year 2014-15 has increased considerably to ₹ 156.42 lacs from ₹ 32 lacs in Financial Year 2013-14, a jump of around 388% over the previous year. This was mainly on account of extraordinary profit from sale of asset which was to the tune of ₹ 42 lacs and also due to increase in MEP exports and completion of pending projects of Financial Year 2013-14.

#### **Comparison of performance for FY 2014 with FY 2013**

**Revenue from operations:** During Financial Year 2013-14 the revenue from operations increased to ₹ 2080.11 lacs from ₹ 1974.16 lacs in Financial Year 2012-13, a marginal increase of 5%. Though the income from HVAC/ MEP turnkey projects increased by ₹ 246.55 lacs over the year but there has been a dip in the income from renting of air conditioners and AMC services to the tune of ₹ 141 lacs.

**Other Income:** Other income for Financial Year 2013-14 of ₹ 20.72 lacs comprised mainly of gain on foreign currency transaction of ₹ 15.33 lacs and interest income of ₹ 3.05 lacs.

#### **Expenditure**

**Operating cost:** Our expenditure on material consumption increased by ₹ 32 lacs over the previous year which commensurates with an increase in the revenue from operations.

Our Employee expenses have increased to the tune of ₹ 406.77 lacs in Financial Year 2013-14 from ₹258.90 lacs in Financial Year 2012-13, a jump of over 57% due to addition in vertical for electrical and plumbing.

**Finance Charges:** The overall finance charges during Financial Year 2013-14 has increased to ₹ 122.56 lacs from ₹ 83.17 lacs in Financial Year 2012-13. During the year under review the company has borrowed additional funds to the extent of ₹ 44.10 lacs from banks as long term borrowing, for finding the cost of purchasing of property at Ghaziabad. This has led to an increase in the interest paid to the bank. Other borrowing cost of the company has increased to ₹ 40.81 lacs in Financial Year 2013-14 from ₹ 16.70 lacs in Financial Year 2012-13 due to an increase in working capital requirement

**Depreciation:** Depreciation charges for the Financial Year 2013-14 has increased by ₹ 7.16 lacs on account of addition of Ghaziabad property.

Other expenses for Financial Year 2013-14 has increased by around ₹ 56 lacs from ₹ 319.38 lacs to Rs. 375.79 due to an increase in rent and site expenses..

#### **Profit after Tax (PAT)**

The PAT for Financial Year 2013-14 has decreased by over ₹ 38 lacs as compared to Financial Year 2012-13. This is mainly because of increase in the provisions made for salary.

## **Comparison of performance for FY 2013 with FY 2012**

### **Total Income**

*Revenue from operations* – During Financial Year 2012-13 the revenue from operation increased to ₹ 1974.16 lacs from ₹ 1540.67 lacs in Financial Year 2011-12, an increase of around 28% which was mainly on account of an increase in the income from HVAC/ MEP turnkey projects which increased by around ₹ 208 lacs and also due to an increase in the income from renting of air conditioners and AMC services to the tune of ₹ 223 lacs. The said increase is also on account of some of the major AMC contracts undertaken by us, like Lavasa Convocation Centre, Apollo Hospital and Nhava Sheva Port.

*Other Income:* Other income for Financial Year 2012-13 showed a decrease of over 73% to ₹ 6.19 lacs from ₹ 22.93 lacs during Financial Year 2011-12. Other income of Financial Year 2011-12 mainly comprised of gain on foreign currency transaction to the extent of ₹10.68 lacs which was 'Nil' during Financial Year 2012-13.

### **Expenditure**

*Operating cost:* Our expenditure on material consumption increased by around ₹ 295.28 lacs over the previous year which commensurates with the increase in the revenue from operations.

*Employee Expenses:* Our Employee expenses have marginally increased by around ₹ 6 lacs over the previous year under comparison.

*Finance Charges:* The overall finance charges during Financial Year 2012-13 has increased to ₹ 83.17 lacs from ₹ 78.29 lacs in Financial Year 2011-12. Though the company had borrowed additional funds to the extent of ₹ 9012 lacs during Financial Year 2012-13, interest cost has not gone up substantially due to the fact that certain term loans were repaid and closed during the year.

*Depreciation*–Depreciation charges for Financial Year 2012-13 has reduced by ₹ 2.22 lacs on account of old assets being written down and purchase of new assets which were not put to use.

*Other Expenses:* Other expenses for Financial Year 2012-13 has increased substantially from ₹ 147.14 lacs in Financial Year 2011-12 to ₹ 246.46 lacs in Financial Year 2012-13. This was mainly on account of bad debts being written off to the extent of ₹ 52.15 lacs, increase in indirect taxes paid, contract labour charges and also increase in legal and professional charges and travelling & conveyance expenses.

### **Profit after Tax (PAT)**

Though the revenue from operations has increased by over 28%, the PAT for Financial Year 2012-13 increased only by ₹ 1.27 lacs because of an increase in operating and other expenses.

**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 have been no events, other than as described in this Offer Document, which may be called “unusual” or “infrequent”.

#### **2. Significant economic changes that materially affected or are likely to affect income from continuing operations**

Any slowdown in the growth of Indian economy or future volatility in global commodity/ electronic prices, could affect the business, including the future financial performance, shareholders' funds and ability to implement strategy and the price of the Equity Shares.



**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**

There are no known trends or uncertainties that may have material adverse impact on the income, costs and profits of the company from continuing operations.

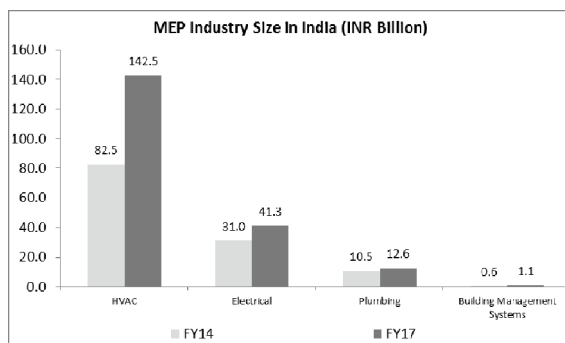
**4. Future changes in relationship between costs and revenues, in case of events such as future increase in labour or material costs or prices that will cause a material change are known**

Increase in the cost of the products which we use for our turnkey projects, will affect the profitability of the company. Since, we may not be able to pass on the increase in prices of those product to our customers in full. This can be offset through cost reduction.

**5. The extent to which material increases in net sales or revenue are due to increased sales volume, introduction of new products or services or increased sales prices**

The increase / decrease in turnover is only on account of increase in the service/ projects handled/ completed by us.

**6. Total turnover of each major industry segment in which the Company operates**



**7. Status of any publicly announced new product**

We have not publicly announced any new products.

**8. The extent to which the business is Seasonal**

Our business is not seasonal and no major cyclical trends are observed in this industry.

**9. Competitive conditions**

We face competition from big conglomerate like Voltas Limited, Blue Star Limited, Serling Wilson, LG Limited, etc which have their own turnkey project divisions. Further, we also face competitions from other Companies like ETA Engineering Private Limited, SEW Engineering India Private Limited, Astute Engineering Services Private Limited etc.

**10. Cautionary Statement**

Statements in this report on Management Discussion and Analysis describing the company's objective, expectations or predictions may be forward looking statements within the meaning of applicable security law and regulations. These statements are based on certain assumption and expectation of future events. Actual results could however differ materially from those expressed or implied.

### FINANCIAL INDEBTEDNESS

The details with regard to the Principal Terms of Loans and Assets charged by way of Security by M/s Perfect Infraengineers Limited to the Lenders as on April 30, 2015 is as follows:

Particulars	ICICI Bank	SIDBI	SIDBI	Mahindra & Mahindra	Total
Nature of Loan	TERM LOAN/ WORKING CAPITAL LOAN	TERM LOAN	LONG TERM WORKING CAPITAL TERM LOAN	TERM LOAN	
Object of the Loan	To finance the specific asset and part finance the expansion project and finance the working capital	To part finance the expansion project	To finance the working capital gap	To finance the specific asset	
Nature of Interest Charge	Floating	Fixed	Fixed	Fixed	
Sanction & Disbursed Amount (Fund & Non Fund based) (₹ In Lakhs)	1645.00*	44.35	90.00	4.28	1608.63
O/s As At 30.4.2015 (₹ In Lakhs)	777.93**	40.43	90.00	3.14	911.50
Rate of Interest on the Loan as per original sanction letter	12.75%	13%	16%	14%	
Rate of Interest on the Loan	12.75%	13%	16%	14%	
Primary Security	<b>Primary Security:</b> i. Hypothecation of the company's entire stocks of the raw materials, semi finished and finished goods, consumable stores & spares and such other moveable including book debts both present and future in a form and manner satisfactory to the bank. ii. First charge on all the Company's moveable fixed assets, present & future. iii. Equitable	First charge on the building & structure located at Commercial Shop No.G-12, Ground Flr built up Plot No.1 measuring 470 ft. i.e. 43.68sq. mtrs. Situated at EDM Complex Kaushambi, Ghaziabad, Tehsil & District Ghaziabad.	All Movables including current assets, Plant and Machinery, Machinery spares, tools & accessories, office equipment, computers, fixtures, intangible assets, book debts, receivables, inventory etc.	Hypothecation of Vehicle.	

Particulars	ICICI Bank		SIDBI		SIDBI		Mahindra & Mahindra		Total
mortgage of Plot No. R-637, TTC Industrial Area, MIDC, Rabale, Navi Mumbai – 400701									
Repayment Schedule	No. Of Monthly Insta.	Insta. Amount (As a % Of Total Loan)	No. Of Monthly Insta.	Insta. Amount	No. Of Monthly Insta.	Insta. Amount	60 Insta.of Rs.9950 each		
			1-59 <sup>th</sup>	73500	1-47 <sup>th</sup>	188000			
			60 <sup>th</sup>	98500	48 <sup>th</sup>	164000			
	<u>1-12<sup>th</sup></u>	20%							
	<u>13<sup>th</sup>-24<sup>th</sup></u>	30%							
	<u>25<sup>th</sup>-36<sup>th</sup></u>	30%							
	<u>37<sup>th</sup>-48<sup>th</sup></u>	20%							
Total	100%								

\* This facility has been enhanced to Rs. 1720 Lacs (Fund & non fund based) vide sanction letter dated June 4, 2015. However, the Company has availed only an amount of Rs. 1645.00 Lacs out of the total sanctioned facility.

\*\* The balance given above pertains only to fund based limits. Outstanding balance of non fund based limits is Rs.231.53 Lacs as mentioned in the contingent liability schedule of the Financial Statements.

Except as stated above:

The Company has availed unsecured loan from the below mentioned Lenders, which are payable as per the schedule below:

Sr. No.	Financial Institution	Rate of Interest	Amount Sanctioned & Disbursed (Rs. in Lacs)	O/s as of April 30 <sup>th</sup> , 2015 (Rs. in Lacs)	Repayable
1	Deutsche Bank	13.65%	50.00	48.18	In 24 Months
2	Tata Capital Finance Services	17.19%	35.00	33.38	In 36 Months
3	Bajaj Finserv	17.50%	35.00	32.31	In 12 Months
4	Axis Bank	12.65%	50.00	39.53	On demand
	Total		170.00		

The Company has not made any investment in debt instruments which are unsecured or which carry interest rate lower than the market rate.

## SECTION VI: LEGAL AND OTHER INFORMATION

### OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

*Except as stated below there are no outstanding litigations, suits, criminal or civil prosecutions, proceedings or tax liabilities against our Company, our Subsidiary, our Directors, our Promoter and Group Companies that would have a material adverse effect on our business. Further, except as stated below there are no defaults, non-payment of statutory dues, over-dues to banks/financial institutions, defaults against banks/financial institutions, defaults in dues payable to holders of any debenture, bonds and fixed deposits and arrears of preference shares issued by our Company and our Subsidiary, default in creation of full security as per terms of issue/other liabilities. There are no amounts owed to small scale undertakings exceeding Rs. 10 Lacs, which is outstanding for more than 30 days, except as stated below. Further, except as stated below, no proceedings have been initiated for economic/civil/any other offences other than unclaimed liabilities of our Company and our Subsidiary and that no disciplinary action has been taken by SEBI or any stock exchanges against our Company, our Subsidiary, our Promoters, our Directors and Group Companies.*

*Neither our Company nor its Promoters, members of the Promoter Group, Subsidiary, 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.*

#### PART I – Contingent Liabilities of Our Company

Rs 3,00,26,439 is contingent liability on the part of the Company as on FY 2014-15. Out of which Rs. 2,49,19,938/- on account of Bank Guarantees/ Letter of Credit issued to customers and Rs. 51,06,501/- estimated amount of capital commitments not provided for (Net of Advances)

#### PART II – LITIGATIONS RELATING TO OUR COMPANY

##### A. Cases filed against our Company

##### 1. Litigation involving Civil Laws

##### *i M/s. Abstege Acme Filter Pvt. Ltd. V/s Perfect Aircon Engg. Pvt. Ltd.(currently know as Perfect Infraengineers Ltd) in the Court No. 6 of Jt. Civil Judge (J.D.), Aurangabad, Regular Civil suit No 463/2009*

A case has been filed on May 02, 2009 by the Abstege Acme Filter Pvt. Ltd. (hereinafter referred as “Abstege”), for recovery of ₹ 14,918 with interest @ 24%. Subsequently a summons dated April 18, 2013 was issued by the joint civil judge Aurangabad to Perfect Aircon Engg. Pvt. Ltd (herein after referred as “Our Company”) vide which the hon’ble joint civil judge (JD) summoned Our Company to appear before him on June 19, 2013. The Company has sent its reply vide its letter dated May 03, 2014 refuting all allegations and praying that the suit be dismissed and ₹ 29,856 to be granted to the Company as defamatory charges. The suit is currently at the stage of ‘service report awaited’. The next date of hearing in the matter is November 20, 2015.

##### 2. Litigation involving Criminal Laws

Nil

##### 3. Litigation involving Securities and Economic Laws

Nil

##### 4. Litigation involving Labour Laws

Nil

##### 5. Litigation involving Taxation

Nil

**B. Cases filed by our Company**

**1. Litigation involving Civil Laws**

Nil

**2. Litigation involving Company Laws**

Nil

**3. Litigation involving Criminal Laws**

Nil

**4. Litigation involving Securities and Economic Laws**

Nil

**5. Litigation involving Labour Laws**

Nil

**6. Litigation involving Taxation**

Nil

**C. Notices from Statutory Authorities/ or from any other party**

***i Legal Notice from Hi-Tech Indeco Hiring Pvt. Ltd. dated December 08, 2014.***

A legal notice dated December 08, 2014 was received by Our Company and our directors viz., Mr. Nimesh N. Mehta, Ms. Manisha N. Mehta, and Ms. Sharmila R. Singh from one M/s. Hi-Tech Indeco Hiring Pvt. Ltd. (hereinafter referred as Hi-Tech), vide which Hi-Tech has alleged that the cheque provided by Our Company was dishonoured and Our Company had misappropriated the material which was provided by it and therefore it has claimed Rs. 34,382 as the cost from Our Company. In response to the same Our Company vide its letter dated December 18, 2014, replied to Hi-Tech, for providing a revised statement for the material which was used by the Company. It was also intimated to Hi-Tech that the payment was stopped as there was discrepancy in the material that was provided and the cost quoted therein. Till date we have not received any communication from Hi-Tech.

**PART III – LITIGATIONS RELATING TO THE DIRECTORS OTHER THAN PROMOTERS OF THE COMPANY**

**A. Cases filed against the Directors**

**1. Litigation involving Civil/Statutory Laws**

Nil

**2. Litigation involving Criminal Laws**

Nil

**3. Litigation involving Economic Offenses**

Nil

**4. Litigation involving Tax Liabilities**

Nil

**B. Cases filed by the Directors**

**1. Litigation involving Civil/Statutory Laws**

Nil

**2. Litigation involving Criminal Laws**

Nil

3. **Litigation involving Economic Offenses**

Nil

4. **Litigation involving Tax Liabilities**

Nil

**PART IV – LITIGATIONS RELATING TO OUR PROMOTER AND PROMOTER GROUP ENTITIES**

**A. Cases filed against the Promoter and Promoter Group entities**

1. **Litigation involving Civil/Statutory Laws**

i **L.E & C Suit No. 389/407 of 1986 before Small Causes Court, Mumbai**

An eviction suit was filed by Bombay Port Trust ("Plaintiff") against predecessor in interest of Ms. Manisha Mehta, one of our promoter, whose predecessor-in-interest were lease hold owner of a property situated at Old R.R. No. 1071 Elphinston Estate, Masjid Bunder (E) (hereinafter reoffered as the "**Property**"), currently being used as corporate office of our Company. Subsequently, the predecessor in interest has transferred their rights and interest in the property in favour of Ms. Manisha Mehta who subsequently made an application before the Hon'ble court to make her as a necessary part of the suit. The same has been rejected by the Hon'ble court. Some of the defendants were expired and steps to be taken by the Plaintiff to join the legal heirs of the defendant. The matter is posted for Examination of Chief along with list of documents. The next date of the matter is on November 17, 2015.

2. **Litigation involving Criminal Laws**

Nil

3. **Litigation involving Economic Offenses**

Nil

**B. Cases filed by the Promoter and Promoter Group entities**

1. **Litigation involving Civil Laws**

i **Manisha Nimesh Mehta & Others Vs. Smt. Kulsam Liyakatali & Others (Defendants), in the Court of Small Causes at Mumbai R.A.E. & R Suit No. 298/461 of 2013 R.A.E. & R Suit No. 298/461 of 2013**

Mrs. Manisha Mehta (One of the Promoter of Perfect Infraengineers Ltd.) has filed a suit for eviction dated January 2, 2013 against the Defendant above named before the Court of Small Causes at Mumbai. The said premise is located at Shop no.3, Ground Floor, 168, Bhanushali Chambers, Sant Tukaram Road, Mumbai. Suit has been filed by Mrs Manisha Mehta for eviction of the Defendants above named on ground of unlawful subletting of the said property, non payment of rent and making addition and alteration of permanent nature and encroaching upon the common passage which has not been let out to the Defendants. Mrs. Manisha Mehta claimed due amount Rs. 1,08,774/- payable towards arrear of rent by the Defendant abovenamed. Next date of the hearing in the instant matter is on November 27, 2015 and the matter is kept for evidence in hearing.

ii **Manisha Nimesh Mehta & Others(Plaintiff) Vs. Krishna Jayantilal M. Gandhi & Others (Defendants). In the Court Small Causes at Mumbai T.E. & R Suit No. 52/63 of 2013**

Mrs. Manisha Mehta (One of the Promoters of Perfect Infraengineers Ltd.) has filed a suit for eviction in respect of the property located at Ground Floor, Bhanushali Chambers, 168/170 Sant Tukaram Marg, Mumbai-400009 on December 02, 2012 against the Defendants above named before the Court of Small Causes at Mumbai. The suit has been filed by Mrs. Manisha Mehta for eviction of the Defendant above named on ground of arrears of rent, unlawful subletting etc. Next date of hearing in the instant matter is on November 23, 2015.

**2. Litigation involving Criminal Laws**

Nil

**3. Litigation involving Securities and Economic Laws**

Nil

**4. Litigation involving Labour Laws**

Nil

**5. Litigation involving Taxation**

Nil

**C. Notices received from Statutory Authorities**

Nil

**PART V – AMOUNTS OWED TO SMALL SCALE UNDERTAKINGS AND OTHER CREDITORS**

NIL

**PART VI - MATERIAL DEVELOPMENTS**

No circumstances have arisen since the date of last financial statement until the date of filing the Prospectus, which materially and adversely affect or are likely to affect the operations or profitability of our Company, or value of its assets, or its ability to pay its liability within next twelve months. There is no subsequent development after the date of the Auditor's Report, which will have a material impact on the reserves, profits, earnings per share and book value of the Equity Shares of the Company. Significant developments since the last audited balance sheet as on March 31, 2015 till the date of this Prospectus.

**WE CERTIFY THAT EXCEPT AS STATED HEREIN ABOVE:**

- a. there are no pending proceedings for offences for non-payment of statutory dues by the promoters of the Company.
- b. there are no cases of litigation pending against the Company or against any other Company in which Directors are interested, whose outcome could have a materially adverse effect on the financial position of the Company.
- c. there are no pending litigation against the promoters/ directors in their personal capacities and also involving violation of statutory regulations or criminal offences.
- d. there are no pending proceedings initiated for economic offences against the Directors, Promoters, Companies and firms promoted by the promoters.
- e. there are no outstanding litigation, defaults etc. pertaining to matters likely to affect the operations and finances of the Company including disputed tax liability or prosecution under any enactment.
- f. there are no litigations against the promoters / Directors in their personal capacity.
- g. the Company, its promoters and other Companies with which promoters are associated have neither been suspended by SEBI nor any disciplinary action has been taken by SEBI.
- h. as per the audited Balance sheet as March 31, 2015 there are no SSI units to whom, our Company owns any sum which is outstanding for more than 30 days.

## GOVERNMENT, STATUTORY AND BUSINESS APPROVALS

### GOVERNMENT AND OTHER KEY APPROVALS

The following statement sets out the details of licenses, permissions and approvals taken by us under various central and state laws for carrying out business.

Except for certain pending approvals mentioned under this heading, we have received the necessary consents, licenses, permissions and approvals from Government of India and other regulatory authorities for our business and except as disclosed in this Prospectus no further material approvals are required for carrying on our business operations. Unless otherwise stated, these approvals are all valid as of the date of this Prospectus. It must be distinctly understood that, in granting these approvals, the Government of India, the RBI or any other regulatory authority does not take any responsibility for our financial soundness or for the correctness of any of the statements made or opinions expressed in this behalf.

#### I. APPROVALS FOR THE ISSUE

- 1 Our Company has received approval from the SME Platform of NSE dated August 20, 2015 for listing of Equity Shares issued pursuant to the issue.
- 2 Our Board of Directors have, pursuant to a resolution passed at its meeting held on January 10, 2015 authorized the Issue, subject to the approval of the shareholders of our Company under Section 62(1) (c) of the Companies Act, 2013 and such other authorities as may be necessary.
- 3 The Issue of Equity Shares has been authorized by a special resolution adopted pursuant to Section 62(1) (c) of the Companies Act, 2013 at the Extra Ordinary General Meeting of shareholders held on March 03, 2015
- 4 A copy of board resolution passed by circulation on July 10, 2015 for approving Draft Prospectus and meeting of Board of Directors held on October 19, 2015 for approving Prospectus.

#### II. APPROVALS/LICENSES/PERMISSIONS PROCURED TO CONDUCT OUR BUSINESS:

The following statement sets out the details of licenses, permissions and approvals obtained by our Company under various central and state laws for carrying out its business:

Sr. No	Nature of Registration/ License	Registration/License No.	Issuing Authority	Date of issue	Date of Expiry
<b>Constitutional Registration</b>					
1.	Certificate of Incorporation	11-99583	Asst. Registrar of Companies, Maharashtra	May 16, 1996	Perpetual
	Fresh Certificate consequent to change in constitution	U-29190MH1996 PTCO 99583	Asst. Registrar of Companies, Belapur, Navi Mumbai	April 19, 2005	Perpetual
2.	Fresh Certificate of Incorporation consequent upon change of name	U29190MH1996PL C099583	Deputy Registrar of Companies, Maharashtra, Mumbai	May 11, 2009	Perpetual
<b>Taxation Registration</b>					
1.	TAN (Taxpayers Account Number)	PNEPO7697E	National Securities Depository Limited	November 13, 2010 (Consequent change of	N.A.



Sr. No	Nature of Registration/ License	Registration/License No.	Issuing Authority	Date of issue	Date of Expiry
				name)	
2.	Permanent Account Number	AABCP0122A	Commissioner of Income Tax	May 16, 1996	N.A.
3.	Certificate of Registration under Maharashtra Value Added Tax Act, 2002	27740016613V	Sales Tax Department Government of Maharashtra	April 01, 2006	Until Cancelled
4.	Certificate of Registration under Central Sales Tax (Registration and Turnover) Rules 1957	27740016613C	Sales Tax Department Government of Maharashtra	April 01, 2006	Until Cancelled
5.	Certificate of Registration under Andhra Pradesh Value Added Tax 2005	28168763654	Government of Andhra Pradesh, Commercial Tax Officer	September 25, 2009	Until Cancelled
6.	Certificate of Registration under Rajasthan Value Added Tax 2003	08912563859	Asst. Commissioner, Circle, Jodhpur, Rajasthan	March 26, 2014	Until Cancelled
7.	Certificate of Registration under Central Sale Tax Act 1956,	08912563859C	Asst. Commissioner, Circle, Jodhpur, Rajasthan	March 26, 2014	Until Cancelled
8.	Certificate of Registration under Andhra Pradesh Value Added Tax Act 2005, (Telangana)	36168763654	Asst. Commercial Tax Officer Government of Telangana, Commercial Tax Department	June 19, 2014	Until Cancelled
9.	Certificate of Registration under Central Sale Tax Act 1956, (Telangana)	36168763654(C)	Asst. Commercial Tax Officer Government of Telangana, Commercial Tax Department	June 19, 2014	Until Cancelled
10	Certificate of Registration under Tamilnadu Value Added Tax Act 2006,	33380988167	Asst. Commissioner Velachery assessment circle, Govt. Taminadu Commercial Tax Department	June 02, 2010	Until Cancelled
11	Certificate of Registration	1016206	Asst. Commissioner	June 02,	Until Cancelled

Sr. No	Nature of Registration/ License	Registration/Licence No.	Issuing Authority	Date of issue	Date of Expiry
	under Central Sale Tax Act 1956, (Tamilnadu)		Velachery assessment circle, Govt. Taminadu Commercial Tax Department	2010	
12	Certificate of Registration under Delhi Value Added Tax Act 2005,	07660355420	Dept. of Trade and Taxes, Ward 84, Delhi, Government of NCT of Delhi	March 02, 2009	Until Cancelled
13	Certificate of Registration under Central Sale Tax Act 1956, (NCT of Delhi)	07660355420	Dept. of Trade and Taxes, Ward 84, Delhi, Government of NCT of Delhi	March 02, 2009	Until Cancelled
14.	Certificate of Registration under Chhattisgarh Value Added Tax Act 2005,	22901307629	Commercial Tax Officer, Raipur Circle 3, Government of Chhattisgarh	September 13, 2010	Until Cancelled
15.	Certificate of Registration under Karnataka Value Added Tax 2003	29790851674	Asst. Commissioner of Commercial Tax L.V.O. 015VTK-2, Koramanagala, Bangalore, Government of Karnataka	July 17, 2009	Until Cancelled
16.	Certificate of Registration under Central Sale Tax Act 1956 (Karnataka)	29790851674	Asst. Commissioner of Commercial Tax L.V.O. 015VTK-2, Koramanagala, Bangalore, Government of Karnataka	July 17, 2009	Until Cancelled
17.	Certificate of Registration under Haryana Value Added Tax 2003	06351830686	Assessing Authority, Gurgaon, Government of Haryana	June 25, 2010	Until Cancelled
18.	Certificate of Registration under Central Sale Tax Act 1956 (Haryana)	06351830686	Assessing Authority, Gurgaon, Government of Haryana	July 29, 2010	Until Cancelled
19.	Service Tax Registration	AABCP0122AST002	Assistant/Deputy Commissioner of Service Tax , Division-V Mumbai	December 08, 2009	Until Cancelled

Sr. No	Nature of Registration/License	Registration/License No.	Issuing Authority	Date of issue	Date of Expiry
<b>Statutory Approvals</b>					
1.	Consent to operate unit for the manufacturing of Air Handling system and its Accessory issued by Maharashtra State Pollution Control Board	RONM/NNR/TTC/Orange/O/CC-MPCB/14/07647	Regional Officer, Maharashtra State Pollution Control Board	August 16, 2014	July 31, 2016
2.	Certificate of registration under Employee's Provident Fund and Miscellaneous Provisions Act 1952	MH/THN/98895/Circle II/615	Regional Provident Fund Commissioner, Maharashtra SAO Thane	June 10, 2004	Until Cancelled
3.	Certificate of Registration under Employee State Insurance Act, 1948	34/1759/101/04	Joint Director, Sub Regional Office Thane, Employee State Insurance Corporation	October 14, 2004	Until Cancelled
4	Certificate of Importer-Exporter Code (IEC)	0397015585	Director General Foreign Trade.	June 11, 1997	Until Cancelled
5.	Certificate of Registration under the Maharashtra Shops and Establishment Act, 1948 for the office of our Company located at C-303, Kailash Esplande, LBS Marg, Ghatkopar (W), Mumbai-86	760038042/Commercial II, Ward N	Inspector under the Maharashtra Shops and Establishment Act, 1948	May 16, 2008	2016
	Certificate of Registration under the Maharashtra Shops and Establishment Act, 1948 for the office of our Company located at 168/170, Bhanushali Chambers, Sant Tukaram Road, Dana Bunder, Masjid Bunder (E)	B012398/ SHOP I	Inspector under the Maharashtra Shops and Establishment Act, 1948	December 21, 2005	December 31, 2015
	Certificate of Registration under the Maharashtra Shops and Establishment Act, 1948 for our premises located No. 12, Swastik Disa, Corporate Park, L.B.S. Marg, Ghatkopar West,	760467565/Commercial II	Inspector under the Maharashtra Shops and Establishment Act, 1948	July 07, 2015	May 14 2016

Sr. No	Nature of Registration/License	Registration/License No.	Issuing Authority	Date of issue	Date of Expiry
	Mumbai -400086, Maharashtra				
6.	Entrepreneur Memorandum for Service Enterprise at C-303, Kailash Esplande, LBS Marg, Ghatkhopar (W), Mumbai-86 (Enterprise is categorised as Small)	27222200703	Dy. Director of Industries, Office of Joint Director of Industries (MMR), Govt. of Maharashtra	October 14, 2011	Until Cancelled
7.	Entrepreneur Memorandum for a Manufacturing Enterprise at Plot No. R-637, MIDC, TTC Indl, area Rabale,(Navi Mumbai) [Enterprise is categories as Small]	27-021-12-06929-Part II	General Manager, Dist. Industrial Center, Thane	July 02, 2014	Until Cancelled.
8.	Factory License For factory located at Plot No. R637, TTC Industrial Area , Thane Belapur Road, MIDC, Rabale, Navi Mumbai- 400708*	Letter no. PLN/ 120/ 2015/ SLC/ 1267/ Thn.	Joint Director, Industrial Safety & Health	May 25, 2015	-
9.	Certificate of Enrolment under Karnataka Tax on Profession, Trade Callings and Employment Act, 1976	29790851674	Asst. Commissioner of Commercial Tax LVO, 015, VTK-2 Koramanagala, Bangalore	June 30, 2009	Until cancelled
10.	Certificate of Enrolment under Maharashtra Tax on Profession, Trade Callings and Employment Act,	99122310980P	Department of Sales Tax, Government of Maharashtra	May 21, 2015	Until cancelled
<b>Other Approvals/Licenses/Afflation</b>					
1	Certificate of Registration of ISO 9001:2008 for Supply, Installation, Testing, Commission and Maintenance of HVAC and MEP (Mechanical, Electrical and Plumbing) Projects	53767/A/0001/uk/en	United Registrar of System, UKAS Management System	July 07, 2015	July 06, 2018

\* Approval is subject to "No Objection Certificate" from the Director of Industries under Mumbai Metropolitan Regional Plan Policy. We are yet to apply for the same.

## **OTHER REGULATORY AND STATUTORY DISCLOSURES**

### **Authority for the Issue**

Our Board of Directors have, pursuant to a resolution passed at its meeting held on January 10, 2015 authorised the Issue, subject to the approval of the shareholders of our Company under Section 62(1) (C) of the Companies Act 2013.

The shareholders of our Company have authorized the Issue by a special resolution dated March 03, 2015 under Section 62(1)(C) of the Companies Act 2013.

Our Company has obtained all necessary governmental, regulatory consents and approvals and has received all necessary contractual consents required for this Issue. For further information, please refer to the section “Government, Statutory and Business Approvals” on page 193 of this Prospectus.

The Stock Exchange has given its in-principle approval for listing of the Equity Shares allotted pursuant to the Issue on the SME Platform pursuant to letter dated August 20, 2015. For the purposes of this Issue, NSE shall be the Designated Stock Exchange.

### **Prohibition by SEBI or Other Governmental Authorities**

Our Company and our Directors have not been debarred from accessing the capital market under any order or direction passed by SEBI or any other regulatory or governmental authority.

The companies with which our Directors are or were associated as promoter, directors or persons in control have not been debarred from accessing the capital market under any order or direction passed by SEBI or any other regulatory or governmental authority.

None of the Directors of our Company are associated with any entities which are engaged in securities market related business and are registered with SEBI other than Mr. Pradeep Bhawe, who is a director on the board of directors of Canara Securities Pvt. Ltd, an entity registered with SEBI.

### **Prohibition by the RBI**

Our Company has not been identified as a willful defaulter by the RBI or any other governmental authority. There are no violations of securities laws committed by it in the past or are pending against them.

None of our other Directors have been identified as a willful defaulter by the RBI or any other governmental authority. There are no violations of securities laws committed by it in the past or are pending against them.

### **Eligibility for this Issue**

Our Company is eligible for the Issue in accordance with Regulation 106M(1) and other provisions of Chapter XB of the SEBI Regulations as the post issue face value capital of our Company does not exceed Rs. 2,500lacs. Our Company also complies with the eligibility conditions laid by the Stock Exchange for listing of our Equity Shares.

We confirm that:

1. In accordance with Regulation 106(P) of the SEBI Regulations, this Issue has been 100% underwritten and that the Lead Managers have underwritten at least 15% of the Issue. Further, all the underwriting and subscription agreements made by the Lead Managers has been disclosed in this Prospectus. Further, the Underwriter other than Lead Managers shall not subscribe to the Issue, in any manner except for fulfilling their obligations under their respective agreements with the Lead Managers in this regard. For further details pertaining to underwriting, please refer to the section “General Information” on page 39 of this Prospectus.
2. In accordance with Regulation 106(V) of the SEBI Regulations, our Company has entered into an agreement with Keynote and SIDBI, as the Lead Managers and has entered into an agreement with Keynote Capitals Limited for market making. The Lead Managers will have to ensure compulsory market making for a minimum period of

three years from the date of listing of Equity Shares offered in the Issue. For further details pertaining to market making arrangements, please refer to the section “General Information” on page 39 of this Prospectus.

3. In accordance with Regulation 106(Q) of the SEBI Regulations, the minimum application size in terms of the number of Equity Shares will not be less than Rs.1,00,000 per application.

Further, we undertake that the number of Allottees in the Issue shall be atleast 50 otherwise the entire application money shall be refunded forthwith. In case of delay, if any, in refund, our Company shall pay interest on the application money at the rate of 15% p.a. for the period of delay.

#### **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 THE OFFER DOCUMENT. THE LEAD MANAGER, KEYNOTE CORPORATE SERVICES LIMITED HAS CERTIFIED THAT THE DISCLOSURES MADE IN THE PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FORMAKING 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 ARE EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE LEAD MANAGER, KEYNOTE CORPORATE SERVICES LIMITED, HAS FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED OCTOBER 19, 2015, WHICH READS AS FOLLOWS:**

- 1. WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION LIKE COMMERCIAL DISPUTES, PATENT DISPUTES, DISPUTES WITH COLLABORATORS, ETC. AND OTHER MATERIAL IN CONNECTION WITH THE FINALISATION OF THE PROSPECTUS PERTAINING TO THE SAID ISSUE;**
- 2. ON THE BASIS OF SUCH EXAMINATION AND THE DISCUSSIONS WITH THE ISSUER, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES, AND INDEPENDENT VERIFICATION OF THE STATEMENTS CONCERNING THE OBJECTS OF THE ISSUE, PRICE JUSTIFICATION AND THE CONTENTS OF THE DOCUMENTS AND OTHER PAPERS FURNISHED BY THE ISSUER, WE CONFIRM THAT:**
  - A. THE PROSPECTUS FILED WITH SEBI 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 THE PROSPECTUS ARE TRUE, FAIR AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL INFORMED DECISION AS TO THE INVESTMENT IN THE PROPOSED ISSUE AND SUCH DISCLOSURES ARE IN ACCORDANCE WITH THE REQUIREMENTS OF THE COMPANIES ACT, 2013, THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 AND OTHER APPLICABLE LEGAL REQUIREMENTS.**

3. WE CONFIRM THAT BESIDES OURSELVES, ALL THE INTERMEDIARIES NAMED IN THE PROSPECTUS ARE REGISTERED WITH THE BOARD AND THAT TILL DATE SUCH REGISTRATION IS VALID.
4. WE HAVE SATISFIED OURSELVES ABOUT THE CAPABILITY OF THE UNDERWRITERS TO FULFILL THEIR UNDERWRITING COMMITMENTS.
5. WE CERTIFY THAT WRITTEN CONSENT FROM PROMOTERS HAS BEEN OBTAINED FOR INCLUSION OF THEIR SPECIFIED SECURITIES AS PART OF PROMOTERS CONTRIBUTION SUBJECT TO LOCK-IN AND THE SPECIFIED SECURITIES PROPOSED TO FORM PART OF PROMOTERS CONTRIBUTION SUBJECT TO LOCK-IN SHALL NOT BE DISPOSED / SOLD / TRANSFERRED BY THE PROMOTERS DURING THE PERIOD STARTING FROM THE DATE OF FILING OF THE PROSPECTUS WITH THE BOARD TILL THE DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THE PROSPECTUS.
6. WE CERTIFY THAT REGULATION 33 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, WHICH RELATES TO SPECIFIED SECURITIES INELIGIBLE FOR COMPUTATION OF PROMOTERS CONTRIBUTION, HAS BEEN DULY COMPLIED WITH AND APPROPRIATE DISCLOSURES AS TO COMPLIANCE WITH THE SAID REGULATION HAVE BEEN MADE IN THE PROSPECTUS.
7. WE UNDERTAKE THAT SUB-REGULATION (4) OF REGULATION 32 AND CLAUSE (C) AND (D) OF SUB-REGULATION (2) OF REGULATION 8 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 SHALL BE COMPLIED WITH. WE CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS CONTRIBUTION SHALL BE RECEIVED AT LEAST ONE DAY BEFORE THE OPENING OF THE ISSUE. WE UNDERTAKE THAT AUDITOR'S CERTIFICATE TO THIS EFFECT SHALL BE DULY SUBMITTED TO THE BOARD. WE FURTHER CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE KEPT IN AN ESCROW ACCOUNT WITH A SCHEDULED COMMERCIAL BANK AND SHALL BE RELEASED TO THE ISSUER ALONG WITH THE PROCEEDS OF THE PUBLIC ISSUE. – NOT APPLICABLE
8. WE CERTIFY THAT THE PROPOSED ACTIVITIES OF THE ISSUER FOR WHICH THE FUNDS ARE BEING RAISED IN THE PRESENT ISSUE FALL WITHIN THE “MAIN OBJECTS” LISTED IN THE OBJECT CLAUSE OF THE MEMORANDUM OF ASSOCIATION OR OTHER CHARTER OF THE ISSUER AND THAT THE ACTIVITIES WHICH HAVE BEEN CARRIED OUT UNTIL NOW ARE VALID IN TERMS OF THE OBJECT CLAUSE OF ITS MEMORANDUM OF ASSOCIATION.
9. WE CONFIRM THAT NECESSARY ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT THE MONEYS RECEIVED PURSUANT TO THE ISSUE ARE KEPT IN A SEPARATE BANK ACCOUNT AS PER THE PROVISIONS OF SUB-SECTION (3) OF SECTION 40 OF THE COMPANIES ACT, 2013 AND THAT SUCH MONEYS SHALL BE RELEASED BY THE SAID BANK ONLY AFTER PERMISSION IS OBTAINED FROM ALL THE STOCK EXCHANGES MENTIONED IN THE PROSPECTUS. WE FURTHER CONFIRM THAT THE AGREEMENT ENTERED INTO BETWEEN THE BANKERS TO THE ISSUE AND THE ISSUER SPECIFICALLY CONTAINS THIS CONDITION. - NOTED FOR COMPLIANCE
10. WE CERTIFY THAT A DISCLOSURE HAS BEEN MADE IN THE PROSPECTUS THAT THE INVESTORS SHALL BE GIVEN AN OPTION TO GET THE SHARES IN DEMAT OR PHYSICAL MODE. – NOT APPLICABLE. UNDER SECTION 29 OF THE COMPANIES ACT, 2013, EQUITY SHARES IN THE OFFER HAVE TO BE ISSUED IN DEMATERIALISED FORM ONLY.
11. WE CERTIFY THAT ALL THE APPLICABLE DISCLOSURES MANDATED IN THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 HAVE BEEN MADE IN ADDITION TO DISCLOSURES WHICH, IN OUR VIEW, ARE FAIR AND ADEQUATE TO ENABLE THE INVESTOR TO MAKE A WELL INFORMED DECISION.



12. WE CERTIFY THAT THE FOLLOWING DISCLOSURES HAVE BEEN MADE IN THE PROSPECTUS:
- A. AN UNDERTAKING FROM THE ISSUER THAT AT ANY GIVEN TIME, THERE SHALL BE ONLY ONE DENOMINATION FOR THE EQUITY SHARES OF THE ISSUER, AND
  - B. AN UNDERTAKING FROM THE ISSUER THAT IT SHALL COMPLY WITH SUCH DISCLOSURE AND ACCOUNTING NORMS SPECIFIED BY THE BOARD FROM TIME TO TIME.
13. WE UNDERTAKE TO COMPLY WITH THE REGULATIONS PERTAINING TO ADVERTISEMENT IN TERMS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 WHILE MAKING THE ISSUE.
14. WE ENCLOSE A NOTE EXPLAINING HOW THE PROCESS OF DUE DILIGENCE HAS BEEN EXERCISED BY US IN VIEW OF THE NATURE OF CURRENT BUSINESS BACKGROUND OF THE ISSUER, SITUATION AT WHICH THE PROPOSED BUSINESS STANDS, THE RISK FACTORS, PROMOTERS EXPERIENCE, ETC.
15. WE ENCLOSE A CHECKLIST CONFIRMING REGULATION-WISE COMPLIANCE WITH THE APPLICABLE PROVISIONS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, CONTAINING DETAILS SUCH AS THE REGULATION NUMBER, ITS TEXT, THE STATUS OF COMPLIANCE, PAGE NUMBER OF THE PROSPECTUS WHERE THE REGULATION HAS BEEN COMPLIED WITH AND OUR COMMENTS, IF ANY.
16. WE ENCLOSE STATEMENT ON PRICE INFORMATION OF PAST ISSUES HANDLED BY MERCHANT BANKER AS PER FORMAT SPECIFIED BY SEBI THROUGH CIRCULAR
17. WE CERTIFY THAT PROFITS FROM RELATED PARTY TRANSACTIONS HAVE ARISEN FROM LEGITIMATE BUSINESS TRANSACTIONS.

**ADDITIONAL CONFIRMATIONS/ CERTIFICATION TO BE GIVEN BY MERCHANT BANKERS IN DUE DILIGENCE CERTIFICATE TO BE GIVEN ALONG WITH PROSPECTUS REGARDING SME EXCHANGE**

- 1. WE CONFIRM THAT NONE OF THE INTERMEDIARIES NAMED IN THE PROSPECTUS HAVE BEEN DEBARRED FROM FUNCTIONING BY ANY REGULATORY AUTHORITY.
- 2. WE CONFIRM THAT ALL THE MATERIAL DISCLOSURES IN RESPECT OF THE ISSUER HAVE BEEN MADE IN THE 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 EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 HAVE BEEN MADE.**

The filing of this Prospectus does not, however, absolve our Company from any liabilities under Sections 34, 35 or 36 of the Companies Act, 2013 or from the requirement of obtaining such statutory or other clearances as may be required for the purpose of the proposed Issue. SEBI further reserves the right to take up, at any point of time, with the Lead Manager, any irregularities or lapses in the Prospectus.

All legal requirements pertaining to the Issue have been complied with at the time of filing of this Prospectus with the RoC, in terms of Section 32 of the Companies Act 2013.

**Disclaimer Statement from our Company, the Lead Manager**

Our Company and the Lead Manager accepts no responsibility for statements made otherwise than those contained in this Prospectus or in any advertisements or any other material issued by or at the instance of the above mentioned entities and anyone placing reliance on any other source of information, including our Company's website [www.perfectinfra.com](http://www.perfectinfra.com), would be doing so at his or her own risk.

The Lead Managers accepts no responsibility, save to the limited extent as provided in the Underwriting Agreement to be entered into between the Underwriters and our Company and the Issue Agreement between the Lead Manager and our Company dated June 17, 2015.

Our Company and the Lead Manager shall make all information available 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 or at collection centers or elsewhere.

The Lead Manager and its respective associates and affiliates may engage in transactions with and perform services for, our Company, affiliates or associates of our Company or third parties in the ordinary course of business and have engaged and may in future engage, in commercial banking or other financial services with our Company, affiliates or associates or third parties, for which they have received and may in future receive, compensation.

Neither our Company nor the Lead Manager is liable to the Applicants for any failure in downloading the applications due to faults in any software/hardware system or otherwise.

Investors who apply under this Issue will be required to confirm and will be deemed to have represented to our Company, the Underwriters, the Lead Manager and its respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of our Company and will not offer, sell, pledge or transfer the Equity Shares of our Company to any person who is not eligible under applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of our Company. Our Company, the Underwriters and the Lead Manager and its respective directors, officers, agents, affiliates and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire Equity Shares of our Company.

**Caution**

Investors who apply in the Issue will be required to confirm and will be deemed to have represented to our Company, the Underwriters, the Lead Manager and their respective directors, officers, agents, affiliates, and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of our Company and will not issue, sell, pledge, or transfer the Equity Shares of our Company to any person who is not eligible under any applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of our Company. Our Company, the Underwriters, the Lead Manager and their respective directors, officers, agents, affiliates, and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire Equity Shares of our Company.

### **Disclaimer in Respect of Jurisdiction**

This Issue is being made in India to persons resident in India (including Indian nationals resident in India) who are not minors (except those having valid demat account, as per Demographic Details provided by Depositories), HUFs, companies, corporate bodies and societies registered under the applicable laws in India and authorised to invest in shares, Indian Mutual Funds registered with SEBI, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), trusts under applicable trust law and who are authorised under their constitution to hold and invest in shares, permitted insurance companies and pension funds, insurance funds set up and managed by the army and navy and insurance funds set up and managed by the Department of Posts, India and to FIIs, Eligible QFIs, Eligible NRIs, AIFs and other eligible foreign investors (viz. FVCIs, multilateral and bilateral development financial institutions), 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 invitation to subscribe to the Equity Shares offered hereby in any jurisdiction other than India to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession this Prospectus comes is required to inform himself or herself about and to observe, any such restrictions.

Any dispute arising out of this Issue will be subject to the jurisdiction of appropriate court(s) in Mumbai, Maharashtra, India only.

No action has been, or will be, taken to permit a public offering in any jurisdiction where action would be required for that purpose, except that this Prospectus has been submitted with the Stock Exchange. Accordingly, the Equity Shares, represented hereby may not be offered or sold, directly or indirectly and this Prospectus may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of this Prospectus nor any sale hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of our Company since the date hereof or that the information contained herein is correct as of any time subsequent to this date.

The restrictions as stated above will apply to the Issue, investors are advised to consult their own legal counsel prior to making any offer, resale, pledge or transfer of the Equity Shares.

### **Disclaimer Clause of the Stock Exchange**

“As required, a copy of this Offer Document has been submitted to National Stock Exchange of India Limited (hereinafter referred to as NSE). NSE has given vide its letter Ref.: NSE/LIST/38697 dated August 20, 2015 permission to the Issuer to use the Exchange’s name in this Offer Document as one of the stock exchanges on which this Issuer’s securities are proposed to be listed. The Exchange has scrutinized this draft offer document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Issuer. It is to be distinctly understood that the aforesaid permission given by NSE should not in any way be deemed or construed that the offer document has been cleared or approved by NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this offer document; nor does it warrant that this Issuer’s securities will be listed or will continue to be listed on the Exchange; nor does it take any responsibility for the financial or other soundness of this Issuer, its promoters, its management or any scheme or project of this Issuer.

Every person who desires to apply for or otherwise acquire any securities of this Issuer may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription /acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever.”

### **Filing**

The Draft Prospectus has been filed with the NSE at Exchange Plaza, Plot no. C/1, G Block, Bandra-Kurla Complex, Bandra (E) Mumbai - 400 051.

A copy of the Draft Prospectus has not been filed with SEBI, nor will SEBI issue any observation on the offer document in term of Regulation 106(M)(3) of the SEBI (ICDR) Regulations. However a copy of the Prospectus will be filed with SEBI at SEBI Bhavan, Plot No.C4- A, 'G' Block, Bandra Kurla Complex, Bandra (East), Mumbai 400 051.

A copy of the Prospectus to be filed under Section 26 of the Companies Act would be delivered for registration to the Registrar of Companies, 100, Everest, Marine Drive, Maharashtra.

### Listing

Initial listing application will be made to the Stock Exchange for permission to deal in and for an official quotation of the Equity Shares. NSE shall act as the Designated Stock Exchange.

If the permission to deal in and for an official quotation of the Equity Shares is not granted by the Stock Exchange, our Company will forthwith repay, without interest, all moneys received from the Applicants in pursuance of the Prospectus. If such money is not repaid within eight days after our Company becomes liable to repay it, then our Company and every Director of our Company, who is an officer in default shall, on and from such expiry of eight days, be liable to repay the money, with interest, at the rate of 15% p.a. on application money, as prescribed under Section 40 of the Companies Act.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the Stock Exchange mentioned above are taken within 15 Days from the Issue Closing Date.

### Consents

Consents in writing of: (a) our Directors, our Company Secretary and Compliance Officer, the statutory Auditors, the Legal Advisors to the Issue, the Bankers to our Company; and (b) the Lead Manager, SME fundamental grading agency, the Escrow Collection Bank(s), Refunds Bank, the Market Maker, the Nominated Investor and the Registrar to the Issue to act in their respective capacities, have been filed along with a copy of this Prospectus with the RoC, as required under Section 26 of the Companies Act.

In accordance with the Companies Act and SEBI Regulations, M/s. **Godbole Bhawe & Co**, Chartered Accountants, our statutory peer reviewed Auditors, have given their written consent to the inclusion of their report on possible tax benefits accruing to our Company and its members dated **June 16, 2015** in the form and context in which it appears in this Prospectus and has not withdrawn such consent up to the time of filing of the Prospectus with the RoC.

### Expert Opinion

Except the report of our peer reviewed Auditors dated **October 07, 2015**, the statement of tax benefits dated **June 16, 2015** which will be provided to the Designated Stock Exchange, annexed herewith to this Prospectus, our Company has not obtained any expert opinions.

### Issue Related Expenses

The expenses of this Issue include, among others, underwriting and management fees, selling commission, printing and distribution expenses, legal fees, statutory advertisement expenses and listing fees. The total expenses of the Issue are estimated to be approximately ₹ 69.75 lacs. The estimated Issue Expenses are as follows:

Activity	Estimated Expense	% of Total Expenses	As a percentage of Issue size
Fees to intermediaries (including lead management fees, underwriting commission, market making fees, brokerage and selling commission*, registrar fees and expenses)	60.50	77.44	10.49
Advertising and marketing expenses	3.00	3.84	0.52
Printing and Stationary & Distribution	3.00	3.84	0.52
Statutory and other miscellaneous expenses	11.62	14.88	2.02
<b>Total estimated Issue expenses</b>	<b>78.12</b>	<b>100.00</b>	<b>13.54</b>

- \* SCSBs would be entitled to a processing fee of ₹ 10/- for processing of valid Application Forms procured by such broker. The brokers and SCSBs would be entitled to a commission of ₹ 20/- per valid Application Form procured and considered for basis of allotment.

All expenses with respect to this Issue will be borne by our Company.

#### **Details of Fees Payable**

##### **Fees Payable to the Lead Manager**

The total fees payable to the Lead Managers will be as per the Engagement Letters dated January 01, 2015 from Keynote and February 18, 2015 from SIDBI and as stated in the Issue Agreement dated June 17, 2015 executed between our Company and the Lead Managers, a copy of which is available for inspection at our Registered Office.

##### **Fees Payable to the Registrar to this Issue**

The fees payable to the Registrar to this Issue for processing of application, data entry, printing of refund order, preparation of refund data on magnetic tape, printing of bulk mailing register will be as per the Memorandum of Understanding dated **April 17, 2015** executed between our Company and the Registrar to the Issue, a copy of which is available for inspection at our Registered Office.

The Registrar to the Issue will be reimbursed for all out of pocket expenses including cost of stationery, postage, stamp duty and communication expenses. Adequate funds will be provided to the Registrar to the Issue to enable them to send refund orders or allotment advice by registered post/speed post.

##### **Fees Payable to Others**

The total fees payable to the Auditor, credit rating agency and advertiser, etc. will be as per the terms of their respective engagement letters.

##### **Particulars regarding previous rights and public issues during last five years**

Our Company has not made any previous rights and/or public issues during the five years preceding the date of this Prospectus.

##### **Previous issue of Equity Shares otherwise than for cash**

Save and except as stated in "Capital Structure" on page 45 of this Prospectus, our Company has not issued any Equity Shares for consideration other than for cash.

##### **Commission and Brokerage on Previous Issues**

Since this is the initial public offer of the Equity Shares by our Company, no sum has been paid or is payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of our Equity Shares since our Company's inception.

##### **Particulars in regard to our Company and other listed companies under the same management within the meaning of Section 370 (1B) of the Companies Act which made any capital issue since inception**

Neither our Company nor any other Company under the same management within the meaning of Section 370(1B) of the Companies Act is listed on any of the Stock Exchange(s) and has not made any capital issue since inception.

##### **Listed ventures of Promoters**

There are no listed ventures of our Promoters.

### **Promise vs Performance – Previous Issues of our Company and our Group / Subsidiary / Associate Companies**

Our Company has not made any public issue of Equity Shares since its incorporation. None of our Group / Subsidiary / Associate Companies have made any public issues in the past.

### **Outstanding debentures, bonds, redeemable preference shares and other instruments issued by our Company**

As on the date of filing this Prospectus with SEBI and RoC, our Company has no outstanding debentures, bonds or redeemable preference shares.

### **Stock Market Data for our Equity Shares**

This Issue being an initial public offering of our Company, there is no stock market data available for the Equity Shares of our Company as they are not listed in any stock exchange.

### **Mechanism for Redressal of Investor Grievances**

The Memorandum of Understanding between the Registrar and our Company will provide for retention of records with the Registrar to the Issue for a minimum period of at least three years from the last date of dispatch of the Allotment Advice, 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 this Issue may be addressed to the Registrar to the Issue, giving full details such as the name, address of the applicant, number of Equity Shares applied for, amount paid on application and the branch of the bank or collection center where the application was submitted.

All grievances relating to the ASBA process may be addressed to the Registrar to the Issue with a copy to the relevant SCSB 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 relevant SCSB.

### **Disposal of Investor Grievances by our Company**

Our Company estimates that the average time required by our Company or the Registrar to this Issue for the redressal of routine investor grievances will be 12 Working Days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible.

Our Company has constituted a Stakeholder Grievance Committee pursuant to a resolution passed at the meeting of our Board of Directors held on May 23, 2015. The Shareholder / Investor Grievance Committee comprises:

<b>Name of the Director</b>	<b>Status in Committee</b>	<b>Nature of Directorship</b>
Mr. Pradeep Bhawe	Chairman	Non Executive-Independent Director
Mr. Nimesh Mehta	Member	Chairman and Managing Director
Ms. Manisha Mehta	Member	Whole Time Director & Chief Financial Officer

For more information, please refer to the section “Our Management” on page 113 of this Prospectus.

Our Company has appointed Mr. Vijay Mulwani as our Company Secretary and Compliance Officer and he may be contacted at the following address:

**Mr. Vijay Mulwani**  
**Perfect Infraengineers Limited.**  
11/12, Swastik Disa Corporate Park,  
Opp. Shreyas Cinema, LBS Road,  
Ghatkopar West, Mumbai  
**Telephone:** +022 25004971  
**E-mail:** vijay@perfectinfra.com

Investors can contact the Compliance Officer or the Registrar in case of any pre-Issue or post-Issue related problems such as non-receipt of letters of allocation, credit of Allotted Equity Shares in the respective beneficiary account and refund of application money.

#### **Changes in Auditors during the last three Financial Years and reasons therefore**

The changes in the Auditors of our Company in the three years are detailed below:

<b>Sr. No.</b>	<b>Name of Auditor</b>	<b>Date of Appointment</b>	<b>Date of Cessation</b>	<b>Reason for Change</b>
1.	Panachand K. Shah & Co.	30/09/2014	10/12/2014	Resignation
2.	Godbole Bhawe & Co	15/01/2015	---	Appointment

#### **Capitalisation of Reserves or Profits**

Save and except as stated in “Capital Structure” on page 45 of this Prospectus, our Company has not capitalized its reserves or profits at any time since inception.

#### **Revaluation of assets**

Our Company has not revalued its assets since incorporation.

**Price information of past issues handled by the Lead Manager**
**Price Information of past issues handled by Keynote**

Sr No	Issue Name	Issue Size ₹ (Cr.)	Issue price (₹)	Listing date	Opening price on listing date (₹)	Closing price on listing date (₹)	% Change in Price on listing date (Closing) vs. Issue Price	Benchmark index on listing date (Closing)	Closing price as on 10 <sup>th</sup> calendar day from listing day (₹)	Benchmark index as on 10 <sup>th</sup> calendar days from listing day (Closing)	Closing price as on 20 <sup>th</sup> calendar day from listing day (₹)	Benchmark index as on 20 <sup>th</sup> calendar days from listing day (Closing)	Closing price as on 30 <sup>th</sup> calendar day from listing day (₹)	Benchmark index as on 30 <sup>th</sup> calendar days from listing day (Closing)
1.	Veto Switchgears and Cables Limited (SME Platform – NSE EMERGE)	25.00	50.00	13/12/2012	58.00	50.45	0.9% (NSE)	5851.50 (CNX NIFTY)	50.25* (NSE)	5855.75* (CNX NIFTY)	50.15 (NSE)	5950.85 (NIFTY)	50.50 (NSE)	5951.30 (NIFTY)
2.	MITCON Consultancy & Engineering Services Limited (SME Platform – NSE EMERGE)	25.01	61.00	01/11/2013	60.00	51.10	(16.22%) (NSE)	6307.20 (CNX NIFTY)	43.05 (NSE)	6078.80 (CNX NIFTY)	No Trading	6122.90 (CNX NIFTY)	No Trading	6217.85 (CNX NIFTY) *
3.	Sanco Industries Limited	4.32	18	12/03/2014	19.00	17.25	(4.17%) (NSE)	6516.90 (CNX NIFTY)	18.00 (NSE)	6493.20 (CNX NIFTY)	No Trading	6704.20 (CNX NIFTY)	No Trading	6796.40 (CNX NIFTY)

Sr No	Issue Name	Issue Size ₹ (Cr.)	Issue price (₹)	Listing date	Opening price on listing date (₹)	Closing price on listing date (₹)	% Change in Price on listing date (Closing) vs. Issue Price	Benchmark index on listing date (Closing)	Closing price as on 10 <sup>th</sup> calendar day from listing day (₹)	Benchmark index as on 10 <sup>th</sup> calendar days from listing day (Closing)	Closing price as on 20 <sup>th</sup> calendar day from listing day (₹)	Benchmark index as on 20 <sup>th</sup> calendar days from listing day (Closing)	Closing price as on 30 <sup>th</sup> calendar day from listing day (₹)	Benchmark index as on 30 <sup>th</sup> calendar days from listing day (Closing)
	(SME Platform – NSE EMERGE)													

\*Being a trading holiday, price data is considered for next trading day.

**Summary statement of price information of past issues handled by Keynote Corporate Services Limited**

Financial Year	Total no. of IPOs	Total Funds Raised (₹ 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 30 <sup>th</sup> calendar day from listing day			Nos. of IPOs trading at premium as on 30 <sup>th</sup> 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%
2012-13	1	25.00	Nil	Nil	Nil	Nil	Nil	1	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
2013-14	2	29.33	Nil	Nil	2	Nil	Nil	Nil	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
2014-15	Nil													

N.A. - Not Available since not traded on 30<sup>th</sup> calendar day from listing day



***Price Information of past issues handled by SIDBI***

Nil

**Track record of past issues handled by the Lead Manager**

For details regarding the track record of the Lead Manager, as specified in Circular reference CIR/MIRSD/1/2012 dated January 10, 2012 issued by SEBI, please refer to the website of the Lead Manager, as set forth in the table below:

Sr. No.	Name of Lead Manager	Website
1.	Keynote	<a href="http://www.keynoteindia.net/track_record.html">http://www.keynoteindia.net/track_record.html</a>
2.	SIDBI	NA

## SECTION VII – ISSUE RELATED INFORMATION

### TERMS OF THE ISSUE

The Equity Shares being issued pursuant to the Issue are subject to the provisions of the Companies Act, the SEBI Regulations, the SCRR, our Memorandum and Articles of Association, the terms of this Prospectus, the Prospectus, the Application Form, the Allocation Advice, the Listing Agreement to be entered into with the Stock Exchange and other terms and conditions as may be incorporated in the allotment advices and other documents/certificates that may be executed in respect of the Issue. The Equity Shares shall also be subject to laws as applicable, guidelines, notifications and regulations relating to the issue of capital and listing and trading of securities issued from time to time by SEBI, the Government of India, the Stock Exchange, the RoC, the RBI and/or other authorities, as in force on the date of the Issue and to the extent applicable or such other conditions as may be prescribed by SEBI, RBI and/or any other authorities while granting its approval for the Issue.

#### Ranking of Equity Shares

The Equity Shares being issued shall be subject to the provisions of the Companies Act, our Memorandum and Articles of Association and shall rank *paripassu* in all respects with the existing Equity Shares of our Company including rights in respect of the dividend. The Allottees in receipt of Allotment of Equity Shares under this Issue will be entitled to dividends, voting rights and other corporate benefits, if any, declared by our Company after the date of Allotment. For further information, please refer to the section “Main Provisions of the Articles of Association” on page 247 of this Prospectus.

#### Mode of Payment of Dividend

Our Company shall pay dividends to our shareholders in accordance with the provisions of the Companies Act, our Articles of Association and the Listing Agreement to be entered into with the Stock Exchange.

#### Face Value and Issue Price

The face value of the Equity Shares is ₹ 10 each and the Issue Price is Rs. 23/- per Equity Share.

At any given point of time there shall be only one denomination for the Equity Shares.

#### Compliance with the SEBI Regulations

Our Company shall comply with all disclosure and accounting norms, as specified by SEBI from time to time.

#### Rights of the Equity Shareholders

Subject to the applicable laws, rules, regulations and guidelines and the Articles of Association, the Equity Shareholders of our Company 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, subject to any statutory and preferential claim being satisfied;
- Right of free transferability, subject to applicable law, including any RBI rules and regulations; and
- Such other rights, as may be available to a shareholder of a listed public company under the Companies Act, the terms of the Listing Agreement to be entered into with the Stock Exchange and our Company’s Memorandum and Articles of Association.

For a detailed description of the main provisions of our Articles relating to voting rights, dividend, forfeiture and lien and/or consolidation/splitting, please refer to the section “Main Provisions of the Articles of Association” on page 247 of this Prospectus.

### **Joint Holders**

Where two or more persons are registered as the holders of the Equity Shares, they shall be entitled to hold the same as joint tenants with benefits of survivorship.

### **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 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 trading will happen in the minimum contract size of 6,000 Equity Shares and the same may be modified by the Stock Exchange from time to time by giving prior notice to investors at large. Allotment in this Issue will be only in electronic form in multiples of 6,000 Equity Shares subject to a minimum Allotment of 6,000 Equity Shares. For details of Allotment, please refer to the section “Issue Procedure” on page 219 of this Prospectus.

### **Nomination Facility to Investor**

In accordance with Section 72 of the Companies Act, 2013, read with Companies (Share Capital and Debentures) Rules, 2014, the sole or first Bidder, with other joint Bidders, may nominate any one person in whom, in the event of the death of sole Bidder or in case of joint Bidders, death of all the Bidders, as the case may be, the Equity Shares Allotted, if any, will vest. A nominee entitled to the Equity Shares by reason of the death of the original holder(s), will, in accordance with Section 72 of the Companies Act, 2013, be entitled to the same benefits to which he or she will be entitled if he or she were the registered holder of the Equity Shares. 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 the holder's death during minority. A nomination may be cancelled, or varied by nominating any other person in place of the present nominee, by the holder of the Equity Shares who has made the nomination, by giving a notice of such cancellation or variation to our Company in the prescribed form.

Further, any person who becomes a nominee by virtue of Section 72 of the Companies Act, 2013, will, on the production of such evidence as may be required by the Board, elect either:

- to register himself or herself as holder of Equity Shares; or
- to make such transfer of the Equity Shares, as the deceased holder could have made.

Further, the Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of 90 days, the Board may thereafter withhold payment of all dividend, interests, 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 dematerialized form, there is no need to make a separate nomination with our Company. Nominations registered with the respective Depository Participant of the Bidder will prevail. If Bidders want to change their nomination, they are advised to inform their respective Depository Participant.

### **Issue Period**

Applicants may submit their applications only in the Issue Period. The Issue Opening Date is October 30, 2015 and the Issue Closing Date is November 04, 2015.

### **Minimum Subscription**

If our Company does not receive (i) the minimum subscription of 90% of the Issue within the Bid/Issue Period; and/or (ii) a subscription in the Issue equivalent to the minimum number of securities as specified under Rule 19(2)(b)(ii) of

the SCRR, including devolvement of Underwriters, if any within sixty days of from the date of closure of the issue, our Company shall refund the entire subscription amount received, within period as prescribed under Regulation 14 of the SEBI ICDR Regulations. If there is a delay beyond eight days from the date of closure of the issue, the prescribed period, our Company shall pay interest as prescribed under Rule 11 of the Companies (Prospectus and Allotment of Securities) Rules, 2014.

Further, in accordance with Regulation 106R of the SEBI ICDR Regulations, our Company shall ensure that the number of prospective allottees to whom the Equity Shares will be Allotted will be not less than 50.

### **Migration to Main Board**

Our Company may migrate to the Main Board of NSE from the SME Platform on a later date subject to the following:

- If the paid up capital of our Company is likely to increase above Rs. 2,500 lacs by virtue of any further issue of capital by way of rights issue, preferential issue, bonus issue etc. (which has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders in favour of the proposal amount to at least two times the number of votes cast by shareholders against the proposal and for which our Company has obtained in-principal approval from the Main Board), our Company shall apply to NSE for listing of its shares on its Main Board subject to the fulfillment of the eligibility criteria for listing of specified securities laid down by the Main Board.

OR

- If the paid up capital of our Company is more than ₹ 1,000 lacs but below ₹ 2,500lacs, 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 Equity Shares offered through this Issue are proposed to be listed on the Stock Exchange, wherein the Lead Manager shall ensure compulsory market making through the registered Market Makers of the Stock Exchange for a minimum period of three years or such other time as may be prescribed by the Stock Exchange, from the date of listing of Equity Shares offered through the Prospectus. For further details of the market making arrangement, please refer to the section “General Information” on page 39 of this Prospectus.

### **Arrangement for disposal of Odd Lots**

The trading of the Equity Shares will happen in the minimum contract size of 6,000 Equity 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 Stock Exchange.

### **Restriction on transfer of shares**

Except for lock-in of the pre-Issue Equity Shares as detailed in “Capital Structure” on page 45 of this Prospectus and except as provided in the Articles, there are no restrictions on transfers and transmission of Equity Shares and on their consolidation/ splitting except as provided in our Articles. For more information, please refer to the section “Main Provisions of our Articles of Association” on page 247 of this Prospectus.

### **Application by Eligible NRIs, FIIs and Foreign Venture Capital Funds registered with SEBI**

As per the extant policy of the Government of India, OCBs cannot participate in this Issue. The RBI has however clarified in its circular, A.P. (DIR Series) Circular No. 44, dated December 8, 2003 that OCBs which are incorporated and are not under the adverse notice of the RBI are permitted to undertake fresh investments as incorporated non-resident entities in terms of Regulation 5(1) of RBI Notification No.20/2000-RB dated May 3, 2000 under FDI Scheme with the prior approval of Government if the investment is through Government Route and with the prior approval of RBI if the investment is through Automatic Route on case by case basis.

**OCBs may invest in this Issue provided it obtains a prior approval from the RBI. On submission of such approval along with the Application Form, the OCB shall be eligible to be considered for share allocation.**

The current provisions of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, there exists a general permission for the NRIs, FIIs and foreign venture capital investors registered with SEBI to invest in shares of Indian companies by way of subscription in an initial public offering. 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. It is to be distinctly understood that there is no reservation for NRIs, FIIs or FVCIs registered with SEBI, Applicants will be treated on the same basis with other categories for the purpose of allocation.

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.

The above information is given for the benefit of the Applicants. The Applicants are advised to make their own enquiries about the limits applicable to them. Our Company and the Lead Manager do not accept any responsibility for the completeness and accuracy of the information stated hereinabove. Our Company and the Lead Manager are not liable to inform the investors of any amendments or modifications or changes in applicable laws 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.

#### **Withdrawal of the Issue**

Our Company, in consultation with the Lead Manager, reserves the right not to proceed with the Issue any time after the Issue Opening Date but before the Board meeting for Allotment of Equity Shares. In such an event, our Company would issue a public notice in the newspapers, in which the pre-Issue advertisements were published, within two days, providing reasons for not proceeding with the Issue. Our Company shall also inform the same to NSE and the Lead Manager, through the Registrar to the Issue, shall notify the SCSBs to unblock the ASBA Account within one Working Day from the date of such notification.

Any further issue of Equity Shares by our Company shall be in compliance with applicable laws.

If our Company withdraws the Issue after the Issue Closing Date and thereafter determines that it will proceed with an initial public offering of Equity Shares, our Company shall be required to file a fresh Draft Prospectus. Notwithstanding the foregoing, this Issue is also subject to obtaining the final listing and trading approvals of the Stock Exchange, which our Company shall apply for after Allotment and the final RoC approval of the Prospectus.

#### **Issue of Equity Shares in dematerialised form in the Issue**

In accordance with the SEBI Regulations, Equity Shares will be issued, transferred and Allotment shall be made only in the dematerialised form to the Allottees. Allottees will have the option to re-materialise the Equity Shares, if they so desire, as per the provisions of the Companies Act and the Depositories Act.

#### **Jurisdiction**

Exclusive jurisdiction for the purpose of this Issue is with competent courts/authorities in Mumbai, Maharashtra, India.

## ISSUE STRUCTURE

The present Issue of **25,08,000** Equity Shares of ₹ 10 each, at a price of ₹ 23/- per Equity Share (including a premium of ₹ 13/- per Equity Share) for cash aggregating to ₹ **576.84 Lacs** (the **Issue**), of which **1,26,000** Equity Shares of ₹ 10 each will be reserved for subscription by Market Maker (**Market Maker Reservation Portion**), is being made in terms of Chapter XB of the SEBI Regulations. The Issue less the Market Maker Reservation Portion i.e. Issue of **23,82,000** Equity Shares of ₹ 10 each is hereinafter referred to as the **Net Issue**. The Issue and the Net Issue will constitute **32.53%** and **30.90%**, respectively of the post Issue paid up Equity Share capital of our Company.

Particulars	Non Retail Applicants(including ASBA Applicants)	Retail Individual Applicants(including ASBA Applicants)	Market Maker Reservation Portion
<b>Number of Equity Shares<sup>(1)</sup></b>	11,88,000 Equity Shares or Net Issue less allocation to Non Institutional Applicants and Retail Individual Applicants	11,94,000 Equity Shares	1,26,000 Equity Shares
<b>Percentage of Issue Size available for allocation</b>	Not more than 50% of the Net Issue being available for allocation to Non Retail Applicants.	Not less than 50% of the Net Issue	5.02% of the Issue
<b>Basis of allocation, if respective category is oversubscribed</b>	Proportionate.	Proportionate.	Firm allotment
<b>Minimum Application Size</b>	Such number of Equity Shares that the Application Amount exceeds ₹ 2,00,000 and in multiples of 6,000 Equity Shares thereafter.	6,000 Equity Shares	1,26,000 Equity Shares
<b>Maximum Application Size</b>	25,08,000 Equity Shares	Such number of Equity Shares whereby Application Amount does not exceed ₹ 2,00,000	25,08,000 Equity Shares
<b>Mode of allotment</b>	Compulsorily in dematerialised Form.	Compulsorily in dematerialised Form.	Compulsorily in dematerialised Form.
<b>Trading Lot*</b>	6,000 Equity Shares.	6,000 Equity Shares.	6,000 Equity Shares, however the Market Maker may accept odd lots if any in the market as required under the SEBI Regulations.
<b>Who can apply</b>	As <b>QIBs</b> - Public financial institutions as specified in Section 4A of the Companies Act, scheduled commercial banks, mutual funds, VCFs, FVCIs and AIFs registered with SEBI, FIIs and subaccount registered with SEBI (other than a subaccount which is a foreign corporate or foreign individual), multilateral and bilateral development financial	Individuals (including Eligible NRIs and HUFs in the name of Karta) applying for Equity Shares such that the Application Amount does not exceed ₹ 2,00,000 in value.	Market Maker

Particulars	Non Retail Applicants(including ASBA Applicants)	Retail Individual Applicants(including ASBA Applicants)	Market Maker Reservation Portion
	institutions, state industrial development corporation, insurance company registered with IRDA, provident fund with minimum corpus of ₹ 2,500 lacs, pension fund with minimum corpus of ₹ 2,500 lacs and National Investment Fund set up by the Government 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. <b>As Non Institutional Applicants</b> - Resident Indian individuals, HUF (in the name of Karta), companies, Eligible NRIs, corporate bodies, Scientific Institutions, Societies and Trusts, sub-accounts of FIIs registered with SEBI, which are foreign corporates or foreign individuals.		
<b>Terms of Payment<sup>(2)</sup></b>	Full Application Amount at time of submission of Application Form	Full Application Amount at time of submission of Application Form	Full Application Amount at time of submission of Application Form

(1) Allocation to all categories in the Net Issue portion shall be made on a proportionate basis. In the event the Retail Individual Applicants are entitled to more than fifty percent on a proportionate basis, the Retail Individual Applicants shall be allocated that higher percentage. Under-subscription, if any, in any category, would be allowed to be met with spill-over from any other category or a combination of categories at the discretion of our Company, in consultation with the Lead Manager and the Stock Exchange.

(2) In case of ASBA Applicants, the SCSB shall be authorised to block such funds in the bank account of the ASBA Applicant that are specified in the Application Form.

\* SEBI vide circular CIR/MRD/DSA/06/2012 dated February 21, 2012 (the **Circular**) standardized the lot size for initial public offer proposing to list on SME Exchange/platform and for the secondary market trading on such exchange/platform, as under:

Price Band (₹)	Lot Size (Number of Shares)
A. Upto 14	10,000
B. more than 14 upto 18	8,000
C. more than 18 upto 25	6,000
D. more than 25 upto 35	4,000
E. more than 35 upto 50	3,000
F. more than 50 upto 70	2,000
G. more than 70 upto 90	1,600
H. more than 90 upto 120	1,200
I. more than 120 upto 150	1,000
J. more than 150 upto 180	800

Price Band (₹)	Lot Size (Number of Shares)
K. more than 180 upto 250	600
L. more than 250 upto 350	400
M. more than 350 upto 500	300
N. more than 500 upto 600	240
O. more than 600 upto 750	200
P. More than 750 upto 1,000	160
Q. above 1,000	100

Further to the Circular, at the initial public offer stage, the Registrar to the Issue, in consultation with the Lead Manager, our Company and the Designated Stock Exchange shall ensure to finalize the Basis of Allotment in minimum lots and in multiples of minimum lot size, as per the above given table. The secondary market trading lot size shall be the same, as shall be the IPO lot size at the application/allotment stage, facilitating secondary market trading. The lot size shall not be reduced by the Stock Exchange to below the initial lot size if the trading price is below the IPO issue price. The Stock Exchange can review the lot size once in every 6 months / wherever warranted, by giving an advance notice of at least one month to the market. However, as far as possible, the Stock Exchange shall ensure that odd lots are not created. In case of oversubscription, if the option to retain ten percent of the Net Issue to public for the purpose of making allotment in minimum lots is exercised, then it shall be ensured by the Issuer/Stock Exchange/ Lead Manager that the post issue paid up capital of the Issuer does not go beyond ₹ 2,500 lacs.

#### Withdrawal of the Issue

Our Company, in consultation with the Lead Manager, reserves the right not to proceed with the Issue anytime after the Issue Opening Date but before the Allotment of Equity Shares. In such an event, our Company would issue a public notice in the newspapers, in which the pre-Issue advertisements were published, within two days of the Issue Closing Date, providing reasons for not proceeding with the Issue. The Lead Manager, through the Registrar to the Issue, shall notify the SCSBs to unblock the bank accounts of the Applicants who have applied through ASBA process within one day of receipt of such notification. Our Company shall also inform the same to Stock Exchange on which the Equity Shares are proposed to be listed.

Any further issue of Equity Shares by our Company shall be in compliance with applicable laws. If our Company withdraws the Issue after the Issue Closing Date and thereafter determines that it will proceed with an initial public offering of Equity Shares, our Company shall file a fresh draft prospectus with the Stock Exchange.

Notwithstanding the foregoing, the Issue is also subject to obtaining the final listing and trading approval of the Stock Exchange, which our Company shall apply for after Allotment.

#### Issue Period

<b>ISSUE OPENS ON</b>	<b>OCTOBER 30, 2015</b>
<b>ISSUE CLOSES ON</b>	<b>NOVEMBER 04, 2015</b>

Applications shall be accepted only between **10.00 a.m. and 3.00 p.m.** (Indian Standard Time **IST**) during the Issue Period as mentioned above at the collection centers mentioned in the Application Form or in case of applications submitted through ASBA, the Designated Branches of the SCSBs.

Due to limitation of time available for uploading the applications on the Issue Closing Date, the Applicants are advised to submit their applications one day prior to the Issue Closing Date and, in any case, no later than 3.00 p.m. (IST) on the Issue Closing Date. Applications by Applicants applying through ASBA shall be uploaded by the SCSBs in the electronic system to be provided by the Stock Exchange. It is clarified that the applications not uploaded will be rejected. Applicants are cautioned that in the event a large number of applications are received on the Issue Closing Date, as is typically experienced in public offerings, some applications may not get uploaded due to lack of sufficient time. Such applications that cannot be uploaded will not be considered for allocation under the Issue. Applications will be accepted only on Working Days. Neither our Company nor any SCSB is liable for any failure in uploading the applications due to faults in any software/hardware system or otherwise.



In case of discrepancy of data between the Stock Exchange and the Designated Branches of the SCSBs, the decision of the Registrar to the Issue, in consultation with the Lead Manager, our Company and the Designated Stock Exchange, based on the physical / electronic records, as the case may be, of the Application Forms shall be final and binding on all concerned. Further, the Registrar to the Issue may ask for rectified data from the SCSBs.

Indicative dates of Issue closing, finalization of Basis of Allotment, credit of Equity Shares to successful Applicant's demat account, initiation of refunds and commencement of trading of Equity Shares:

<b>Activity</b>	<b>Indicative dates</b>
Issue Opening Date	Friday, October 30, 2015
Issue Closing Date	Wednesday, November 04, 2015
Finalization of Basis of Allotment	Monday, November 16, 2015
Tentative Date of Allotment	Tuesday, November 17, 2015
Tentative Date of initiation of refund & credit of equity shares	Wednesday, November 18, 2015
Tentative Date of listing	Friday, November 20, 2015

## ISSUE PROCEDURE

This section applies to all the Applicants. Please note that Non Retail Applicants can participate in the Issue only through the ASBA process. Retail Individual Applicants can participate in the Issue through the ASBA process as well as the non ASBA process. ASBA Applicants should note that the ASBA process involves application procedures that may be different from the procedure applicable to Applicants other than the ASBA Applicants. Applicants applying through the ASBA process should carefully read the provisions applicable to such applications before making their application through the ASBA process. Please note that all Applicants (other than ASBA Applicants) are required to make payment of the full Application Amount with the Application Form. In case of ASBA Applicants, an amount equivalent to the full Application Amount will be blocked by the SCSBs. All non ASBA Applicants can submit their applications through the Bankers to the Issue. ASBA Applicants are required to submit their applications through the SCSBs.

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 applicable laws, 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 the Prospectus.

The Issue is being made in accordance with Regulation 106(M)(2) of Chapter XB of the SEBI Regulations through a Fixed Price process.

### Application Form

Pursuant to SEBI Circular dated September 27, 2011 and bearing No. CIR/CFD/DIL/4/2011, the Application Form has been standardized i.e., there will be a single Application Form for ASBA and non-ASBA Applicants. The prescribed colours of the Application Form for various investors applying in the Issue are as follows:

Category	Colour of Application Form
Resident Indians and Eligible NRIs applying on a non-repatriation basis (ASBA as well as non ASBA Applicants) <sup>(1)</sup>	White
Eligible NRIs, FIIs or Foreign Venture Capital Funds, registered Multilateral and Bilateral Development Financial Institutions applying on a repatriation basis (ASBA as well as non ASBA Applicants)	Blue

<sup>(1)</sup> Application Forms for ASBA Applicants will also be available on the website of the Stock Exchange ([www.nseindia.com/emerge](http://www.nseindia.com/emerge)) at least one day prior to Issue Opening Date. A hyperlink to the website of the Stock Exchange for this facility will be provided on the website of Lead Manager and the SCSBs.

Applicants (other than ASBA Applicants) shall only use the specified Application Form bearing the stamp of a Broker for the purpose of making an application in terms of the Prospectus. Before being issued to the Applicants, the Application Form shall be serially numbered and date and time stamped at the collection centers and such form shall be issued in duplicate signed by the Applicant and countersigned by the relevant Banker to the Issue. The Application Form shall contain information about the Applicant and the price and the number of Equity Shares that the Applicants wish to apply for. Application Forms downloaded and printed from the websites of the Stock Exchange shall bear a system generated unique application number.

ASBA Applicants are required to submit their applications only through the SCSBs authorising blocking of funds that are available in the bank account specified in the Application Form.

No separate receipts shall be issued for the money payable on the submission of Application Form. However, the collection centre of the Bankers to the Issue or SCSB, as the case may be, 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.

ASBA Applicants applying directly through the SCSBs should ensure that the Application Form is submitted to a Designated Branch of a SCSB where the ASBA Account is maintained.

Upon completion and submission of the Application Form to a Banker to the Issue or the SCSB, the Applicants are deemed to have authorised our Company to make the necessary changes in the Prospectus, without prior or subsequent notice of such changes to the Applicants.

### **Who can apply?**

- Indian nationals resident in India who are competent to contract under the Indian Contract Act, 1872, as amended. Furthermore, based on the information provided by the Depositories, our Company shall have the right to accept 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 Applicant should specify that the application is being made in the name of the HUF in the Application Form as follows: “Name of Sole or first Applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the *Karta*”. Applications by HUFs would be considered at par with those from individuals;
- Companies, corporate bodies and societies registered under the applicable laws in India and authorised to invest in equity shares under their respective constitutional or charter documents;
- Mutual Funds registered with SEBI;
- Eligible NRIs on a repatriation basis or on a non repatriation basis subject to applicable laws. NRIs other than eligible NRIs cannot participate in the Issue;
- Indian financial institutions, scheduled commercial banks (excluding foreign banks), regional rural banks, co-operative banks (subject to RBI regulations and the SEBI Regulations and other laws, as applicable);
- FIIs and sub-accounts of FIIs registered with SEBI, other than a sub-account which is a foreign corporate or foreign individual under the QIB category;
- Sub-accounts of FIIs registered with SEBI, which are foreign corporates or foreign individuals only under the Non Institutional Applicants category;
- VCF and AIFs registered with SEBI;
- FVCIs registered with SEBI;
- Eligible QFIs,
- FPIs and sub-accounts registered with SEBI, other than Category III Foreign Portfolio Investor
- Multilateral and bilateral development financial institutions;
- State Industrial Development Corporations;
- Trusts/societies registered under the Societies Registration Act, 1860, as amended, or under any other law relating to trusts/societies and who are authorised under their respective constitutions to hold and invest in Equity Shares;
- Scientific and/or industrial research organisations authorised in India to invest in Equity Shares;
- Insurance companies registered with IRDA;
- Provident Funds with a minimum corpus of ₹ 2,500 lacs and who are authorised under their constitutional documents to hold and invest in Equity Shares;
- Pension Funds with a minimum corpus of ₹ 2,500 lacs and who are authorised under their constitutional documents to hold and invest in Equity Shares;

- National Investment Fund;
- Limited liability partnerships registered under the Limited Liability Partnership Act, 2008;
- 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; and
- Any other person eligible to apply in the Issue, under the laws, rules, regulations, guidelines and policies applicable to them and under Indian laws.

Applications not to be made by:

- Minors(except those having valid demat account, as per Demographic Details provided by Depositories)
- Partnership firms or their nominations
- Foreign Nationals (except NRIs)
- Overseas Corporate Bodies

Please note that, as per the existing regulations, OCBs cannot apply/participate in this Issue.

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

#### **Participation by associates of the Lead Manager**

The Lead Manager shall not be allowed to subscribe to this Issue in any manner except towards fulfilling their underwriting obligations or market making obligations. However, associates and affiliates of the Lead Manager may subscribe to or purchase Equity Shares in the Issue on a proportionate basis. Such holding or subscription may also be on behalf of their clients.

#### **Applications by Mutual Funds**

With respect to applications by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged with the Application Form. Failing this, our Company reserves the right to reject any application without assigning any reason thereof.

Applications by asset management companies or custodians of Mutual Funds shall specifically state names of the concerned schemes for which such applications are made.

**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.**

**No Mutual Fund scheme shall invest more than 10% of its net asset value in the Equity Shares or equity related instruments of any company provided that the limit of 10% shall not be applicable for investments in index funds or sector or industry specific funds. No Mutual Fund under all its schemes should own more than 10% of any company's paid-up share capital carrying voting rights.**

#### **Applications by Eligible NRIs**

Eligible NRIs may apply through any of the following ways:

- In case of applications on repatriation basis shall use the Application Form meant for Non Resident Indians (Blue in colour) or
- In case of applications on non repatriation basis shall use the Application Form meant for resident Applicants (White in colour)

Eligible NRIs may please note that only such applications as are accompanied by payment 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 NRO Accounts or FCNR Accounts, maintained with banks authorised to deal in foreign exchange in India, along with documentary evidence in support of the remittance shall be considered for Allotment under the Eligible NRI category on a repatriable basis.

In case the application is on non-repatriation basis, the application should be accompanied by payment 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 NRO 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 an NRO Account of a Non-Resident Applicant applying on a non-repatriation basis.

Applications by Eligible NRIs for an Application Amount of up to ₹ 2,00,000 would be considered under the Retail Portion for the purposes of allocation and applications for an Application Amount of more than ₹ 2,00,000 would be considered under Non- Institutional Portion for the purposes of allocation.

Eligible NRIs can obtain Application Form from the Bankers to the Issue or SCSBs and from Registered Office of our Company.

Please note that pursuant to the applicability of the directions issued by SEBI vide its circular bearing number CIR/CFD/DIL/1/2011 dated April 29, 2011, all Applicants who are Non Retail Applicants or are applying in this Issue for Equity Shares for an amount exceeding ₹ 2,00,000 shall mandatorily make use of ASBA facility.

### **Applications by FIIs**

As per the current regulations, the following restrictions are applicable for investments by FIIs:

The issue of Equity Shares to a single FII should not exceed 10% of our post-issue issued capital. In respect of an FII investing in our Equity Shares on behalf of its sub-accounts, the investment on behalf of each sub-account shall not exceed 10% of our total issued capital or 5% of our total issued capital in case such sub-account is a foreign corporate or a foreign individual. Under the portfolio investment scheme, the aggregate issue of equity shares to FIIs and their sub-accounts should not exceed 24% of post-issue paid-up equity capital of a company. With the approval of the board and the shareholders by way of a special resolution and subject to prior intimation to RBI, the aggregate FII holding can go up to 100%. However, as on this date, no such resolution has been recommended to the shareholders of our Company for adoption.

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 15A(1) of the Securities Exchange Board of India (Foreign Institutional Investors) Regulations, 1995, as amended by the SEBI (Foreign Institutional Investors)(Amendment) Regulations, 2008 (**SEBI FII Regulations**), an FII as defined in the SEBI FII Regulations or its sub account may issue, deal or hold, off shore derivative instruments (defined under the SEBI FII Regulations), as any instrument, by whatever name called, which is issued overseas by a FII against securities held by it that are listed or proposed to be listed on any recognized stock exchange in India, as its underlying, directly or indirectly, only in the event (i) such offshore derivative instruments are issued only to persons who are regulated by an appropriate regulatory authority; and (ii) such offshore derivative instruments are issued after compliance with 'know your client' norms. Associates and affiliates of the underwriters, including the Lead Manager, that are FIIs, may issue offshore derivative instruments against Equity Shares Allotted to them in the Issue. Any such Offshore Derivative Instrument does not constitute any obligation or claim on or an interest in, our Company.

### **Applications by SEBI registered VCFs, FVCIs and AIFs**

The SEBI (Venture Capital Funds) Regulations, 1996 (**VCF Regulations**) and the SEBI (Foreign Venture Capital Investor) Regulations, 2000 (**FVCI Regulations**), as amended *inter alia* prescribe, amongst others, investment restrictions on VCFs and FVCIs registered with SEBI. Further, the SEBI AIF Regulations prescribe, amongst others, the investment restrictions on AIFs.

Accordingly, the holding by any individual VCF registered with SEBI in one venture capital undertaking should not exceed 25% of the corpus of the VCF. A FVCI can invest its entire funds committed for investment into India in one venture capital undertaking. Further, VCFs and FVCIs can invest only up to 33.33% of the investible funds by way of subscription in an initial public offering of a venture capital undertaking whose shares are proposed to be listed.

The category I and II AIFs cannot invest more than 25% of the corpus in one investee company. A category III AIF cannot invest more than 10% of the corpus in one investee company. A VCF registered as a category I AIF, as defined in the SEBI AIF Regulations, cannot invest more than 1/3rd of its corpus by way of subscription to an initial public offering of a venture capital undertaking. Additionally, the VCFs which have not re-registered as an AIF under the SEBI AIF Regulations shall continue to be regulated by the VCF Regulations.

### **Applications by Eligible QFIs**

In terms of circular dated January 13, 2012 SEBI and RBI have permitted Eligible QFIs to purchase equity shares of Indian companies on a repatriation basis subject to certain terms and conditions. Eligible QFIs shall be included under the Non Institutional Applicants category. Eligible QFIs have been permitted to invest through SEBI registered qualified Depository Participants in equity shares of Indian companies which are offered to the public in India in accordance with the SEBI Regulations and other applicable circulars. 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.

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.

Eligible QFIs shall open a single non interest bearing Rupee account with an AD category-I bank in India for routing the payment for transactions relating to purchase of equity shares (including investment in equity shares in public issues) subject to the conditions as may be prescribed by the RBI from time to time.

### **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 accept or reject any application, in whole or in part, in either case without assigning any reasons thereof.

The exposure norms for insurers, prescribed under the Insurance Regulatory and Development Authority (Investment) Regulations, 2000, as amended, are broadly set forth below:

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;

The entire group of the investee company: the least of 10% of the respective fund in case of a life insurer or 10% of investment assets in case of a general insurer or reinsurer (25% in case of ULIPs); and

The industry sector in which the investee company operates: 10% of the insurer's total investment exposure to the industry sector (25% in case of ULIPs).

### **Applications made by Provident Funds / Pension Funds**

In case of the applications made by provident funds / pension funds, subject to applicable law, with minimum corpus of ₹ 2,500 lacs, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund / pension fund must be lodged along with the Application Form. Failing this, our Company reserves the right to accept or reject any application in whole or in part, in either case, without assigning any reason thereof.

### **Applications by Limited Liability Partnerships**

In case of applications made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Application Form. Failing this, our Company reserves the right to reject any application without assigning any reason thereof.

### **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;
  - c. 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 under Power of Attorney

In case of applications made pursuant to a power of attorney or by limited companies, corporate bodies, registered societies, FIIs, Mutual Funds, insurance companies and provident funds with a minimum corpus of ₹ 2,500 lacs (subject to applicable law) and pension funds with a minimum corpus of ₹ 2,500 lacs, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws must be lodged along with the Application Form. Failing this, our Company reserves the right to accept or reject any application in whole or in part, in either case, without assigning any reason thereof.

In addition to the above, certain additional documents are required to be submitted by the following entities:

1. With respect to applications by VCFs, AIFs, FVCIs, FIIs and Mutual Funds, a certified copy of their SEBI registration certificate must be lodged along with the Application Form.
2. With respect to applications by insurance companies registered with the IRDA, in addition to the above, a certified copy of the certificate of registration issued by the IRDA must be lodged along with the Application Form.
3. With respect to applications made by provident funds with a minimum corpus of ₹ 2,500 lacs (subject to applicable law) and pension funds with a minimum corpus of ₹ 2,500 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.

Our Company in its absolute discretion, reserves the right to relax the above condition of simultaneous lodging of the power of attorney along with the Application Form, subject to such terms and conditions that our Company and the Lead Manager may deem fit.

Our Company in its absolute discretion, reserves the right to permit the holder of the power of attorney to request the Registrar to the Issue, that for the purpose of printing particulars on the refund order and mailing of the refund order/ Allotment Advice or 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 Applicants). In such cases, the Registrar to the Issue shall use Demographic Details as given in the Application Form instead of those obtained from the Depositories.

### Maximum and Minimum Application Size

1. **For Retail Individual Applicants:** The application must be for a minimum of such number of Equity Shares such that the Application Amount shall not be less than ₹ 1,00,000 and in multiples of 2,000 Equity Shares thereafter so as to ensure that the Application Amount payable by them does not exceed ₹ 2,00,000. In the case of non ASBA applications, if the Application Amount is over ₹ 2,00,000, the application is liable to be rejected.
2. **For Non Retail Applicants:** The application must be for a minimum of such number of Equity Shares such that the Application Amount exceeds ₹ 2,00,000 and in multiples of 6,000 Equity Shares thereafter. An application cannot be submitted for more than the Issue Size. However, the allotment will not exceed the investment limits prescribed for them by applicable laws. Under existing SEBI Regulations, a Non Retail Applicant cannot withdraw its application nor lower the size of its application after the Issue Closing Date and are required to pay the Application Amount upon submission of the application.

The above information is given for the benefit of the Applicants. Our Company and the Lead Manager are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Prospectus. Applicants are advised to make their independent investigations and Applicants are advised to ensure that any single application from them does not exceed the applicable investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Prospectus.

**Information for the Applicants:**

1. Our Company and the Lead Manager shall declare the Issue Opening Date and Issue Closing Date in the Prospectus to be registered with the RoC and also publish the same in two national newspapers (one each in English and Hindi) and in one Marathi newspaper with wide circulation. This advertisement shall be in the prescribed format.
2. Our Company will file the Prospectus with the RoC at least three days before the Issue Opening Date.
3. Copies of the Application Form and copies of the Prospectus will be available with the Bankers to the Issue, the Lead Manager and the Registrar to the Issue. For ASBA Applicants, physical Application Forms will be available with the Designated Branches of the SCSBs and at the Registered Office of our Company. For ASBA Applicants, electronic Application Forms will also be available on the websites of the Stock Exchange and the Designated Branches of the SCSBs.
4. Any Applicant who would like to obtain the Prospectus and/or the Application Form can obtain the same from our Registered Office.
5. Applicants who are interested in subscribing to the Equity Shares should approach any of the Lead Manager or Bankers to the Issue or their authorised agent(s) to register their applications. Applicants who wish to use the ASBA process should approach the Designated Branches of the SCSBs to register their applications.
6. Applications should be submitted in the prescribed Application Form only. Application Forms submitted to the Bankers to the Issue should bear the stamp of the Broker. Application Forms submitted directly to the SCSBs should bear the stamp of the SCSBs and/or the Designated Branch. Application Forms submitted by Applicants whose beneficiary account is inactive shall be rejected.
7. In case of ASBA Applicants, the Application Form can be submitted either in physical or electronic mode, to the SCSBs with whom the ASBA Account is maintained. SCSBs may provide the electronic mode of collecting either through an internet enabled collecting and banking facility or such other secured, electronically enabled mechanism for applying and blocking funds in the ASBA Account.
8. ASBA Applicants applying directly through the SCSBs should ensure that the Application Form is submitted to a Designated Branch of a SCSB, where the ASBA Account is maintained. For ASBA applications submitted directly to the SCSBs, the relevant SCSB shall block an amount in the ASBA Account equal to the Application Amount specified in the Application Form, before entering the ASBA application into the electronic system.
9. Except for applications by or on behalf of the Central or State Government and the officials appointed by the courts and by investors residing in the State of Sikkim, the Applicants, or in the case of application in joint names, the first Applicant (the first name under which the beneficiary account is held), should mention his/her PAN allotted under the Income Tax Act. In accordance with the SEBI Regulations, the PAN would be the sole identification number for participants transacting in the securities market, irrespective of the amount of transaction. Any Application Form without PAN is liable to be rejected. The demat accounts of Applicants for whom PAN details have not been verified, excluding persons resident in the State of Sikkim or persons who may be exempted from specifying their PAN for transacting in the securities market, shall be "suspended for credit" and no credit of Equity Shares pursuant to the Issue will be made into the accounts of such Applicants.

**The Applicants may note that in case the PAN, the DP ID and Client ID mentioned in the Application Form and entered into the electronic collecting system of the Stock Exchange by the Bankers to the Issue or the SCSBs do not match with PAN, the DP ID and Client ID available in the Depository database, the Application Form is liable to be rejected.**

**Method and Process of Applications**

1. The Bankers to the Issue and the SCSBs shall accept applications from the Applicants during the Issue Period.
2. The Issue Period shall be for a minimum of three Working Days and shall not exceed 10 Working Days. The Issue Period may be extended, if required, by an additional three Working Days, subject to the total Issue Period not exceeding 10 Working Days.

3. During the Issue Period, Applicants (other than QIBs) who are interested in subscribing to the Equity Shares should approach the Bankers to the Issue or their authorised agents to register their application. The Bankers to the Issue shall accept applications from all Applicants and they shall have the right to vet the applications during the Issue Period in accordance with the terms of the Prospectus. Applicants who wish to use the ASBA process should approach the Designated Branches of the SCSBs to register their applications.
4. The Applicant cannot apply on another Application Form after applications on one Application Form have been submitted to any Banker to the Issue or the SCSBs (in case of ASBA Applicants). Submission of a second Application Form to either the same or to another Banker to the Issue or the SCSB will be treated as multiple applications and is liable to be rejected either before entering the application into the electronic collecting system, or at any point of time prior to the allocation or Allotment of Equity Shares in this Issue.
5. The Bankers to the Issue /the SCSBs will enter each application option into the electronic collecting system as a separate application and generate a TRS and give the same to the Applicant.
6. Along with the Application Form, all Applicants (other than ASBA Applicants) will make payment in the manner described under "Payment into Escrow Account for Applicants other than ASBA Applicants" on page 235 of this Prospectus.
7. Upon receipt of the Application Form, submitted whether in physical or electronic mode, the Designated Branch of the SCSB shall verify if sufficient funds equal to the Application Amount are available in the ASBA Account, as mentioned in the Application Form, prior to uploading such applications with the Stock Exchange.
8. If sufficient funds are not available in the ASBA Account, the Designated Branch of the SCSB shall reject such applications and shall not upload such applications with the Stock Exchange.
9. If sufficient funds are available in the ASBA Account, the SCSB shall block an amount equivalent to the Application Amount mentioned in the Application Form and will enter each application option into the electronic collecting system as a separate application and generate a TRS for each price and demand option. The TRS shall be furnished to the ASBA Applicant on request.
10. The Application Amount shall remain blocked in the aforesaid ASBA Account until finalization of the Basis of Allotment and consequent transfer of the Application Amount against the Allotted Equity Shares to the Public Issue Account, or until withdrawal/failure of the Issue or until withdrawal/rejection of the Application Form, as the case may be. Once the Basis of Allotment is finalized, the Registrar to the Issue shall send an appropriate request to the Controlling Branch of the SCSB for unblocking the relevant ASBA Accounts and for transferring the amount allocable to the successful Applicants to the Public Issue Account. In case of withdrawal / failure of the Issue, the blocked amount shall be unblocked on receipt of such information from the Registrar to the Issue.

#### **Escrow Mechanism, terms of payment and payment into the Escrow Accounts**

For details of the escrow mechanism, terms of payment and payment into Escrow Accounts, please refer to the section "Issue Procedure - Payment Instructions" on page 235 of this Prospectus.

#### **Electronic Registration of Applications**

1. The SCSBs will register the applications using the on-line facilities of the Stock Exchange.
2. The SCSBs will undertake modification of selected fields in the application details already uploaded within one Working Day from the Issue Closing Date.
3. The SCSBs shall be responsible for any acts, mistakes or errors or omission and commissions in relation to (i) the applications accepted by the Bankers to the Issue and the SCSBs, (ii) the applications uploaded by the SCSBs, (iii) the applications accepted but not uploaded by the SCSBs or (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 Application Amount has been blocked in the relevant ASBA Account. With respect to applications by ASBA Applicants, the Designated Branch of the relevant SCSB, which receives

the relevant schedule (along with Application Forms), will be responsible for blocking the necessary amounts in the ASBA Accounts.

4. Neither the Lead Manager nor our Company nor the Registrar to the Issue shall be responsible for any acts, mistakes or errors or omission and commissions in relation to (i) the applications accepted by a Banker to the Issue or the SCSBs, (ii) the applications uploaded by the SCSBs or (iii) the applications accepted but not uploaded by the SCSBs.
5. The Stock Exchange will offer an electronic facility for registering applications for the Issue. This facility will be available at the terminals of the SCSBs and their authorised agents during the Issue Period. The Designated Branches of the SCSBs can also set up facilities for off-line electronic registration of applications subject to the condition that they will subsequently upload the off-line data file into the on-line facilities on a regular basis. On the Issue Closing Date, the Designated Branches of the SCSBs shall upload the applications till such time as may be permitted by the Stock Exchange. This information will be available with the Lead Manager on a regular basis.

With respect to applications by ASBA Applicants, at the time of registering such applications, the Designated Branches of the SCSBs shall enter the following information pertaining to the ASBA Applicants into the on-line system:

- Name of the ASBA Applicant(s);
- Application Form number;
- PAN(of the sole/first ASBA Applicant), except for applications on behalf of Central and State Governments, residents of the State of Sikkim and officials appointed by the courts;
- Investor Category and Sub-Category:

<b>Retail</b>	<b>Non-Institutional</b>	<b>QIB</b>
(No sub category)	Individual Corporate Others	Mutual Funds Financial Institutions Insurance companies Foreign Institutional Investors other than corporate and individual sub-accounts Others

- DP ID and client identification number of the beneficiary account of the Applicant;
  - Number of Equity Shares applied for;
  - Application Amount; and
  - Bank account number.
6. A system generated TRS will be given to the Applicant as a proof of the registration of each of the application options. It is the Applicant's responsibility to obtain the TRS from the Designated Branches of the SCSBs. The registration of the application by the Designated Branches of the SCSBs does not guarantee that the Equity Shares shall be allocated/Allotted either by the Bankers to the Issue or our Company.
  7. Such TRS will be non-negotiable and by itself will not create any obligation of any kind.
  8. In case of Non Retail Applicants and Retail Individual Applicants, applications would not be rejected except on the technical grounds listed on page 238 of this Prospectus. The SCSBs shall have no right to reject applications, except on technical grounds.

9. The permission given by the Stock Exchange to use its network and software of the online IPO connectivity system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company and/or the Lead Manager are cleared or approved by the Stock Exchange; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the compliance with the statutory and other requirements nor does it take any responsibility for the financial or other soundness of our Company, the 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 Exchange.
10. The SCSBs will be given up to one day after the Issue Closing Date to verify DP ID and Client ID uploaded in the online IPO system during the Issue Period after which the Registrar to the Issue will receive this data from the Stock Exchange and will validate the electronic application details with Depository's records. In case no corresponding record is available with Depositories, which matches the three parameters, namely, DP ID, Client ID and PAN, then such applications are liable to be rejected.
11. The details uploaded in the online IPO system shall be considered as final and Allotment will be based on such details for ASBA applications.

#### **Allocation of Equity Shares**

1. The Issue is being made through the Fixed Price Process wherein 1,26,000 Equity Shares shall be reserved for Market Maker. 11,94,000 Equity Shares will be allocated on a proportionate basis to Retail Individual Applicants, subject to valid applications being received from Retail Individual Applicants at the Issue Price. The balance of the Net Issue will be available for allocation on a proportionate basis to Non Retail Applicants.
2. Under-subscription, if any, in any category, would be allowed to be met with spill-over from any other category or combination of categories at the discretion of our Company in consultation with the Lead Manager and the Stock Exchange.
3. Allocation to Non-Residents, including Eligible NRIs, Eligible QFIs, FIIs and FVCIs registered with SEBI, applying on repatriation basis will be subject to applicable law, rules, regulations, guidelines and approvals.
4. In terms of the SEBI Regulations, Non Retail Applicants shall not be allowed to either withdraw or lower the size of their applications at any stage.
5. Allotment status details shall be available on the website of the Registrar to the Issue.

#### **Signing of Underwriting Agreement and RoC Filing**

1. Our Company and the Underwriters shall enter into an Underwriting Agreement.
2. After signing the Underwriting Agreement, our Company will update and file the updated Prospectus with the RoC in accordance with the applicable law. The Prospectus would have details of the Issue Opening and Issue Closing Date and underwriting arrangements and will be complete in all material respects.

#### **Pre-Issue Advertisement**

Subject to Section 30 of the Companies Act, 2013, our Company shall, after registering the Prospectus with the RoC, publish a pre-Issue advertisement, in the form prescribed by the SEBI Regulations, in two national newspapers (one each in English and Hindi) and in one Marathi newspaper with wide circulation.

#### **Advertisement regarding Issue Price and Prospectus**

Our Company will issue a statutory advertisement after the filing of the Prospectus with the RoC. This advertisement, in addition to the information that has to be set out in the statutory advertisement, shall indicate the Issue Opening Date and Issue Closing Date. Any material updates between the date of this Prospectus and the date of Prospectus will be included in such statutory advertisement.

### **Issuance of Allotment Advice**

1. Upon approval of the Basis of Allotment by the Designated Stock Exchange.
2. The Lead Manager or the Registrar to the Issue will dispatch an Allotment Advice to their Applicants who have been allocated Equity Shares in the Issue.
3. The dispatch of Allotment Advice shall be deemed a valid, binding and irrevocable contract for the Allotment to such Applicant.

### **Designated Date and Allotment of Equity Shares**

1. Our Company will ensure that the (i) Allotment of Equity Shares; and (ii) credit to the successful Applicant's depository account is done within 15 Days of the Issue Closing Date. Our Company would ensure the credit to the successful Applicants Depository Account within 15 Days of the Issue Closing Date.
2. In accordance with the SEBI Regulations, Equity Shares will be issued and Allotment shall be made only in the dematerialised form to the Allottees.
3. Allottees will have the option to re-materialise the Equity Shares so Allotted as per the provisions of the Companies Act and the Depositories Act.

**Applicants are advised to instruct their Depository Participant to accept the Equity Shares that may be allocated/ Allotted to them pursuant to this Issue.**

### **GENERAL INSTRUCTIONS**

#### ***Do's:***

1. Check if you are eligible to apply;
2. Ensure that you have applied at the Issue Price;
3. Read all the instructions carefully and complete the Application Form;
4. 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;
5. 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;
6. 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;
7. Non Retail Applicants should submit their applications through the ASBA process only;
8. Ensure that full Application Amount is paid for the applications submitted to the Bankers to the Issue and funds equivalent to Application Amount are blocked in case of applications submitted through SCSBs;
9. 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;
10. Instruct your respective banks to not release the funds blocked in the bank account under the ASBA process;

11. 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;
12. Ensure that the Demographic Details (as defined herein below) are updated, true and correct in all respects;
13. 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;
14. Ensure that the category is indicated;
15. Ensure that in case of applications under power of attorney or applications by limited companies, corporate, trusts etc., relevant documents are submitted;
16. Ensure that applications submitted by any person outside India should be in compliance with applicable foreign and Indian laws;
17. 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 Bankers to the Issue match with the DP ID, Client ID and PAN available in the Depository database;
18. 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;
19. 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;
20. Ensure that you have mentioned the correct ASBA Account number in the Application Form;
21. In relation to the ASBA applications, ensure that you have correctly signed the authorization/undertaking box in the Application Form, or have otherwise provided an authorisation to the SCSB via the electronic mode, for blocking funds in the ASBA Account equivalent to the Application Amount mentioned in the Application Form; and
22. 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:**

1. Do not apply for a price other than the Issue Price;
2. Non Retail Applicants should neither withdraw nor lower the size of their applications at any stage;
3. Do not apply on another Application Form after you have submitted an application to the Bankers to the Issue or the SCSBs, as applicable;
4. Do not pay the Application Amount in cash, by money order or by postal order or by stock invest;
5. Do not send Application Forms by post; instead submit the same to a Banker to the Issue or the SCSB, only;
6. Do not apply for an Application Amount exceeding ₹ 2,00,000 (for applications by Retail Individual Applicants);



7. 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;
8. Do not submit the GIR number instead of the PAN as the application is liable to be rejected on this ground;
9. Do not submit the applications without the full Application Amount;
10. 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;
11. 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
12. Do not apply if you are not competent to contract under the Indian Contract Act, 1872, as amended.

#### **Instructions for completing the Application Form**

Applications must be:

1. Made only in the prescribed Application Form.
2. Completed in full, in BLOCK LETTERS in ENGLISH and in accordance with the instructions contained herein, in the Application Form. Incomplete Application Forms are liable to be rejected. Applicants should note that the Bankers to the Issue and/or the SCSBs, as appropriate, will not be liable for errors in data entry due to incomplete or illegible Application Forms.
3. Information provided by the Applicants will be uploaded in the online IPO system by the Bankers to the Issue and the SCSBs, as the case may be and the electronic data will be used to make allocation/ Allotment. The Applicants should ensure that the details are correct and legible.
4. For Retail Individual Applicants, the application must be for a minimum of 6,000 Equity Shares and in multiples of 6,000 thereafter subject to a maximum Application Amount of ₹ 2,00,000.
5. For Non Retail Applicants, applications must be for a minimum of such number of Equity Shares that the Application Amount exceeds or equal to ₹ 2,00,000 and in multiples of 6,000 Equity Shares thereafter. Applications cannot be more than the size of the Issue. Applications must be submitted through the ASBA process only.
6. In single name or in joint applications, only the name of the First Applicant (which should also be the first name in which the beneficiary account is held) should be provided in the Application Form.
7. 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.

#### **Applicant's Depository Account and Bank Account Details**

**Applicants should note that on the basis of name of the Applicants, PAN of the Applicants, DP ID and beneficiary account number provided by them in the Application Form, the Registrar to the Issue will obtain from the Depository the Demographic Details including address, Applicants bank account details, MICR code and occupation. These bank account details would be used for giving refunds (including through physical refund warrants, direct credit, NECS, NEFT and RTGS) or unblocking the ASBA Accounts. 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 dispatch/credit of refunds to Applicants or unblocking of ASBA Account at the Applicant's sole risk and neither the Lead Manager nor the Registrar to the Issue nor the Escrow Collection Banks or the SCSBs nor our Company shall have any responsibility and**



undertake any liability for the same. Hence, Applicants should carefully fill in their Depository Account details in the Application Form.

**IT IS MANDATORY FOR ALL THE APPLICANTS TO GET THEIR EQUITY SHARES IN DEMATERIALIZED 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 IN THE APPLICATION FORM IS EXACTLY THE SAME AS THE NAME IN WHICH THE DEPOSITORY ACCOUNT IS HELD. IN CASE 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 ARE IN THE SAME SEQUENCE IN WHICH THEY APPEAR IN THE APPLICATION FORM.**

These Demographic Details would be used for all correspondence with the Applicants including mailing of the allocation advice and refund orders and printing of bank particulars on the refund orders or for refunds through electronic transfer of funds, as applicable. The Demographic Details given by Applicants in the Application Form would not be used for any other purpose by the Registrar to the Issue.

By signing the Application Form, the Applicant would be deemed to have authorised the depositories to provide, upon request, to the Registrar to the Issue, the required Demographic Details as available on its records.

**Refund orders/allocation advice would be mailed at the address of the Applicant as per the Demographic Details received from the Depositories. Applicants may note that delivery of refund orders/ allocation advice 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 (other than ASBA Applicants) in the Application Form would be used only to ensure dispatch of refund orders. Please note that any such delay shall be at the Applicant's sole risk and neither our Company nor the Escrow Collection Banks, the Registrar to the Issue or the Lead Manager 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 the three parameters, namely, PAN of the sole/First Applicant (including the order of names of joint holders), the DP ID and the beneficiary's identity, then such applications are liable to be rejected.

**Applications by Non-Residents including Eligible NRIs, FIIs, Eligible QFIs and Foreign Venture Capital Investors on a repatriation basis**

Applications must be made in the following manner:

1. Application Form should be Blue in colour and completed in full in BLOCK LETTERS in ENGLISH in accordance with the instructions contained therein.
2. In a single name or in case of joint applications, only the name of the First Applicant (which should also be the first name in which the beneficiary account is held) should be provided in the Application Form.
3. Applications on a repatriation basis shall be in the names of individuals, or in the name of FIIs, Eligible QFIs or FVCIs but not in the names persons not competent to contract under the Indian Contract Act, 1872, as amended, OCBs, firms or partnerships, foreign nationals (excluding Eligible NRIs or Eligible QFIs) or their nominees.

**Non Retail Applicants shall neither withdraw nor lower the size of their applications at any stage.**

**Refunds, dividends and other distributions, if any, will be payable in Indian Rupees only at the rate of exchange prevailing at the time of remittance 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. Our Company and the Lead Manager will not be responsible for loss, if any, incurred by the Applicant on account of conversion of foreign currency.**

There is no reservation for Eligible NRIs, Eligible QFIs and FIIs and all Applicants will be treated on the same basis with other categories for the purpose of allocation.

**Payment Instructions**

***Escrow Mechanism for Applicants other than ASBA Applicants***

Our Company, Registrar to the Issue and the Escrow Collection Banks shall enter into an Escrow Agreement pursuant to which Escrow Account(s) with one or more Escrow Collection Bank(s) will be opened in whose favour the Applicants shall make out the cheque or demand draft in respect of his or her application. Cheques or demand drafts received for the full Application Amount from Applicants would be deposited in the Escrow Account. Please note that escrow mechanism is applicable only to Applicants applying by way of non ASBA process.

The Escrow Collection Banks will act in terms of the Prospectus and the Escrow Agreement. The Escrow Collection Bank (s) for and on behalf of the Applicants shall maintain the monies in the Escrow Account until the Designated Date. The Escrow Collection Bank(s) shall not exercise any lien whatsoever over the monies deposited therein and shall hold the monies therein in trust for the Applicants. On the Designated Date, the Escrow Collection Bank(s) 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 Banker(s) 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 Applicants shall also be made from the Refund Account as per the terms of the Escrow Agreement and this Prospectus.

The Applicants should note that the escrow mechanism is not prescribed by SEBI and has been established as an arrangement between our Company, the Escrow Collection Bank(s) and the Registrar to the Issue to facilitate collections from the Applicants.

***Payment mechanism for ASBA Applicants***

The ASBA Applicants shall specify the bank account number in the Application Form and the SCSBs shall block an amount equivalent to the Application Amount in the bank account specified in the Application Form. The SCSB shall keep the Application Amount in the relevant bank account blocked until withdrawal/ rejection of the application or receipt of instructions from the Registrar to unblock the Application Amount. However, Non Retail Applicants shall neither withdraw nor lower the size of their applications at any stage. In the event of withdrawal or rejection of the Application Form or for unsuccessful Application Forms, the Registrar to the Issue shall give instructions to the SCSBs to unblock the application money in the relevant bank account within one day of receipt of such instruction. The Application Amount shall remain blocked in the ASBA Account until finalisation of the Basis of Allotment in the Issue and consequent transfer of the Application Amount to the Public Issue Account, or until withdrawal/ failure of the Issue or until rejection of the application by the ASBA Applicant, as the case may be.

Please note that pursuant to the applicability of the directions issued by SEBI vide its circular bearing number CIR/CFD/DIL/1/2011 dated April 29, 2011, all Applicants who are Non Retail Applicants or are applying in this Issue for Equity Shares for an amount exceeding ₹ 2,00,000 shall mandatorily make use of ASBA facility.

**Payment into Escrow Account for Applicants other than ASBA Applicants**

Each Applicant shall draw a cheque or demand draft or remit the funds electronically through the RTGS mechanism for the amount payable on the application as per the following terms:

1. All Applicants would be required to pay the full Application Amount at the time of the submission of the Application Form.
2. The Applicants (excluding ASBA Applicants) shall, with the submission of the Application Form, draw a payment instrument for the Application Amount in favour of the Escrow Account and submit the same to the Bankers to the Issue. If the payment is not made favouring the Escrow Account along with the Application Form, the application of the Applicant shall be rejected.
3. The payment instruments for payment into the Escrow Account should be drawn in favour of:

- In case of Resident Retail Applicants: “Escrow Account – Perfect Infra - IPO - R”
  - In case of Non-Resident Retail Applicants: “Escrow Account – Perfect Infra - IPO - NR”
4. In case of applications by Eligible 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 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. Payment will not be accepted out of an NRO Account of Non-Resident Applicant applying on a repatriation basis. Payment by drafts should be accompanied by bank certificate confirming that the draft has been issued by debiting to NRE Account or FCNR Account.
  5. In case of applications 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 an 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 the draft has been issued by debiting an NRE or FCNR or NRO Account.
  6. In case of applications by FIIs/FVCIs/multilateral and bilateral financial institutions, the payment should be made out of funds held in a Special Rupee Account along with documentary evidence in support of the remittance. Payment by drafts should be accompanied by a bank certificate confirming that the draft has been issued by debiting the Special Rupee Account.
  7. The monies deposited in the Escrow Account will be held for the benefit of the Applicants (other than the ASBA Applicants) till the Designated Date.
  8. On the Designated Date, the Escrow Collection Banks shall transfer the funds from the Escrow Account as per the terms of the Escrow Agreement into the Public Issue Account with the Bankers to the Issue.
  9. 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. 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/ stockinvest/money orders/postal orders will not be accepted.
  10. Payments made through cheques without the Magnetic Ink Character Recognition (MICR) code will be rejected.
  11. Applicants are advised to provide the number of the Application Form on the reverse of the cheque or bank draft to avoid misuse of instruments submitted with the Application Form.

#### **Submission of Application Form**

All Application Forms duly completed and accompanied by account payee cheques or drafts shall be submitted to the Bankers to the Issue at the time of submission of the application. With respect to the ASBA Applicants, the Application Form shall be submitted to the Designated Branches of the SCSBs.

No separate receipts shall be issued for the money payable on the submission of Application Form. However, the collection centre of the Bankers to the Issue will acknowledge the receipt of the Application Forms by stamping and returning to the Applicant the acknowledgement slip. This acknowledgement slip will serve as a duplicate of the Application Form for the records of the Applicant.

## OTHER INSTRUCTIONS

### *Joint applications in the case of Individuals*

Applications may be made in single or joint names (not more than three). However, the Application Form should contain only the name of the First Applicant. 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. 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). Two or more applications will be deemed to be multiple applications if the sole or First Applicant is one and the same.

In case of a Mutual Fund, a separate application may be made in respect of each scheme of the Mutual Fund and such applications in respect of over 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.

After submitting an application to SCSB using an Application Form either in physical or electronic mode, an ASBA Applicant cannot apply, either in physical or electronic mode, whether on another Application Form, to either the same or another Designated Branch of the SCSB. Submission of a second application in such manner will be deemed a multiple application and would be rejected either before entering the application into the electronic collecting system or at any point of time prior to the allocation or Allotment of the Equity Shares in the Issue.

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.

Our Company, in consultation with the Lead Manager, reserves the right to reject, in its absolute discretion, all (or all except one) multiple application(s) in any or all categories. In this regard, the procedures which would be followed by the Registrar to the Issue to detect multiple applications are given below:

1. All applications will be checked for common PAN as per the records of Depository. For Applicants other than Mutual Funds and FII sub-accounts, applications bearing the same PAN will be treated as multiple applications and will be rejected.
2. The applications from Mutual Funds and FII sub-accounts, which were submitted under the same PAN, as well as applications on behalf of the Central or State Government, an official liquidator or receiver appointed by a court and residents of Sikkim, for whom the submission of PAN is not mandatory, the applications will be scrutinised for DP ID and beneficiary account numbers. In case such applications bear the same DP ID and beneficiary account numbers, these were treated as multiple applications and will be rejected.

### **Permanent Account Number or PAN**

Except for applications on behalf of the Central or State Government and the officials appointed by the courts, the Applicants, or in the case of an application in joint names, each of the Applicants, should mention his/ her Permanent Account Number (PAN) allotted under the Income Tax Act. In accordance with the SEBI Regulations, the PAN would be the sole identification number for participants transacting in the securities market, irrespective of the amount of transaction.

**Any Application Form without the PAN is liable to be rejected, except for resident in the State of Sikkim, on behalf of the Central or State Governments and the officials appointed by the courts, may be exempted from specifying their PAN for transactions in the securities market. 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. However, the exemption for the Central or State Government and the officials appointed by the courts and for investors residing in the State of Sikkim is subject to the Depository Participants verifying the veracity of such claims of the investors by collecting sufficient documentary evidence in support of their claims. At the time of**

**ascertaining the validity of these applications, the Registrar to the Issue will check under the Depository records for the appropriate description under the PAN field i.e. either Sikkim category or exempt category.**

Further the beneficiary accounts of the Applicants for whom PAN details have not been verified will be “suspended for credit” and no credit of Equity Shares pursuant to the Issue will be made in the accounts of such Applicants.

## **REJECTION OF APPLICATIONS**

In case of NonRetail Applicants and Retail Individual Applicants, our Company has a right to reject applications based on technical grounds. Consequent refunds shall be made by RTGS / NEFT / NES / Direct Credit/cheque or pay order or draft and will be sent to the Applicant’s address at the Applicant’s risk. With respect to applications by ASBA Applicants, the Designated Branches of the SCSBs shall have the right to reject applications by ASBA Applicants if at the time of blocking the Application Amount in the Applicant’s bank account, the respective Designated Branch ascertains that sufficient funds are not available in the Applicant’s bank account maintained with the SCSB. Subsequent to the acceptance of the applications made by ASBA Applicants by the SCSB, our Company would have a right to reject the applications by ASBA Applicants only on technical grounds.

### **Grounds for Technical 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 value of Equity Shares applied for. With respect to applications by ASBA Applicants, the amounts mentioned in the Application Form does not tally with the amount payable for the value of the Equity Shares applied for;
- In case of partnership firms, Equity Shares may be registered in the names of the individual partners and no firm as such shall be entitled to apply;
- Application by persons not competent to contract under the Indian Contract Act, 1872, as amended, including minors (except those having valid demat account, as per Demographic Details provided by Depositories);
- PAN not mentioned in the Application Form, except for applications by or on behalf of the Central and State Government and the officials appointed by the courts and by investors residing in the State of Sikkim;
- GIR number furnished instead of PAN;
- Applications for lower number of Equity Shares than specified for that category of investors;
- Submission of more than five Application Forms per bank account, in case of applying under the ASBA process;
- Applications by Applicants whose demat accounts have been ‘suspended for credit’;
- Applications for number of Equity Shares which are not in multiples of 2,000;
- Applications for an Application Amount less than ₹ 1,00,000 by a Retail Individual Applicant;
- Category not indicated;
- Multiple applications as defined in the Prospectus;
- In case of applications under power of attorney or by limited companies, corporate, trust etc., relevant documents are not submitted;
- Applications accompanied by stockinvest/money order/postal order/cash;
- Signature of sole Applicants missing;

- Application Forms does not have Applicant's Depository Account details;
- Application Forms are not delivered by the Applicants 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 DP ID and the beneficiary's account number;
- With respect to applications by the ASBA Applicants, if there are inadequate funds in the bank account to block the Application Amount specified in the Application Form at the time of blocking such Application Amount in the bank account;
- Applications for amounts greater than the maximum permissible amounts prescribed by the regulations;
- Applications in respect where the Application Form do not reach the Registrar to the Issue prior to the finalisation of the Basis of Allotment;
- Applications where clear funds are not available in Escrow Accounts as per final certificate from the Escrow Collection Banks;
- Application Forms submitted under the ASBA process not having details of the ASBA Account to be blocked;
- Application Forms not containing the authorizations for blocking the Application Amount in the bank account specified in the Application Form;
- Applications by Non Retail Applicants not submitted through ASBA process;
- Applications by Non Retail Applicants accompanied by cheque(s) or demand draft(s);
- Signature of the Applicant not matching with his signature on record with the SCSB in the event an Application Form is submitted through a Banker to the Issue;
- Applications by any person outside India if not in compliance with applicable foreign and Indian Laws; and
- Applications by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority.

**IN CASE THE DP ID, CLIENT ID AND PAN MENTIONED IN THE APPLICATION FORM AND ENTERED INTO THE ELECTRONIC COLLECTING SYSTEM OF THE STOCK EXCHANGE OR THE BANKERS TO THE ISSUE /THE SCSBs DO NOT MATCH WITH THE DP ID, CLIENT ID AND PAN AVAILABLE IN THE RECORDS WITH THE DEPOSITORIES, THE APPLICATION FORM IS LIABLE TO BE REJECTED.**

#### **Equity Shares in dematerialised form with NSDL or CDSL**

As per the provisions of Section 68B of the Companies Act, the Allotment of Equity Shares in this Issue shall be only in a dematerialised form (i.e. not in the form of physical certificates but be fungible and be represented by the statement issued through the electronic mode).

In this context, two agreements have been signed among our Company, the respective Depositories and the Registrar to the Issue:

1. Agreement dated June 04, 2015 between NSDL, our Company and the Registrar to the Issue; and
2. Agreement dated May 28, 2015 between CDSL, our Company and the Registrar to the Issue.

Our Company's International Securities Identification Number (ISIN) is INE **925501012**.



All Applicants can seek Allotment only in dematerialised mode. Applications from any Applicant without relevant details of his or her Depository Account are liable to be rejected.

- (i) An Applicant applying for Equity Shares must have at least one beneficiary account with either of the Depository Participants of either NSDL or CDSL prior to making the application.
- (ii) The Applicant must necessarily fill in the details (including the beneficiary account number and Depository Participant's identification number) appearing in the Application Form.
- (iii) Allotment to a successful Applicant will be credited in electronic form directly to the beneficiary account (with the Depository Participant) of the Applicant.
- (iv) Names in the Application Form should be identical to those appearing in the account details in the Depository. In case of joint holders, the names should necessarily be in the same sequence as they appear in the account details in the Depository.
- (v) If incomplete or incorrect details are given under the heading 'Applicants Depository Account Details' in the Application Form, it is liable to be rejected.
- (vi) The Applicant is responsible for the correctness of his or her Demographic Details given in the Application Form vis-à-vis those with his or her Depository Participant.
- (vii) Equity Shares in electronic form can be traded only on the stock exchange having electronic connectivity with NSDL and CDSL. The Stock Exchange where our Equity Shares are proposed to be listed has electronic connectivity with CDSL and NSDL.
- (viii) The trading of the Equity Shares of our Company would be in dematerialised form only for all investors in the demat segment of the respective Stock Exchange.
- (ix) Non transferable 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, Applicants Depository Account Details, number of Equity Shares applied for, date of Application Form, name and address of the Bankers to the Issue or the Designated Branch of the SCSBs where the application was submitted and cheque or draft number and issuing bank thereof or with respect to ASBA applications, bank account number in which the amount equivalent to the Application Amount was blocked.

**Applicants can contact the Compliance Officer or the Registrar to the Issue in case of any pre-Issue or post-Issue related problems such as non-receipt of letters of Allotment, credit of allotted Equity Shares in the respective beneficiary accounts, refund orders etc. In case of ASBA applications submitted with the Designated Branches of the SCSBs, Applicants can contact the Designated Branches of the SCSBs.**

### **Payment of Refund**

Applicants other than ASBA Applicants must note that on the basis of the names of the Applicant's DP ID and beneficiary account number provided by them in the Application Form, the Registrar to the Issue will obtain, from the Depositories, the Applicants' bank account details, including the nine digits MICR code as appearing on a cheque leaf.

On the Designated Date and no later than 12 Working Days from the Issue Closing Date, the Escrow Collection Banks shall dispatch refund orders for all amounts payable to unsuccessful Applicants (other than ASBA Applicants) and also the excess amount paid on applying, if any, after adjusting for allocation/Allotment to such Applicants.

***Mode of making refunds for Applicants other than ASBA Applicants***

The payment of refund, if any, for Applicants other than ASBA Applicants would be done through various modes in the following order of preference:

1. NECS – Payment of refund would be done through NECS for Applicants having an account at any of the centres where such facility has been made available. This mode of payment of refunds would be subject to availability of complete bank account details including the MICR code as appearing on a cheque leaf, from the Depositories. The payment of refunds is mandatory for Applicants having a bank account at any of the centres where such facility has been made available, except where the applicant, being eligible, opts to receive refund through direct credit or RTGS.
2. Direct Credit – Applicants having bank accounts with the Refund Banker(s), as mentioned in the Application Form, shall be eligible to receive refunds through direct credit. Charges, if any, levied by the Refund Banker(s) for the same would be borne by our Company.
3. RTGS – Applicants having a bank account at any of the centres where clearing houses are managed by the RBI and whose refund amount exceeds ₹ 2,00,000 will be considered to receive refund through RTGS. For such eligible Applicants, Indian Financial System Code (IFSC) will be derived based on the MICR code of the Applicant as per depository records/RBI master. In the event the same is not available as per depository records/RBI master, refund shall be made through NECS. Charges, if any, levied by the Refund Bank(s) for the same would be borne by our Company. Charges, if any, levied by the applicant's bank receiving the credit would be borne by the applicant.
4. NEFT – Payment of refund shall be undertaken through NEFT wherever the Applicants' bank has been assigned the IFSC, which can be linked to a MICR, if any, available to that particular bank branch. IFSC will be obtained from the website of RBI as on 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 of that particular bank branch and the payment of refund will be made to the Applicants through this method.
5. For all other Applicants, including those who have not updated their bank particulars with the MICR code, the refund orders will be dispatched through Speed Post/ Registered Post. Such 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.

Investors are requested to note that the Government of India has discontinued the facility of dispatch of refund orders of value up to ₹ 1,500 under certificate of posting.

***Mode of making refunds for ASBA Applicants***

In case of ASBA Applicants, the Registrar to the Issue shall instruct the relevant SCSBs 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 Working Days of the Issue Closing Date.

***Disposal of applications and application moneys and interest in case of delay***

With respect to Applicants other than ASBA Applicants, our Company shall ensure dispatch of allotment advice, refund orders (except for Applicants who receive refunds through electronic transfer of funds) and give benefit to the beneficiary account with Depository Participants and submit the documents pertaining to the Allotment to the Stock Exchange within 12 Working Days from the Issue Closing Date.

In case of Applicants who receive refunds through NECS, direct credit or RTGS, the refund instructions will be given to the clearing system within 12 Working Days from the Issue Closing Date. A suitable communication shall be sent to the Applicants receiving refunds through this mode within 12 Working 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 ensure that all the steps for completion of the necessary formalities for listing and commencement of trading at all the Stock Exchange where the Equity Shares are proposed to be listed, are taken within 12 Working Days from the Issue Closing Date.

In accordance with the Companies Act, the requirements of the Stock Exchange and the SEBI Regulations, our Company further undertakes that:

1. Allotment of Equity Shares shall be made only in dematerialised form within 15 Days of the Issue Closing Date; and
2. With respect to Applicants other than ASBA Applicants, 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 Days of the Issue Closing Date would be ensured. With respect to the ASBA Applicants, instructions for unblocking of the ASBA Applicant's Bank Account shall be made within 12 Working Days from the Issue Closing Date.

Our Company shall pay interest at 15% per annum for any delay beyond the 15 Days time period as mentioned above, 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 Days time period prescribed above. If such money is not repaid within eight days from the day our Company becomes liable to repay, our Company and every Director of our Company who is an officer in default shall, on and from expiry of eight days, be jointly and severally liable to repay the money with interest as prescribed under the applicable law.

### **Impersonation**

Attention of the Applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013, which is reproduced below:

*“Any person who:*

- (a) *makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or*
- (b) *makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or*
- (c) *otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name,*

*shall be liable for action under section 447..”*

### **Basis of Allotment**

#### **1. For Retail Individual Applicants**

- Applications received from the Retail Individual Applicants at the Issue Price shall be grouped together to determine the total demand under this category. The Allotment to all the successful Retail Individual Applicants will be made at the Issue Price.
- 11,94,000 Equity Shares shall be available for Allocation to Retail Individual Applicants who have applied at the Issue Price.
- If the aggregate demand in this category is less than or equal to 11,94,000 Equity Shares at the Issue Price, full Allotment shall be made to the Retail Individual Applicants to the extent of their valid applications.

## **2. For Non Retail Applicants**

- Applications received from Non Retail Applicants at the Issue Price shall be grouped together to determine the total demand under this category. The Allotment to all successful Non Retail Applicants will be made at the Issue Price.
- The Net Issue size less Allotment to Retail Portion shall be available for Allotment to Non Retail Applicants who have applied at the Issue Price.
- If the aggregate demand in this category is less than or equal to 11,88,000 Equity Shares at the Issue Price, full Allotment shall be made to Non Retail Applicants and to the extent of their demand;
- In case the aggregate demand in this category is greater than 11,88,000 Equity Shares at the Issue Price, Allotment shall be made on a proportionate basis. For the method of proportionate basis of Allotment, refer below.

### **Method of Proportionate Basis of Allotment in the Issue**

In the event of the Issue being over-subscribed, our Company shall finalise the basis of Allotment in consultation with the Designated Stock Exchange. The executive director (or any other senior official nominated by them) of the Designated Stock Exchange along with the Lead Manager and the Registrar to the Issue shall be responsible for ensuring that the basis of Allotment is finalised in a fair and proper manner.

The Allotment shall be made in marketable lots, on a proportionate basis as explained below:

1. Applicants will be categorised according to the number of Equity Shares applied for.
2. The total number of Equity Shares to be allotted to each category as a whole shall be arrived at on a proportionate basis, which is the total number of Equity Shares applied for in that category (number of Applicants in the category multiplied by the number of Equity Shares applied for) multiplied by the inverse of the over-subscription ratio.
3. Number of Equity Shares to be allotted to the successful Applicants will be arrived at on a proportionate basis, which is total number of Equity Shares applied for by each Applicant in that category multiplied by the inverse of the over-subscription ratio.
4. In all applications where the proportionate Allotment is less than 6,000 Equity Shares per Applicant, the Allotment shall be made as follows:
  - The successful Applicants out of the total Applicants for a category shall be determined by 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 2 above; and
  - Each successful Applicant shall be allotted a minimum of 6,000 Equity Shares.
5. If the proportionate Allotment to an Applicant is a number that is more than 6,000 but is not a multiple of one (which is the marketable lot), the decimal would 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 would be rounded off to the lower whole number. Allotment to all in such categories would be arrived at after such rounding off.
6. If the Equity Shares allocated on a proportionate basis to any category are more than the Equity Shares allotted to the Applicants in that category, the remaining Equity Shares available for Allotment shall be first adjusted against any other category, where the allotted Equity Shares are not sufficient for proportionate Allotment to the successful Applicants in that category. The balance Equity Shares, if any, remaining after such adjustment will be added to the category comprising Applicants applying for minimum number of Equity Shares.

### **Letters of Allotment or Refund Orders**

Our Company shall credit the Allotted Equity Shares to the beneficiary account with Depository Participants within 15 Days from the Issue Closing Date. Applicants residing at the centres where clearing houses are managed by the RBI will get refunds through NECS only except where applicant is otherwise disclosed as eligible to get refunds through direct credit and RTGS. Our Company shall ensure dispatch of refund orders, if any, by registered post or speed post at the Applicant's sole risk within 15 Days of the Issue Closing Date. Applicants to whom refunds are made through electronic transfer of funds will be sent a letter through ordinary post, intimating them about the mode of credit of refund within 15 Days of the Issue Closing Date. In case of ASBA Applicants, the Registrar shall instruct the relevant SCSBs to, on the receipt of such instructions from the Registrar unblock the funds in the relevant ASBA Account to the extent of the Application Amount specified in the Application Form or the relevant part thereof, for withdrawn, rejected or unsuccessful or partially successful ASBA applications within 15 Days of the Issue Closing Date.

### **Interest in case of delay in dispatch of Allotment Letters or Refund Orders/ instruction to the SCSBs by the Registrar**

In accordance with the Companies Act, the requirements of the Stock Exchange and the SEBI Regulations, our Company agrees that as far as possible Allotment of Equity Shares to the public and credit to the successful Applicants' Depository Accounts will be completed within 15 Days from the Issue Closing Date. Our Company further agrees that they shall pay interest at 15% per annum (for any delay beyond the 15 day time period as mentioned above), if Allotment is not made, refund orders are not dispatched and/or demat credits are not made to investors within the 15 Day time prescribed above. However applications received after the closure of the Issue in fulfillment of underwriting obligations to meet the minimum subscription requirement, shall not be entitled for the said interest.

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 our Company as a Refund Bank and payable at par at places where applications are received. Bank charges, if any, for encashing such cheques, pay orders or demand drafts at other centres will be payable by the Applicants.

### **Undertakings by our Company**

Our Company undertakes the following:

1. That the complaints received in respect of this Issue shall be attended to by our Company expeditiously and satisfactorily;
2. That all steps will be taken for the completion of the necessary formalities for listing and commencement of trading at all the Stock Exchange where the Equity Shares are proposed to be listed within 15 days from the Issue Closing Date;
3. That funds required for making refunds to unsuccessful Applicants as per the mode(s) disclosed shall be made available to the Registrar to the Issue by the Issuer;
4. 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, as the case may be, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;
5. That if our Company does not proceed with the Issue after the Issue Closing Date, the reason thereof shall be given as a public notice within two days of the Issue Closing Date. The public notice shall be issued in the same newspapers where the pre-Issue advertisements were published. The Stock Exchange on which the Equity Shares are proposed to be listed shall also be informed promptly;
6. That the certificates of the securities/ refund orders to the eligible NRIs shall be dispatched within specified time;

7. That no further issue of Equity Shares shall be made till the Equity Shares offered through the Prospectus are listed or until the application monies are refunded on account of non-listing, under-subscription etc.; and
8. That adequate arrangement shall be made to collect all Application Forms 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 receipt of final listing and trading approval for trading of the Equity Shares from the Stock Exchange where listing is sought.

#### **Utilisation of Issue proceeds**

Our Board of Directors certifies that:

1. All monies received out of the Issue shall be transferred to a separate bank account other than the bank account referred to in Section 40 of the Companies Act;
2. Details of all monies utilised out of Issue shall be disclosed and continue to be disclosed till the time any part of the issue proceeds remains unutilised, under an appropriate head in our balance sheet indicating the purpose for which such monies have been utilised; and
3. Details of all unutilised monies out of the Issue, if any shall be disclosed under the appropriate head in the balance sheet indicating the form in which such unutilised monies have been invested.

#### **RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES**

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the Government of India and FEMA. While the Industrial Policy, 1991 prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Under the Industrial Policy, unless specifically restricted, foreign investment is freely permitted in all sectors of Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. The government bodies responsible for granting foreign investment approvals are FIPB and RBI.

#### **Subscription by foreign investors (NRIs/FIIs)**

FIIs 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.

The transfer of equity 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 Takeovers Code (ii) the non-resident shareholding is within the sectoral limits under the FDI policy; and (iii) the pricing is in accordance with the guidelines prescribed by the SEBI/RBI.

Pursuant to a circular dated January 13, 2012, the RBI has permitted Eligible QFIs to invest in equity shares of Indian companies on a repatriation basis subject to certain terms and conditions. Eligible QFIs have been permitted to invest in equity shares of Indian companies which are offered to the public in India in accordance with the SEBI Regulations. The individual and aggregate investment limits for Eligible QFIs in an Indian company are 5% and 10% of the paid up capital of the Indian company, respectively.

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 Securities Act, or any state securities laws of the United States and unless so registered, may not be offered or sold in the United States or to, or for the account or benefit of, U.S. persons as defined in Regulation S under the Securities Act, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Equity Shares may be offered and sold outside the United States in offshore transactions in**

reliance on Regulation S under the Securities Act and the applicable laws of the jurisdiction where those offers and sales occur.

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

The above information is given for the benefit of the Applicants. Our Company and the Lead Manager are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Prospectus. Applicants are advised to make their independent investigations and ensure that the applications are not in violation of laws or regulations applicable to them.

## SECTION VIII – MAIN PROVISIONS OF THE ARTICLES OF ASSOCIATION

Pursuant to Schedule II of the 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.

### CAPITAL AND INCREASE AND REDUCTION OF CAPITAL

1. (a) The Authorised Share capital of the Company is as per clause V of the Memorandum of the Association with power to increase or reduce such capital from time to time in accordance with the Regulations of the Company and with power to divide the shares in the capital for the time being into Equity Share Capital or Preference Share Capital and to attract thereto respectively any preferential, qualified or special rights, privileges or conditions. If and whenever the capital of the Company is divided into shares of different classes, the rights of any such class may be varied, modified, extended, abrogated or surrendered as provided in the Articles of the Company and the legislative provisions for the time being in force. The Company shall be entitled to dematerialize its existing shares, reconvert its shares held by the depositories electronically to physical form and/or to offer its fresh shares in electronic form pursuant to the Depositories Act, 1996 and the rules framed there under, if any.

- (b) The minimum Paid-up Share Capital of the Company shall be Rs. 5,00,000/- (Rupees Five Lacs only).

*Increase of capital of the Company and how carried into effect:-*

2. The Company in General Meeting, may from time to time, increase its capital by the creation of new shares, such increase to be of such aggregate amount and to be divided into shares of such amounts as the resolution shall prescribe. Subject to the provisions of the Act, any shares of the original or increased capital shall be issued upon such terms and conditions and with such rights and privileges annexed thereto, as the General Meeting resolving upon the creation thereof shall prescribe and if no direction be given, as the Directors shall determine and in particular, such shares may be issued with a preferential or qualified right to dividends, and in the distribution of a of the Company and with a right of voting at General Meetings of the Company, in conformity with provisions of the Act. Whenever the capital of the Company has been increased under the provisions of these Articles, the Directors shall comply with the provisions of Section 64 of the Act.

*Allotment otherwise than for cash*

3. Subject to the provisions of the Act and these Articles, the Directors may allot and issue shares in the capital of the Company as payment or part-payment for any property or assets of any kind whatsoever, sold or to be sold or transferred or to be transferred or for goods or machinery supplied or to be supplied or for services rendered or to be rendered or for technical assistance or know-how made or to be made available to the Company or the conduct of its business and shares which may be so allotted may be issued as fully or partly paid-up otherwise than in cash and if so issued, shall be deemed to be fully or partly paid as the case may be.

*Additional capital to form part of existing capital*

4. Except so far as otherwise provided by the conditions of issue or by these Presents, any capital raised by the creation of new shares, shall be considered as part of the existing capital, and shall be subject to the provisions herein contained, with reference to the payment of calls and installments, forfeiture, lien, surrender transfer and transmission, voting and otherwise.

*Preference Shares*

5. Subject to the provisions of Section 55 and 62 of the Act, the Company shall have the power to issue Preference Shares which are or at the option of the Company are to be liable to be redeemed and the resolution authorising such issue shall prescribe the manner, terms and conditions of redemption.

*Buyback of shares*

6. Notwithstanding anything contained in these articles, in accordance with the provisions of Sections 68 to 70 of the Act or any statutory modification thereto and such other regulations and guidelines as may be issued in this regard by the relevant authorities, the Board of Directors/ Members may, if and when deem fit, buy back such of the Company's own shares, stocks or securities, whether or not they are redeemable, as it may decide, subject to such limits, upon such terms and conditions, and subject to such approval, as are specified in this regard.

*Reduction of capital*

7. The Company may (subject to the provisions of Sections 66 of the Act) from time to time by Special Resolution, reduce its capital and any Capital Redemption Reserve Account or Share Premium Account in any manner for the time being authorized by law, and in particular, capital may be paid off on the footing that it may be called up again or otherwise. This Article is not to derogate from any power the Company would have if it were omitted.

*Variation of Rights*

8. If at any time the share capital is divided into different classes of shares, all or any of the rights and privileges attached to the shares of any class may subject to the provisions of Sections 48 be varied, commuted, affected, dealt with or abrogated with the consent in writing of the holders of not less than three-fourths of the issued shares of that class or with the sanction of a Special Resolution at a separate meeting of the holders of the issued shares of that class.

*Further issue of shares*

- 9 (1) Where at the time after the expiry of two years from the formation of the company or at any time after the expiry of one year from the allotment of shares in the company made for the first time after its formation, whichever is earlier, it is proposed to increase the subscribed capital of the company by allotment of further shares either out of the unissued capital or out of the increased share capital then:
- (a) Such further shares shall be offered to the persons who at the date of the offer, are holders of the equity shares of the company, in proportion, as near as circumstances admit, to the capital paid up on those shares at the date.
  - (b) Such offer shall be made by a notice specifying the number of shares offered and limiting a time not less than thirty days from the date of the offer and the offer if not accepted, will be deemed to have been declined.
  - (c) The offer aforesaid shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to them in favour of any other person and the notice referred to in sub clause (b) hereof shall contain a statement of this right. PROVIDED THAT the Directors may decline, without assigning any reason to allot any shares to any person in whose favour any member may, renounce the shares offered to him.
  - (d) After expiry of the time specified in the aforesaid notice or on receipt of earlier intimation from the person to whom such notice is given that the declines to accept the shares offered, the Board of Directors may dispose off them in such manner and to such person(s) as they may think, in their sole discretion fit.
- (2) Notwithstanding anything contained in sub-clause (1) thereof, the further shares aforesaid may be offered to any persons (whether or not those persons include the persons referred to in clause (a) of sub-clause (1) hereof) in any manner whatsoever.
- (a) If a special resolution to that effect is passed by the company in General Meeting, or
  - (b) Where no such special resolution is passed, if the votes cast (whether on a show of hands or on a poll as the case may be) in favour of the proposal contained in the resolution moved in the general meeting (including the casting vote, if any, of the chairman) by the members who, being entitled to do so, vote in person, or, where proxies are allowed, by proxy, exceed the votes, if any, cast against the proposal by members, so entitled and voting and the Central Government is satisfied, on an application made by the Board of Directors in this behalf that the proposal is most beneficial to the company.
- (3) Nothing in sub-clause (c) of (1) hereof shall be deemed:
- (a) To extend the time within which the offer should be accepted; or
- 4 Nothing in this Article shall apply to the increase of the subscribed capital of the company caused by the exercise of an option attached to the debenture issued or loans raised by the company:
- (i) To convert such debentures or loans into shares in the company; or
  - (ii) To subscribe for shares in the company (whether such option is conferred in these Articles or otherwise)

**PROVIDED THAT** the terms of issue of such debentures or the terms of such loans include a term providing for such option and such term:

- (a) Either has been approved by the Central Government before the issue of the debentures or the raising of t



is in conformity with Rules, if any, made by that Government in this behalf; and

- (b) In the case of debentures or loans or other than debentures issued to or loans obtained from Government institution specified by the Central Government in this behalf, has also been approved by a special resolution by the company in General Meeting before the issue of the debentures or raising of the loans.

*Issue of further pari passu shares not to affect the right of shares already issued*

10. The rights conferred upon the holders of the shares of any class issued with preferred or any other rights shall not, unless, otherwise expressly provided by the terms of issue of that class, be deemed to be varied by the creation or issue of further shares ranking pari passu therewith.

*Sub-division and consolidation of Shares*

11. Subject to the provisions of Section 61 of the Act, the Company in General Meeting may from time to time, sub-divide or consolidate its shares, or any of them, and the resolution whereby any share is sub-divided, may determine that, as between the holders of the shares resulting from such sub-division one or more of such shares shall have some preference or special advantage as regards dividend, capital or otherwise over or as compared with the other or others. Subject as aforesaid the Company in General Meeting may also cancel shares which have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of shares so cancelled. The cancellation of shares in pursuance of this Article shall not be deemed to be a reduction of the share capital.

*Issue of Sweat Equity Shares:*

12. Company shall subject to and in accordance with the provisions of section 53 of the Act, shall have the power, by a Special Resolution passed at a General Meeting to issue Sweat Equity Shares to the Directors, Employees of either of the Company or of any of its subsidiary or holding Company.

*Provision for issue of shares under Employees' Stock Option Scheme*

13. (a) Subject to the provisions of section 62(1)(b) and other applicable provisions, if any, of the Companies Act, 2013, and subject to these Regulations, the Board may, from time to time, create, offer and issue to or for the benefit of the Company's employees including the Directors, Executive Chairman, Vice-Chairman, the Managing Directors and the Whole time Directors such number of equity shares of the Company, in one or more tranches on such terms as may be determined by the Board prior to the issue and offer, in consultation with the authorities concerned and in accordance with such guidelines or other provisions of law as may be prevalent at that time but ranking pari passu with the existing equity shares of the Company.
- (b) The issue price of such shares shall be determined by the Board in accordance with the laws prevalent at the time of the issue.
- (c) In the alternative to equity shares, mentioned hereinabove, the Board may also issue bonds, equity warrants or other securities as may be permitted in law, from time to time.
- (d) All such issues as above are to be made in pursuance of Employees' Stock Option (ESOP) scheme to be drawn up and approved by the Board.

## **SHARES AND CERTIFICATES**

*Shares to be numbered progressively and no Shares to be sub-divided*

14. The shares in the capital shall be numbered progressively according to their several denominations and except in the manner hereinbefore mentioned no share shall be sub-divided. Every forfeited or surrendered share shall continue to bear the number by which the same was originally distinguished.

*Shares at the disposal of the Directors*

15. Subject to the provisions of Section 62 of the Act and these Articles, the shares in the capital of the company for the time being shall be under the control of the Directors who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par or (subject to the compliance with the provisions of section 53 of the Act) at a discount and at such time as they may from time to time think fit and with the sanction of the company in the General Meeting to give to any person or persons the option or right to call for any shares either at par or premium during such time and for such consideration as the Directors think fit, and may issue and allot shares in the



capital of the company on payment in full or part of any property sold and transferred or for any services rendered to the company in the conduct of its business and any shares which may so be allotted may be issued as fully paid up shares and if so issued, shall be deemed to be fully paid shares. Provided that opinion or right to call of shares shall not be given to any person or persons without the sanction of the company in the General Meeting.

*Acceptance of shares*

16. Any application signed by or on behalf of, an applicant for shares in the Company followed by an allotment of any shares therein, shall be an acceptance of shares within the meaning of these Articles; and every person who thus or otherwise accepts any shares and whose name is entered in its Register of Members shall, for the purpose of these Articles, be a Member of the Company.

*Deposit and call, etc. to be a debt payable immediately*

17. The money (if any) which the Directors shall, on the allotment of any shares being made by them, require or direct to be paid by way of deposits, call or otherwise, in respect of any shares allotted by them, shall, immediately on the inscription of the name of the allottee in the Register of Members as the holder of such shares, become a debt due to and recoverable by the Company from the allottee thereof and shall be paid by him accordingly.

*Liability of Members*

18. Every Member, or his heirs, executors, administrators or other representatives, shall pay to the Company the portion of the capital represented by his share or shares, which may, for the time being, remain unpaid thereon, in such amounts, at such time or times, and in such manner as the Directors shall, from time to time, in accordance with the Company's Regulations require or fix for the payment thereof.

*Share Certificate*

19.
  - a) The share certificates shall be issued in market lots and where share certificates are issued in either more or less than market lots, sub-division or consolidation of share certificates into market lots shall be done free of charge.
  - b) Any two or more joint allottees of a share shall, for the purposes 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. For any further certificate the Board shall be entitled but shall not be bound, to prescribe a charge not exceeding Rupee One.
  - c) Directors may sign a share certificate by affixing their signature thereon by means of any machine, equipment or other mechanical means, such as engraving in metal or lithography, but not by means of a rubber stamp, provided that the Director shall be responsible for the safe custody of such machine, equipment or other material used for the purpose.

*Limitation of time for issue of certificates*

20. 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 the name, or if the Directors so approve (upon paying such fee as the Directors may from time to time determine) to several certificates, each for one or more of such shares and the company shall complete and have ready for delivery such certificates within three months from the date of allotment, unless the conditions of issue thereof otherwise provide, or within one month of the receipt of application of registration of transfer, transmission, sub-division, consolidation or renewal of any of its shares as the case may be. Every certificate of shares shall be under the seal of the company and shall specify the number and distinctive numbers of shares in respect of which it is issued and amount paid-up thereon and shall be in such form as the directors may prescribe or approve, provided that in respect of a share or shares held jointly by several persons the company shall not be borne to

*Issue of new certificate in place of one defaced, lost or destroyed*

21. If any certificate be worn out, defaced, mutilated, or torn or if there be no further space on the back thereof for endorsement of transfer, then upon production and surrender thereof to the company, a new certificate may be issued in lieu thereof and if any certificate lost or destroyed then upon proof thereof to the satisfaction of the company and on execution of such indemnity as the company deem adequate, being given, a new certificate in lieu thereof shall be given to the party entitled to such lost or destroyed certificate. Every certificates under the Article shall be issued without payment of

fees if the Directors so decide, or on payment of such fees (not exceeding Rs.50/- for each certificate) as the Directors shall prescribe. Provided that no fee shall be charged for issue of new certificates in replacement of those which are old, defaced or worn out or where there is no further space on the back thereof for endorsement of transfer.

Provided that notwithstanding what is stated above the Directors shall comply with such Rules or Regulation or requirements of any Stock Exchange or the Rules made under the Act or the rules made under Securities Contracts (Regulation) Act, 1956 or any other Act, or rules applicable in this behalf.

The provision of this Article shall mutatis mutandis apply to debentures of the company.

*Delivery of Share/Debenture Certificates*

22. The Company shall within two months after the allotment of any of its shares or debentures or debenture-stock and within fifteen after the application for the registration of the transfer of any such shares or debentures or debenture-stock, complete and have ready for delivery the certificates of all shares, debentures or debenture stock allotted or transferred unless the conditions of issue of shares or debentures or debenture-stock otherwise provided. The expression 'transfer' for the purpose of this Article means, a transfer duly stamped and otherwise valid and does not include any transfer which the Company is for any reason entitled to refuse to register and does not register.

*Liability of Joint Holders*

23. If any share stands out in the names of two or more persons all the joint holders of the share shall be severally as well as jointly liable for the payment of all deposits, installments, and calls due in respect of such shares, and for all incidents thereof according to the Company's Regulations, but the person first named in the Register shall, as regards receipt of dividend or bonus or service of notice, and all or any other matters connected with the Company, except voting at meetings and the transfer of the shares, and any other matter by the said Act or herein otherwise provided, be deemed the sole holder thereof.

*Registered holder only the owner of the shares*

24. Except as ordered by a Court of competent jurisdiction or by law required, the Company shall be entitled to treat the person whose name appears on the Register of Members as the holder of any share or whose name appears as the beneficial owner of shares in the records of the Depository, as the absolute owner thereof and accordingly shall not be bound to recognise any benami, trust or equity or equitable, contingent or other claim to or interest in such share on the part of any other person whether or not he shall have express or implied notice thereof. The Board shall be entitled at their discretion to register any shares in the joint names of any two or more persons, or the survivor or survivors of them.

*Share Certificate for joint Members*

25. The Company shall not be bound to register more than three persons as the joint holders of any share except in the case of executors or trustees of a deceased member and in respect of a share held jointly by several persons the Company shall not be bound to issue more than one certificate and delivery of a certificate for a share to any one of the several joint holders shall be sufficient delivery to all such holders.

*Fractional Certificates*

26. The Company may issue such fractional coupons as the Board may approve in respect of any of the shares of the Company on such terms as the Board thinks fit.

*Underwriting and Brokerage Commission may be paid*

27. Subject to the provisions of Section 40 of the Act, the Company may at any time pay a commission to any person, in consideration of his subscribing or agreeing to subscribe (whether absolutely or conditionally) for any shares or debentures of the Company, or procuring, or agreeing to procure subscriptions (whether absolute or conditional) for any shares or debentures in the Company; But so that the commission shall not exceed in case of shares five percent of the price at which the shares are issued and in case of debentures two and a half percent of the price at which the debentures are issued.

*Interest out of Capital - Interest may be paid out of Capital*

28. Where any shares are issued for purpose of raising money to defray the expenses of the construction of any works or buildings or the provision of any land, which cannot be made profitable for a lengthy period, the Company may pay interest on so much of that share capital as is for the time being paid up for the period, at

the rate and subject to the conditions and restrictions provided by the Act and may charge the same to capital as part of the cost of construction of the works or buildings or provision of plant.

#### **CALLS**

##### *Directors may make calls*

29. The Board may from time to time, subject to the terms on which any shares may have been issued and subject to the conditions of allotment, by a resolution passed at a meeting of the Board (and not by circular resolution) make such calls as it thinks fit upon the Members in respect of all monies unpaid on the shares held by them respectively and each Member shall pay the amount of every call so made on him to the person or persons and at the time and place appointed by the Board. A call may be made payable by installments.

##### *Notice of calls*

30. Fifteen days notice in writing of any call shall be given by the Company specifying the time and place of payment, and the person or persons to whom such calls shall be made.

##### *Calls to date from resolution*

31. A call shall be deemed to have been made at the time when the resolution authorising such call was passed at a meeting of the Board.

##### *Call may be revoked*

32. A call may be revoked or postponed at the discretion of the Board.

##### *Liability of Joint Holders*

33. A joint-holder of a share shall be jointly and severally liable to pay all calls in respect thereof.

##### *Directors may extend time*

34. The Board may, from time to time at its discretion, extend the time fixed for payment of any call, and may extend such time as to all or any of the Members who from residence at a distance or other cause, the Board may deem fairly entitled to such extension save as a matter of grace and favour.

##### *Payment in anticipation of call may carry interest*

35. The Directors may, if they think fit, subject to the provisions thereof as from time to time exceeds the amount of the calls then made upon the shares in respect of which such advances has been made, the company may pay interest at such advance has been made, the company may pay interest at such rate, as the member paying such sum in advance and the Directors agree upon provided that money paid in advance of calls shall not confer a right to participate in profits or divided. The Directors may at any time repay the amount so advanced. The member shall not be entitled to any voting rights in respect of the moneys so paid by him until the same would but for such payment, become presently payable.  
The Provisions of these Articles shall mutatis mutandis apply to the calls on debentures of the Company.

##### *Overdue calls to carry interest*

36. If any Member fails to pay any call due from him on the day appointed for payment thereof, or any such extension thereof as aforesaid, he shall be liable to pay interest on the same from the day appointed for the payment thereof to the time of actual payment at such rate as shall from time to time be fixed by the Board but nothing in this Article shall render it obligatory for the Board to demand or recover any interest from any such Member and the Board shall be at liberty to waive payment of such interest either wholly or in part.

##### *Sums deemed to be calls*

37. Any sum, which by the terms of issue of a share become payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium shall for the purposes of these Articles be deemed to be a call duly made and payable on the date on which by the terms of issue of the same becomes payable, and in the case of non-payment all the relevant provisions of these Articles as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.

##### *Part payment on account of call etc. not to preclude forfeiture*

38. Neither a judgement nor a decree in favour of the Company for calls or other moneys due in respect of any shares nor any part payment or satisfaction thereunder nor the receipt by the Company of a portion of any money which shall from time to time be due from any Member to the Company in respect of his shares, either

by way of principal or interest, nor any indulgence granted by the Company in respect of payment of any such money, shall preclude the Company from thereafter.

*Proof on Trial or suit for money on shares*

39. On the trial or hearing of any action or suit brought by the Company against any Member or his legal representative to recover any moneys claimed to be due to the Company for any call or other sum in respect of his shares, it shall be sufficient to prove:

- a) that the name of the Member, in respect of whose shares the money is ought to be recovered, appears entered in the Register of Members as the holder or one of the holders, at or subsequent to the date at which the money sought to be recovered is alleged to have become due, on the said shares;
- b) that the resolution making the call is duly recorded in the minutes books, and
- c) that notice of such call was duly given to the Member or his legal representatives issued in pursuance of these Articles; and that it shall not be necessary to prove the appointment of the Directors who made such call, nor that a quorum of Directors was present at the Board at which such call was made, nor that the meeting at which such call was made was duly convened or constituted nor any other matter whatsoever, but the proof of the matters aforesaid shall be conclusive evidence of the debt and the same shall be recovered by the Company against the Member or his representative from whom it is ought to be recovered, unless it shall be proved, on behalf of such Member or his representatives against the Company that the name of such Member was improperly inserted in the Register or that the money sought to be recovered has actually been paid.

*Payment of unpaid share capital in advance*

40. a) The Board may if it thinks fit, subject to the provisions of the Act, agree to and receive from any Member willing to advance the same, either in money or moneys worth the whole or any part of the amount remaining unpaid on the shares held by him beyond the sum actually called up and upon the moneys so paid or satisfied in advance, or so much thereof, as from time to time and at any time thereafter exceeds the amount of the calls then made upon and due in respect of the shares on account of which such advances have been made, the Board may pay or allow interest at such rate as the Member paying such advance and the Board agree upon; provided always that if at any time after the payment of any such money the rate of interest so agreed to be paid to any such Member appears to the Board to be excessive, it shall be lawful for the Board from time to time to repay to such Member so much of such money as shall then exceed the amount of the calls made upon such shares, unless there be an express agreement to the contrary; and after such repayment such Member shall be liable to pay, and such shares shall be charged with the payment of all future calls as if no such advance had been made; provided also that if at any time after the payment of any money so paid in advance, the Company shall go into liquidation, either voluntary or otherwise, before the full amount of the money so advanced shall have become due by the Members to the Company, on installments or calls, or in any other manner, the maker of such advance shall be entitled (as between himself and the other Members) to receive back from the Company the full balance of such moneys rightly due to him by the Company in priority to any payment to Members on account of capital.
- b) No Member paying any such sum in advance shall be entitled to any voting rights, dividend or right to participate in profits in respect of money so advanced by him until the same would but for such payment become presently payable.

**FORFEITURE AND SURRENDER OF AND LIEN ON SHARES**

*If money payable on share not paid notice to be given to Members*

41. If any Member fails to pay any call or installment of call on or before the day appointed for the payment of the same or any such extension thereof as aforesaid, the Board may, at any time thereafter, during such time as the call or installment remains unpaid, give notice to him requiring him to pay the same together with any interest that may have accrued and all expenses that may have been incurred by the Company by reason of such non-payment.

*Terms of notice*

42. The notice shall name a day (not being earlier than the expiry of fourteen days from the date of service of notice) and a place or places on and at which such call or installment and such interest thereon at such rate as the Directors shall determine from the day on which such call or installment ought to have been paid and expenses as aforesaid are to be paid. The notice shall also state that, in the event of the non-payment at or

before the time and the place appointed, the share in respect of which the call was made or installment is payable will be liable to be forfeited.

*In default of payment, shares may be forfeited*

43. If requirements of any such notice as aforesaid are not complied with, every or any share in respect of which such notice has been given, may at any time thereafter, but before payment of all calls or installments, interest and expenses due in respect thereof, be forfeited by a resolution of the Board to that effect. Such forfeiture shall include all dividends and bonuses declared in respect of the forfeited shares and not actually paid before the forfeiture.

*Notice of forfeiture*

44. When any share shall have been so forfeited, notice of the forfeiture shall be given to the Member in whose name it stood immediately prior to the forfeiture or to any of his legal representatives, or to any of the persons entitled to the shares by transmission and an entry of the forfeiture, with the date thereof, shall forthwith be made in the Register of Members but no forfeiture, shall be in any manner invalidated by any omission or neglect to give such notice or to make such entry as aforesaid.

*Forfeited shares to become property of the Company and may be sold, etc.*

45. Any share so forfeited shall be deemed to be the property of the Company and may be sold, re-allotted or otherwise disposed of, either to the original holder thereof or to any other person, upon such terms and in such manner as the Board shall think fit.

*Members still liable to pay money due notwithstanding the forfeiture*

46. Any Member whose shares have been forfeited shall, notwithstanding the forfeiture, be liable to pay, and shall forthwith pay to the Company on demand all calls, amounts, installments, interest and expenses owing upon or in respect of such shares at the time of the forfeiture, together with interest thereon from the time of the forfeiture until payment, at such rate as the Board may determine and the Board may enforce the payment thereof if it thinks fit.

*Effect of forfeiture*

47. The forfeiture of a share shall involve extinction, at the time of the forfeiture, of all Interest in and of all claims and demands against the Company, in respect of the share, and all other rights incidental to the share, except only such of those rights as by these Articles are expressly saved.

*Surrender of shares*

48. The Directors may subject to the provisions of the Act, accept a surrender of any shares from or by any Member desirous of surrendering them on such terms as they think fit.

*Evidence of forfeiture*

49. A declaration in writing that the declarant is a Director or Secretary of the Company and that a share in the Company has been duly forfeited in accordance with these Articles on the 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.

*Company's lien on shares*

50. The Company shall have a first and paramount lien upon all the shares/ debentures (Other than fully paid-up shares/debentures) registered in the name of each member ( Whether solely or jointly with others ) and upon the proceeds of sale thereof for all moneys ( whether presently payable or not ) called or payable at a fixed time in respect of such shares/debentures and no equitable interest in any share shall be created except upon the footing and condition that this Article will have full effect. And such lien shall extend to all dividends and bonuses from time to time declared in respect of such shares/debentures. Unless otherwise agreed the registration of a transfer of shares/debentures shall operate as a waiver of the Company's lien if any, on such shares/debentures. The Directors may at any time declare any shares/debentures wholly or in part to be exempt from the provisions of this clause.

*Lien enforced by sale*

51. For the purpose of enforcing such lien, the Directors may sell the shares subject thereto in such manner as they think fit and for that purpose may cause to be issued a duplicate certificate in respect of such shares and may authorise one of their Member or some other person to execute a transfer thereof on behalf of and in the name of such Member. No such sale shall be made until such time as the moneys in respect of which such lien exists

or some part thereof is presently payable or the liability in respect of which such lien exists is liable to be presently fulfilled or discharged and until notice in writing of the intention to sell shall have been served on such Member, or his heirs, executors, administrators, or other representatives or upon the persons (if any) entitled by transmission to the shares or any one or more of such heirs, executors, administrators, representatives or persons, and default shall have been made by him or them in payment, fulfill or discharge of such debts, liabilities or engagements for fourteen days after such notice.

*Application of sale proceeds*

52. The net proceeds of any such sale after payment of the costs of such sale shall be applied in or towards the satisfaction of such debts, liabilities or engagements and the residue (if any) paid to such Member, or any of his heirs, executors, administrators, representatives or assigns or any of the persons (if any) entitled by transmission to the shares sold.

*Validity of sale under Articles*

53. Upon any sale after forfeiture or for enforcing a lien in purported exercise of the powers hereinbefore given, the Board may appoint some person to execute an instrument of transfer of the shares sold and cause the purchaser's name to be entered in the Register in respect of the Shares sold and the purchaser shall not be bound to see to the regularity of the proceedings, or to the application of the purchase money and after his name has been entered in the Register in respect of such shares, the validity of the sale shall not be impeached by any person and the remedy of any person aggrieved by the sale shall be in damages only in and against the Company exclusively.

*Cancellation of share certificate in respect of forfeited shares*

54. 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 relative shares shall (unless the same shall on demand by the Company have been previously surrendered to it by the defaulting Member) stand cancelled and become null and void and of no effect, and the Directors shall be entitled to issue a new certificate or certificates in respect of the said shares to the person or persons entitled thereto.

*Power to annul forfeiture*

55. The Board may at any time before any share so forfeited shall have been sold, re-allotted or otherwise disposed of, annul the forfeiture thereof upon such conditions as it thinks fit.

**TRANSFER AND TRANSMISSION OF SHARES**

*Register of Transfers*

56. The Company shall keep a Register of Transfers and shall have recorded therein fairly and distinctly particulars of every transfer or transmission of any share held in material form. The Company shall have the power to maintain the Register of Transfer and Register of Member may with the approval of the Members at the place other than the Registered Office of the Company.

*Form of transfer*

57. Shares in the Company shall be transferred by an instrument in writing in such form as prescribed under Section 56 of the Companies Act, 2013 or under rules made thereunder from time to time.

*To be executed by Transferor and Transferee*

58. The instrument of transfer duly stamped and executed by the transferor and 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 the 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 an 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.
59. In the case of transfer or transmission of shares or other marketable Securities where the Company has not issued any certificates and where such shares or securities are being held in any electronic and fungible form in a Depository, the provisions of the Depositories Act, 1996 shall apply.

*Directors may refuse to register transfers*



60. Subject to the provisions of Section 58 of the Act and Section 22A of the Securities Contracts (Regulation) Act, 1956, the Directors may, at their own absolute and uncontrolled discretion and by giving reasons, decline to register or acknowledge any transfer of shares whether fully paid or not and the right of refusal, shall not be affected by the circumstances that the proposed transferee is already a member of the Company but in such cases, the Directors shall within one month from the date on which the instrument of transfer was lodged with the company, send to the transferee and transferor notice of the refusal to register such transfer provided that registration of transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever except when the company has a lien on the shares. Transfer of shares / debentures in whatever lot shall not be refused.

*Refusal to register transfer*

60. In particular and without prejudice to the generality of the above powers, the Board may subject to the provisions of the Companies Act, 2013 decline to register In exceptional circumstances when it is felt that the transferee is not a desirable person from the larger point of view of the interest of the Company as a whole subject to the provisions of the clause (c) of subsection (4) of Section 22A of the Securities Contract (Regulation) Act.

*Instrument of transfer*

61. The instrument of transfer shall be in writing and all provisions of the Companies Act, 2013 and statutory modification thereof for the time being shall be duly complied with in respect of all transfer of shares and registration thereof.

*Sub-division, consolidation In marketable lots only*

62. Transfer of shares in whatever lot should not be refused, though there would be no objection to the Company refusing to split a share certificate into several scrips of any small denominations or to consider a proposal for transfer of shares comprised in a share certificate to several parties, involving such splitting, if on the face of it such splitting/transfer appears to be unreasonable or without a genuine need. The Company should not, therefore, refuse transfer of shares in violation of the Stock Exchange listing requirements on the ground that the number of shares to be transferred is less than any specified number.

*Death of one or more joint holders of shares*

63. In case of the death of any one or more of the persons named in the Register of Members as the joint holders of any share, the survivor or survivors shall be the only persons recognised by the Company as having any title to or interest in such share, but nothing herein contained shall be taken to release the estate or a deceased joint-holder for any liability on shares held by him jointly with any other person.

*Title to shares of deceased Member*

64. The executors or administrators or holders of a Succession Certificate or the legal representatives of a deceased Member(not being one or two or more joint-holders) shall be the only person recognized by the Company as having any title to the shares registered in the name of such Member, and the Company shall not be bound to recognize such executors or administrators or holders of a Succession Certificate or the legal representatives unless such executors or administrators or legal representatives shall have first obtained Probate or Letter of Administration or Succession Certificate, as the case may be, from a duly constituted court in the Union of India provided that in case where the Board in its absolute discretion think fit, the Board may dispense with production of Probate or Letters of Administration or Succession Certificate, upon such terms as to indemnity or otherwise as the Board in its absolute discretion may think necessary and under Article 63 register the name of any person who claims to be absolutely entitled to shares standing in the name of a deceased Member, as a Member.

*No transfer to insolvent, etc.*

65. No share shall, in any circumstances, be transferred to any insolvent or person of unsound mind.

*No fee on transfer or transmission*

66. (i) No fees shall be charged for registration of transfer, transmission, probate, succession certificate and letters of administration, certificate of death or marriage, power of attorney or similar other document.  
(ii) The provision of these articles relating to transmission of shares shall mutatis mutandis to any other securities including debentures of the Company.

## **DEMATERIALISATION OF SECURITIES**

*Company to recognize interest in dematerialized securities under Depositories Act.*

67. (i) Either the Company or the investor may exercise an option to issue, deal in, hold the securities (including shares) with a Depository in electronic form and the certificates in respect thereof shall be dematerialized, in which event the rights and obligations of the parties concerned and matters connected therewith or incidental thereof, shall be governed by the provisions of the Depositories Act, as amended from time to time or any statutory modification thereto or re-enactment thereof.
- (ii) Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialize its existing securities, dematerialize its securities held In the Depository and/or offer its fresh securities in the dematerialized form pursuant to the Depositories Act and the rules framed thereunder, if any.
- (iii) Every person subscribing to or holding securities of the Company shall have the option to receive security certificate or to hold the 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 record the name of the allottee and the Beneficial Owner of the security.
- (iv) All securities held by a Depository shall be dematerialized and be in fungible form. Nothing contained in Sections 88, 89, 112 & 186 of the Companies Act, 2013 shall apply to a Depository in respect of the securities held by it on behalf of the Beneficial Owners.
- (v) Notwithstanding anything to the contrary contained in the Act or the Articles, a Depository shall be deemed to be the registered owner for the purpose of effecting transfer of ownership of security on behalf of the Beneficial Owner.
- (vi) Same as otherwise provided In (1) above, the Depository as the registered owner of the securities shall not have any voting rights or any other rights in respect of the securities held by it.
- (vii) Every person holding securities of the Company and whose name is entered as Beneficial Owner in the records of the Depository shall be deemed to be the Member of the Company. The Beneficial Owner of securities shall be entitled to all the rights and benefits subject to all the liabilities in respect of his securities which are held by a Depository.
- (viii) Except as ordered by a Court of competent jurisdiction or as required by law, the Company shall be entitled to treat the person whose name appears on the register of Members as holders of any share or where the name appears as Beneficial Owner of shares in the records of the Depository as the absolute owner thereof and accordingly shall not be bound to recognize any benami trust or equitable, contingent, future or partial interest in any share, or (except only as is by these Articles, otherwise expressly provided) any right in respect of a share other than an absolute right thereto in accordance with these Articles, on the part of any other person whether or not it has express or implied notice thereof, but the Board shall be at their sole discretion to register any share in the joint names of any two or more persons or the survivor or survivors of them.
- (ix) Every Depository shall furnish to the Company about the transfer of securities in the name of a Beneficial Owner at such intervals and in such manner as may be specified by the bye-laws and the Company in that behalf.
- (x) Upon receipt of certificate of securities of surrender by a person who has entered into an agreement with the Depository through a Participant, the Company shall cancel such certificate and substitute in its records the name of Depository as the registered owner in respect of the said securities and shall also inform the Depository accordingly.
- (xi) If a Beneficial Owner seeks to opt out of a Depository in respect of any security, the Beneficial Owner shall inform the Depository accordingly. The Depository shall on receipt of information as above make appropriate entries in its records and shall inform the Company. The Company shall, within thirty (30) days of the receipt of intimation from the Depository and on fulfillment of such



conditions and on payment of such fees as may be specified by the regulations, issue the certificate of securities to the Beneficial Owner or the transferee as the case may be.

- (xii) Notwithstanding anything in the Act or these Articles to the contrary, these securities are held in a Depository, the records of the beneficial ownership<sup>9</sup> may be served by such Depository on the Company by means of electronic mode or by delivery of floppies or discs.
- (xiii) 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 Depository so far as they apply to shares held in physical form subject to the provisions of the Depository Act.
- (xiv) Notwithstanding anything in the Act or these Articles, where securities are dealt with by a Depository, the Company shall intimate the details thereof to the Depository immediately on allotment of such securities.
- (xv) The shares in the capital be numbered progressively according to their several denominations, provided however, that the provision relating to progressive numbering shall not apply to the shares of the Company which are dematerialized or may be dematerialized in future or issued in future in dematerialized form. Except in the manner hereinbefore mentioned, no share shall be sub-divided. Every forfeited or surrendered share held in material form shall continue to bear the number by which the same was originally distinguished.
- (xvi) The Company shall cause to be kept a Register and index of Members and a Register and index of Debenture holders in accordance with Sections 88 of the Act respectively, and the Depositories Act, with details of shares and debentures held in material and dematerialized forms in any media as may be permitted by law including in any form of electronics media. The Register and index of Beneficial Owners maintained by a Depository under Section 11 of the Depositories Act shall be deemed to the Register and index of Members and Register and index of Debenture holders, as the case may be, for the purpose of the Act. The Company shall have the power to keep in any state or country outside India a branch Register of Members resident in that state or country.
- (xvii) The Company shall keep a Register of Transfer and shall have recorded therein fairly and distinctly particulars of every transfer or transmission of any share held in material form.

*Registration of person entitled to shares otherwise than by transfer*

68. Subject to the provisions of the Act and Articles 62 and 63 any person becoming entitled to shares in consequences of death, lunacy, bankruptcy or insolvency of any Member, or by any lawful means other than by a transfer in accordance with these Articles, may with the consent of the Board (which it shall not be under any obligation to give) upon producing such evidence that he sustains the character in respect of which he proposes to act under this Article, or of his title, as the Board thinks sufficient, either be registered himself as the holder of the shares or elect to have some persons nominated by him and approved by the Board, registered as such holder; provided nevertheless, that if such person shall elect to have his nominee registered, he shall testify the election by executing in favour of his nominee an instrument of transfer in accordance with the provisions herein contained, and until he does so he shall not be freed from any liability in respect of the shares.

*Persons entitled may receive dividends without being registered as Members*

69. A person entitled to a share by transmission shall, subject to the right of the Directors to retain such dividends or money as hereinafter provided be entitled to receive, and may give a discharge for any dividends or other moneys payable in respect of the shares.

*Fee on Transfer or Transmission*

70. No fee shall be charged for transfer and, transmission of Shares or for registration of any of power of attorney, probate, letter of administration or other similar documents.

*The Company not liable for disregard of a notice prohibiting registration of a transfer*

71. The Company shall incur no liability or responsibility whatever in consequence of its registering or giving effect to any transfer of shares made or purporting to be made by any apparent legal owner thereof (as shown or appearing in the Register of Members) to the prejudice of a person or persons having or claiming any equitable right, title or interest to or in the said shares, notwithstanding that the Company may have any notice of such equitable right, title or interest or notice prohibiting registration of such transfer and may have entered such notice or referred thereto, in any book of the Company, and the Company shall not be bound or required to regard or attend or give effect to any notice which may be given to it of any equitable right, title or interest, or be under any liability whatsoever for refusing or neglecting so to do, though it may have been entered or referred to in some book of the Company, but the Company shall nevertheless be at liberty to regard and attend to any such notice, and give effect thereto if the Board shall so think fit.

## **MEMBERS' MEETINGS**

### *Annual General Meeting*

83. Annual General Meeting of the Company may be convened subject to Section 96 and Section 129 of the Act by giving not less than 21 days notice in writing. Subject to the provisions of Section 101 a meeting may be convened after giving a shorter notice.

### *Extra ordinary General Meeting*

84. The Board may, whenever it thinks fit, call an Extraordinary General Meeting and it shall do so 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 at that date carried the right of voting in regard to the matter in respect of which the requisition has been made.

### *Requisition of Members to state Objects of Meeting*

85. Any valid requisition so made by the Members must state the object or objects of the meeting proposed to be called, and must be signed by the requisitionists and be deposited at the office; provided that such requisition may consist of several documents in like form each signed by one or more requisitionists.

### *On receipt of requisition, Directors to call meeting and in default requisitionists may do so*

86. Upon the receipt of any such requisition, the Board shall forthwith call an Extraordinary General Meeting; and if it does not proceed within twenty-one days from the date of the requisition being deposited at the Office 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, or such of their number as represent either a majority in value of the paid-up share capital held by all of them or not less than one-tenth of such of the paid-up share capital of the Company as is referred to in Section 169 (4) of the Act, whichever is less, may themselves call the meeting, but in either case any meeting so called shall be held within three months from the date of deposit of the requisition as aforesaid.

### *Meeting called by requisitionists*

87. 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.

### *Quorum at General Meeting*

88. Such number of Members as prescribed under Section 103 of the Companies Act, 2013 entitled to be personally present depending upon the number of Members of the Company from time to time, shall be quorum for a General Meeting and no business shall be transacted at any General Meeting unless the requisite quorum is present at the commencement of the meeting

### *Body corporate personally present*

89. A body corporate being a Member shall be deemed to be personally present if it is represented in accordance with Section 113 of the Act.

### *If quorum not present meeting to be dissolved or adjourned*

90. If, at the expiration of half an hour from the time appointed for holding a meeting of the Company, a quorum shall not be present, the meeting convened by or upon the requisition of Members, shall stand dissolved, but in any other case the meeting shall stand adjourned to the same day in the next week or if that day is a public holiday until the next succeeding day which is not a public holiday at the same time and place or to such other day at such other time and place within the city or town in which the Office of the Company is situate as the Board may determine, and if at such adjourned meeting a quorum is not present at the expiration of half an

hour from the time appointed for holding the meeting, the Members present shall be a quorum, and may transact, the business for which the meeting was called.

91. The Chairman (if any) of the Directors shall be entitled to take the chair at every General Meeting, whether Annual or Extraordinary. If there be no such Chairman of the Directors, or if at any meeting he shall not be present within fifteen minutes of the time appointed for holding such meeting then the Members present shall elect another Director as Chairman and if no Director be present or if all Directors present decline to take the Chair, then the members present shall elect one of their Members to be the Chairman.

*Business confined to election of Chairman whilst chair vacant*

92. No business shall be discussed at any General Meeting except the election of a Chairman, whilst the chair is vacant.

*Chairman with consent may adjourn meeting*

93. The Chairman with the consent of the meeting may adjourn any meeting from time to time and from place to place within the city or town in which the office of the Company is situated for the time being but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

*Question at General Meeting how decided*

94. At any General Meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is (before or on the declaration of the result of the show of hands) demanded by a member or Members present in person or by proxy and holding shares in the Company which confer a power to vote on the resolution not being less than 1/10th of the total voting power in respect of the Resolution or on which an aggregate sum of not less than Rs. 5,00,000/- has been paid up. The demand for a poll may be withdrawn at any time by the person or persons who made the demand.

*Chairman's casting vote*

95. In the case of any equality of votes, the Chairman shall both on a show of hands and at a poll (if any) have a casting vote in addition to the votes to which he may be entitled as a Member.

*Demand for poll not to prevent transaction of other business*

96. The demand for a poll except on the question of the election of the Chairman and of an adjournment shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll has been demanded.

*Member in arrears not to vote*

97. No Member shall be entitled to vote either personally or by proxy at any General Meeting or meeting of a class of shareholders either upon a show of hands or upon a poll in respect of any shares registered in his name on which any calls or other sums presently payable by him have not been paid or in regard to which the Company has, and has exercised, any right of lien.

*Number of votes to which Member entitled*

98. Subject to the provisions of these Articles and without prejudice to any special privileges or restrictions as to voting for the time being attached to any class of shares for the time being forming part of the capital of the Company, every Member, not disqualified by the last preceding Article shall be entitled to be present and to speak and vote at such meeting, and on a show of hands every Member present in person shall have one vote and upon a poll the voting rights of every Member whether present in person or by proxy, shall be in proportion to his share of the paid-up equity capital of the Company.

*Casting of votes by a Member entitled to more than one vote*

99. On a poll taken at a meeting of the Company, a Member entitled to more than one vote, or his proxy, or other person entitled to vote for him as the case may be, need not, if he votes, use all his votes or cast in the same way all the votes he uses.

*Votes of Members of unsound mind and minors*

100. 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 hand or on a poll, by his committee or other legal guardian, and any such committee or guardian may, on a poll vote by proxy. If any Member be a minor, the votes in respect of

his share or shares shall be by his guardian or any of his guardians, it more than one, to be elected in case of dispute by the Chairman of the meeting.

*Votes of Joint Members*

101. If there be joint registered holders of any shares, any one of such persons may vote at any meeting or may appoint another person (whether a Member or not) as his proxy in respect of such shares as if he were solely entitled therein but the proxy so appointed shall not have any right to speak at the meeting and, it more than one of such joint-holders be present at any meeting, that one of the said person so present whose name stands higher on the Register shall alone be entitled to speak and to vote in respect of such shares, but the other or others of the joint-holders shall be entitled to be present at the meeting. Several executors or administrators of a deceased Member in whose names share stand shall for the purpose of these Articles be deemed joint holders thereof.

*Voting in person or by proxy*

102. Subject to the provisions of these Articles votes may be given either personally or by proxy. A body corporate being a Member may vote either by a proxy or by a representative duly authorised in accordance with Section 49 of the Act and such representative shall be entitled to exercise the same rights and powers (including the right to vote by proxy) on behalf of the body corporate which he represents as the body could exercise if it were an individual Member.

*Votes in respect of shares of deceased or insolvent Members*

103. Any person entitled under Article 72 to transfer any shares may vote at any General Meeting in respect thereof in the same manner as if he were the registered holder of such shares, provided that 48 hours, at least, before the time of holding the meeting or adjourned meeting as the case may be at which he proposed to vote he shall satisfy the Directors of his right to transfer such shares and give such indemnity (if any) as the Directors may require or the Directors shall have previously admitted his right to vote at such meeting in respect thereof.

*Appointment of proxy*

104. Every proxy (whether a Member or not) shall be appointed in writing under the hand of the appointer or his attorney, or if such appointer is a corporation under the common seal of such corporation, or be signed by an officer or an Attorney duly authorised by it and any committee or guardian may appoint such proxy. The proxy so appointed shall not have any right to speak at the meeting.

*Proxy either for a specified meeting or for specified period*

105. An instrument of proxy may appoint a proxy either for purpose of a particular meeting specified in the instrument and any adjournment thereof or it may appoint for the purposes of every meeting of the Company, or of every meeting to be held before the date specified in the instrument and any adjournment of any such meeting.

*Share Warrant*

106. (i) The Company may issue share warrants subject to, and in accordance with, the provisions of the Act, and accordingly the Board may in its discretion, with respect to any share which is fully paid-up, on application in writing signed by the person registered as holder of the share, and authenticated by such evidence (if any) of the share and the amount of the stamp duty on the warrant and such fee as the Board may from time to time require, issue of a share warrant.
- (ii) The bearer of a share warrant may at any time, deposit the warrant in the office of the Company and so long as the warrant remains so deposited, the depositor shall have the same right of signing a requisition for calling a meeting of the Company, and of attending and voting and exercising the other privileges of a member at any meeting held after the expiry of two days from the time of deposit, as if his name were inserted in the register of members as the holder of the shares including in the deposited warrants.
- (iii) Not more than one person shall be recognized as depositor of the share warrant.
- (iv) The Company shall, on two days written notice, return the deposited share warrants to the depositor.
- (v) Subject herein otherwise expressly provided, no person shall, as bearer of a share warrant, sign a requisition for calling a member of the Company or attend or vote or exercise any other privilege of a member at a meeting of the Company, or be entitled to receive any notice from the Company.
- (vi) The bearer of share warrant shall be entitled in all other respects to the same privileges and advantages as if he were named in the register of members as the holders of shares included in the warrant, and he shall be a member of the

Company. The Board may from time to time, make rules as to the terms on which (if it shall think fit) a new share warrant of coupon may be issued by way of renewal in case of defacement, loss or destruction.

*No proxy except for a body corporate to vote on a show of hands*

106. A Member present by proxy shall be entitled to vote only on a poll but not on a show of hands, unless such Member is a body corporate present by a representative in which case such proxy shall have a vote on the show of hand as if he were a Member.

*Deposit of instrument of proxy*

107. The instrument appointing a proxy and the Power of Attorney or other authority (if any) under which it is signed or a notarially certified copy of that power or authority shall be deposited at the office not later than forty eight hours before the time for holding the meeting at which the person named in the instrument proposes to vote, and in default the instrument of proxy shall not be treated as valid. No instrument appointing a proxy shall be valid after the expiration of twelve months from the date of its execution.

*Form of proxy*

108. Every instrument of proxy whether for a specified meeting or otherwise shall, as nearly as circumstances win admit, be in any of the forms set out in Schedule IX of the Act.

*Validity of votes given by proxy notwithstanding death of Member.*

109. A vote given in accordance within the norms of an instrument of proxy shall be valid notwithstanding the previous death or insanity of the Member, or revocation of the proxy or of any power of attorney under which such proxy was signed, or the transfer of the share in respect of which the vote is given, provided that no intimation in writing of the death or insanity, revocation or transfer shall have been received at the office before the meeting.

*Time for objection to vote*

110. No objection shall be made to the validity of any vote: except at any meeting or poll at which such vote shall be tendered and every vote, whether given personally or by proxy, not disallowed at such meeting or poll shall be deemed valid for all purposes of such meeting or poll whatsoever.

*Chairman of any meeting to be the judge of validity of vote*

111. The Chairman of any meeting shall be the sole judge of the validity of every vote tendered at such meeting. The Chairman present at the taking of a poll shall be the sole judge of the validity of every vote tendered at such poll.

## **DIRECTORS**

*Number of Directors*

112. Until otherwise determined by the Company in a General Meeting and subject to the provisions of Section 149 of the Act, the number of Directors shall not be less than three nor more than fifteen and the First Directors of the Company are:-

1. Mr. NIMESH NATVARLAL MEHTA
2. Mrs. MANISHA NIMESH MEHTA

*Qualification shares by Directors*

113. The directors shall not be required to hold any qualification shares.
114. The Board may appoint, from time to time, one or more of their Members to be the Managing Director or Joint Managing Director or Wholetime Director or Deputy Managing Director or Manager of the Company on such terms and on such remuneration (whether by way of salary or commission, or partly in one and partly in another) as they may think fit. Managing Directors so appointed shall not while holding that office, be subject to retirement by rotation or taken into account in determining the rotation of retirement of directors, but their appointment shall be subject to determination ipso facto if they cease from any cause to be a director or if the Company in General Meeting resolve that their tenure of the office of Managing Director be determined.

115. Subject to the provisions of the Act, the Directors may from time to time entrust and confer upon a Managing Director for the time being such of the powers exercisable upon such terms and conditions and with such restrictions as they may think fit either collaterally with or to the exclusion of and in substitution for all or any of their own powers and from time to time revoke, withdraw, alter or vary all or any of such powers.

*Special or Nominee Director*

116. On behalf of the Company, whenever Directors enter into a contract with any Government, Central, State or Local, any bank or financial institution or any person or persons (hereinafter referred to as “the appointer”) for borrowing any money or for providing any guarantee or security or for technical collaboration or assistance or for underwriting or entering into any other arrangement whatsoever, the Directors shall have, subject to the provisions of Section 152 and Section 161 of the Act, the power to agree that such appointer shall have the right to appoint or nominate by a notice in writing addressed to the Company one or more Directors on the Board for such period and upon such conditions as may be mentioned in the agreement and that such Director or Directors may not be liable to retire by rotation nor be required to hold any qualification shares. The Directors may also agree that any such Director or Directors may be removed from time to time by the appointer entitled to appoint or nominate them and the appointer may fill any vacancy that may occur as a result of any such Director or Directors ceasing to hold that office for any reason whatsoever. The Directors appointed or nominated under this Article shall be entitled to exercise and enjoy all or any of the rights and privileges exercised and enjoyed by the Directors of the Company including payment, remuneration and travelling expenses to such Director or Directors as may be agreed by the Company with the appointer.

*Debenture Directors*

117. If it is provided by the Trust Deed, securing or otherwise, in connection with any issue of debentures of the Company, that any person or persons shall have power to nominate a Director of the Company, then in the case of any and every such issue of debentures, the person or persons having such power may exercise such power from time to time and appoint a Director accordingly. Any Director so appointed is herein referred to as Debenture Director. A Debenture Director may be removed from office at any time by the person or persons in whom for the time being is vested the power under which he was appointed and another Director may be appointed in his place. A Debenture Director shall not be bound to hold any qualification shares.

*Appointment of Alternate Director*

118. The Board may appoint an Alternate Director to act for a Director (hereinafter called “the Original Director”) during his absence for a period of not less than three months from India.. An Alternate Director appointed under this Article shall not hold office for a period longer than that permissible to the Original Director in whose place he has been appointed and shall vacate the office if and when the Original Director returns to India. If the term of office of the Original Director is determined before he so returns to India, any provisions in the Act or in these Articles for the automatic reappointment of retiring Director in default of another appointment shall apply to the Original Director and not to the Alternate Director.

*Directors' power to add to the Board*

119. Subject to the provisions of Section 152 and 161, the Board shall have power at any time and from time to time to appoint any other qualified person to be an additional Director, but so that the total number of Directors shall not at any time exceed the minimum fixed under Article 110. Any such additional Director shall hold office only up to the date of the next Annual General Meeting.

*Directors' power to fill casual vacancies*

120. Subject to the provisions of Section 161 and 163 the Board shall have power at any time and from time to time to appoint any other qualified person to be a Director to fill a casual vacancy. Any person so appointed shall hold office only up to the date upto which the Director in whose place he is appointed would have held office if it had not been vacated by him.

*Remuneration of Directors*

121. The remuneration of Directors and Executives of the Company, including the fees payable to the Directors of the Company in attending the Meeting of the Board or the Committees of the Board, shall be determined by the Board of Directors from time to time, provided that the sitting fees payable to the Directors as aforesaid shall be within the maximum limits of such fees that may be prescribed under the Act.

*Directors' Travelling Expenses*



122. In addition to the remuneration payable to them, the Directors shall be entitled to be paid all travelling, hotel and other incidental expenses properly incurred by them in attending and returning from meetings of the Board of Directors or any Committee thereof or General Meetings or in connection with the business of the Company. The rules in this regard may be framed by the Board of Directors from time to time.

*Special remuneration for performing extra services*

123. If any Director be called upon to perform extra services or special exertions or efforts (which expression shall include work done by a Director as a Member of any committee formed by the Director(s) the Board may arrange with such Directors for such special remuneration for such extra services or special exertions or efforts either by a fixed sum or otherwise as may be determined by the Board and such remuneration may be either in addition to or in substitution for his remuneration, subject to provisions of the Act and confirmation by the Company in General Meeting.

*Directors may act notwithstanding any vacancy*

124. The continuing Directors may act notwithstanding any vacancy in their body, but if and so long as their number is reduced below the quorum fixed by the Act for a meeting of the Board of Directors, the continuing Director or Directors may act for the purpose of increasing the number of Directors to that fixed for a quorum or for summoning a General Meeting but for no other purpose.

*Terms of office of Directors*

125. Not less than two-thirds of the total number of Directors shall be persons whose period of office is liable to determination by retirement of Directors by rotation.

*Retirement of Directors by rotation*

126. At every annual general meeting of the Company one-third of such of the Directors for the time being as are liable to retire by rotation, or if their number is not three or a multiple of three, then the number nearest to one third, shall retire from office.

*Ascertainment of Directors to retire*

127. The Directors to retire by rotation under the foregoing article shall be those who have been longest in office since their last appointment, but as between persons who become Directors on the same day, those who are to retire shall, in default of and subject to any agreement among themselves, be determined by lot. A retiring Director shall be eligible for re-election.

*Company to appoint Successors*

128. The Company, at the annual general meeting at which a Director retires in manner aforesaid, may, fill up the vacated office by electing the retiring Director or some other person thereto.

*Provisions in default of appointment*

129. a) If the place of the retiring Director is not so filled up and the meeting has not expressly resolved not to fill the vacancy, the meeting shall stand adjourned till the same day in the next week at the same time and place, or if that day is a public holiday, till the next succeeding day which is not a public holiday at the same time and place,
- b) If at the adjourned meeting also, the place of the retiring Director is not filled up and that meeting also has not expressly resolved not to fill the vacancy, the retiring Director shall be deemed to have been re-appointed at the adjourned meeting, unless:
- i) at the meeting or at the previous meeting a resolution for the re- appointment of such Director has been put to the meeting and lost;
  - ii) the retiring Director has, by s notice in writing addressed to the Company or its Board of Directors expressed his unwillingness to be so re-appointed;
  - iii) he is not qualified or is disqualified for appointment;
  - iv) a resolution, whether special or ordinary is required for the appointment or re appointment by virtue of any provisions of the Act; or
  - v) the provision to sub-section (2) of Section 162 is applicable to the case.

*Company may Increase or reduce number of Directors*

130. Subject to Sections 149,152 of the Act, the Company in general meeting may from time to time, increase or reduce the number of Directors, within the limits fixed in that behalf by these Articles.

*Removal of Directors*

131. The Company may (subject to the provisions of Section 169 of the Act) remove any Director before the expiration of his period of office and appoint another person in his stead.

*Interim Dividend*

157. The Board may, from time to time, pay to the Members such interim dividend as in their judgement the position of the Company justifies.

*Capital paid-up in advance carrying Interest not to earn dividend*

158. Where capital is paid in advance of calls, such capital may carry interest but shall not be in respect thereof confer a right to dividend or participate in profits.

*Dividend to be paid pro-rata*

159. a. 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 dividend is paid but if and so long as nothing is paid upon any shares in the Company, dividends may be declared and paid according to the amounts of the shares.
- b. No amount paid or credited as paid on shares in advance of calls shall be treated for the purpose of this regulation as paid on shares.
- c. 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 shares shall rank for dividend accordingly.

*Retention of Dividends until completion of share transfer*

160. The Board may retain the dividends payable upon shares in respect of which any person is, under Article 72 entitled to become a Member, which any person under that Article is entitled to transfer, until such person shall become a Member in respect of such shares or shall duly transfer the same.

*Dividend, etc. to joint-holders*

161. Any one of the several persons who are registered as the joint-holders of any share may give effectual receipts for all dividends or bonus and payment on account of dividends or bonus or other moneys payable in respect of such shares.

*No Member to receive dividend whilst indebted to the Company and Company's right to reimbursement thereof*

162. No Member shall be entitled to receive payment of any interest or dividend in respect of his share or shares, whilst any money may be due or owing from him to the Company in respect of such share or shares or otherwise howsoever either alone or jointly with any other person or persons; and the Board may deduct from the interest or dividend payable to any Member all sums of money so due from him to the Company.

*Dividend in respect of the shares Transferred*

163. A transfer of shares shall not pass the right to any dividend declared thereon before the registration of the transfer.

*Manner of payment of dividend*

164. Unless otherwise directed, any dividend may be paid by cheque or warrant or by a pay slip or receipt having the force of a cheque or warrant sent through the post to the registered address of Member or person entitled or in case of joint holder to that one of them first named in the Register in respect of the joint holder. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent. The Company shall not be responsible for any cheque or warrant or pay slip or receipt lost in transmission or for any dividend lost to the Member or person entitled thereto by the forged signature of any pay slip or receipt or the fraudulent recovery of the dividend by any other means.

*Interest on dividends*

165. No unpaid dividend shall bear interest as against the Company. No unclaimed dividend shall be forfeited by the Board unless the claim thereto becomes barred by law and the Company shall comply with all the provisions of Section 205A of the Act in respect of unpaid or unclaimed dividend.



*Dividend and call together*

166. Any General Meeting declaring a dividend may on the recommendation of the Directors make a call on the Members of such amount as the meeting fixes, but so that the call on each Member shall not exceed the dividend payable to him and so that the call may be made payable at the same time as the dividend and the dividend may, it so arranged between the Company and the Members, be set off against the call.

*Unpaid Or Unclaimed Dividend*

167. Where the company has declared a dividend but which has not been paid or the dividend warrant in respect thereof has not been posted within 30 days from the date of declaration to any shareholder entitled to the payment of the dividend, the company shall within 7 days from the date of expiry of the said period of 30 days, open a special account in that behalf in any scheduled bank called "Unpaid Dividend of \_\_\_\_\_ Limited" and transfer to the said account, the total amount of dividend which remains unpaid or in relation to which no dividend warrant has been posted. Any money transferred to the unpaid dividend account of the Company which remains unpaid or unclaimed for a period of three years from the date of such transfer, shall be transferred by the company to the general revenue account of the Central Government. A claim to any money so transferred to the general revenue account may be preferred to the Central Government by the shareholders to whom the money is due. No unclaimed or unpaid dividend shall be forfeited by the Board.

*Capitalisation of Profits*

168. 1) The Company in General Meeting may, upon the recommendation of the Board, resolve;
- 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
  - b) that such sum be accordingly set free for distribution in the manner specified in clause (2) amongst the Members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.
- 2) The sum aforesaid shall not be paid in cash but shall be applied, subject to the provisions contained in clause (3), either in or towards:
- i) paying up any amounts for the time being unpaid on any shares held by such Member respectively;
  - ii) paying up in full, un-issued shares of the Company to be allotted and distributed, credited as fully paid up to and amongst such Members in the proportions aforesaid; or
  - iii) partly in the way specified in sub-clause (i) and partly in that specified in sub-clause (ii).
- 3) A share premium account and a capital redemption reserve account may, for the purpose of this Regulation, only be applied in the paying up of unissued shares to be issued to Members of the Company as fully paid bonus shares.
- 4) The Board shall give effect to the resolution passed by the Company in pursuance of this Regulation.
169. 1) Whenever such a resolution as aforesaid shall have been passed, the Board shall:-
- a) make all appropriation and application of the undivided profits resolved to be capitalised thereby, and all allotments and issues of fully paid shares, it any; and
  - b) generally do all acts and things required to give effect thereto.
- 2) The Board shall have full power:
- a) to make such provision, by the issue of fractional certificates or by payment in cash or otherwise, as it thinks fit for the case of shares or debentures becoming distributable in fraction; and also
  - 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 of by the Company on their behalf by the application thereto of their respective proportion of the profits resolved to be capitalised, of the amounts or any part of the amounts remaining unpaid on their existing shares.
- 3) Any agreement made under such authority shall be effective and binding on all such Members.

*Rights of Members to copies of Balance Sheet and Auditor's Report*

172. The Company shall comply with the requirements of Section 219 of the Act.

## **DOCUMENTS AND NOTICES**

### *Service of documents or notices on Members by the Company*

173. A document or notice may be served or given by the Company on any Member either personally or by sending it by post to him to his registered address, or (if he has no registered address in India) to the address supplied by him to the Company for serving documents or notices on him.

### *Manner of service of documents or notices*

174. Where a document or notice is sent by post, service of the document or notice shall be deemed to be effected by properly addressing, prepaying and posting a letter containing the documents or notice, provided that where a Member has intimated to the Company in advance that documents or notices should be sent to him under a certificate of posting or by registered post with or without acknowledgement due and has deposited with the Company a sum sufficient to defray the expenses of doing so, service of the document or notice shall not be deemed to be effected unless it is sent in the manner intimated by the Member and such service shall be deemed to have been effected in the case of notice of a Meeting at the expiration of forty-eight hours after the letter containing the document or notice is posted and in any other case at the time of which the letter would be delivered in the ordinary course of post. -

### *By Advertisement*

175. A document or notice advertised in a newspaper circulating in the city in which the office of the Company is situated shall be deemed to be duly served or sent on the day on which the Advertisement appears on or to every Member who has no registered address in India and has not supplied to the Company an address within India for the serving of documents on or the sending of notice to him.

### *On personal representatives, etc.*

176. A document or notice may be served or given by the Company on or to persons entitled to a share in consequence of the death or insolvency of a Member by sending it through the post in a prepaid letter addressed to them by name or by the title of representative of the deceased, or assignee of the insolvent or by any like description, at the address (if any) in India supplied for the purpose by the persons claiming to be so entitled or (until such an address) has been so supplied by serving the documents or notice in any manner in which the same might have been given if the death or insolvency had not occurred.

### *On Joint-holders*

177. A document or notice may be served or given by the Company to the joint holders of share by serving or giving the document or notice on or to the joint holder named first in the register of Members in respect of the share.

### *To whom documents or notices must be served or given*

178. Documents or notices of every General Meeting shall be served or given in some manner hereinbefore authorised on or to (a) every Member, (b) every person entitled to a share in consequence of the death or insolvency of a Member and (c) the Auditor/s for the time being of the Company.

### *Members bound by documents or notices served on or given to previous holders*

179. Every person, who, by operation of law, transfer or other means whatsoever, shall become entitled to any share shall be bound by every document or notice in respect of such shares which prior to his name and address being entered on the Register of Members, shall have been duly served on or given to the person from whom he derives his title to such share.

### *Documents or notices by Company and signature thereof*

180. Any document or notice to be served or given by the Company may be signed by a Director or some person duly authorised by the Board of Directors for such purposes and the signature thereto may be written, printed or lithographed.

### *Service of documents or notice by Member*

181. All documents or notices to be served or given by Members on or to the Company or any officer at the office by post under a Certificate of Posting or by Registered Post, or by leaving it at the office

## **WINDING UP**

### *Distribution of Assets*

182. The Liquidator on any winding up (whether voluntary and supervision or compulsory) may with the sanction of a Special Resolution, but subject to the rights attached to any preference share capital, divide among the contributories in specie any part of the assets of the Company and may, with the like sanction, vest any part of the assets of the Company in trustees upon such trusts for the benefit of the contributors, as the liquidator, with the like sanction shall think fit.

## **INDEMNITY AND RESPONSIBILITY**

### *Officer's and others right to indemnity*

183. Every officer or agent for the time being of the Company shall be Indemnified out of the assets of the Company against all liability incurred by him in relation to the business of the Company in defending any proceedings whether civil or criminal in which judgment is given in his favour or in which he is acquitted or in connection with any application under Section 463 of the Act in which relief is granted to him by the Court

### *Directors, Managers etc. not liable for acts of others*

184. Subject to the provisions of the Act, no Director, Managing Director, Whole time Director or other officer of the Company shall be liable for the acts, receipts, neglects or defaults of any other Director or officer or for joining in any receipt or other act for conformity or for any loss or expenses happening to the company through insufficiency or deficiency of any security in or upon which any of the monies of the Company shall be invested or for any loss or damages arising from the bankruptcy, insolvency or tortuous act of any person, company or corporation, within whom any moneys, securities, or effects shall be entrusted or deposited or for any loss occasioned by way of error of judgement or oversight on his part or for any other loss or damage or misfortune whatsoever which shall happen in the execution of the duties of his office or in relation thereto, unless the same happens through his own dishonesty.

## SECTION IX – OTHER INFORMATION

### MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following Contracts (not being contracts entered into in the ordinary course of business carried on by our Company or entered into more than two years before the date of this Prospectus) which are or may be deemed material have been entered into or to be entered into by our Company. These contracts and the documents for inspection referred to hereunder, may be inspected at the Registered Office of our Company from 10.00 am to 4.00 pm on Working Days from the date of this Prospectus until the Issue Closing Date.

#### A. Material Contracts to the Issue

1. Issue Agreement dated June 17, 2015 between our Company and the Lead Managers.
2. Memorandum of Understanding dated April 17, 2015 between our Company and Karvy Computershare Private Limited as the Registrar to the Issue.
3. Escrow Agreement dated October 16, 2015 between our Company, Lead Manager and the Escrow Collection Banks.
4. Underwriting Agreement dated October 19, 2015 between our Company and the Lead Managers.
5. Market Making agreement dated October 16, 2015 between our Company, the Lead Managers and the Marker Maker to the Issue.
6. Copy of Tripartite agreement dated May 28, 2015 entered in to between our Company, CDSL and the Registrar to the Issue.
7. Copy of Tripartite agreement dated June 04, 2015 entered in to between our Company, NSDL and the Registrar to the Issue.

#### B. 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. Certificate of Incorporation of our Company dated May 16, 1996
3. Fresh certificate of incorporation dated April 19, 2005 upon change in its constitution from private to public.
4. Fresh Certificate of Incorporation Consequent upon Change of Name dated May 11, 2009.
5. Copies of the Board and shareholders resolutions authorizing the Issue.
6. Report dated October 07, 2015 of our Statutory Auditor, Godbole and Bhawe & Co., Chartered Accountants, on our Company's Restated Financial Statements (Standalone) as of and for the Month of April 30, 2015 and the Financial Years 2010-11 and 2011- 2012, 2012-13, 2013-14 and 2014 - 2015.
7. Report dated October 07, 2015 of our Statutory Auditor, Godbole and Bhawe & Co., Chartered Accountants, on our Company's Restated Financial Statements (Consolidated) as of and for the Month of April 30, 2015 and the Financial Years 2010-11 and 2011- 2012, 2012-13, 2013-14 and 2014 - 2015.
8. Statement of Tax Benefits from, Godbole and Bhawe & Co, Chartered Accountants dated June 16, 2015 including their consent.
9. Copies of annual reports of our Company for the Financial Years ending on March 31, 2015, 2014, 2013, 2012 and 2011.
10. Consents of Auditors, Bankers to our Company, Lead Managers, Registrar to the Issue, Legal Advisor to the Issue, Banker to the Issue, Directors of our Company, Company Secretary and Compliance Officer, as referred to, in their respective capacities.
11. Due Diligence certificate dated October 19, 2015 to SEBI from the Lead Managers.
12. IPO grading report by CRISIL Limited along with their rationale dated August 04, 2015.
13. In-principle approval dated August 20, 2015 from the NSE for listing of the securities.

Any of the contracts or documents mentioned in this Prospectus may be amended or modified at anytime 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.

## DECLARATIONS

We, the Directors of Perfect Infraengineers Ltd., hereby declare and certify that all relevant provisions of the Companies Act and the guidelines issued by the Government of India or the regulations issued by SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Offer Document is contrary to the provisions of the Companies Act, the SEBI Act, or rules or regulations made there under or guidelines issued, as the case may be. We further certify that all the statements in this Offer Document are true and correct.

Signed by all the Directors of our Company

Name	Signature
<b>Nimesh Mehta</b> <i>Chairman &amp; Managing Director</i>	Sd/-
<b>Manisha Mehta</b> <i>Whole Time Director &amp; Chief Financial Officer</i>	Sd/-
<b>Sharmila Singh</b> <i>Whole Time Director</i>	Sd/-
<b>Pradeep Bhave</b> <i>Independent Director</i>	Sd/-
<b>Vinay Deshmukh</b> <i>Independent Director</i>	Sd/-
<b>Vipul Vora</b> <i>Independent Director</i>	Sd/-
<b>Vijay Mulwani</b> <i>Company Secretary &amp; Compliance Officer</i>	Sd/-

**Date:** October 19, 2015

**Place:** Mumbai

August 2015

## CRISIL SME Fundamental Grading



### Perfect Infraengineers Ltd

CRISIL SME Fundamental Grade 4/5  
(Superior)

## Contacts:

### Analytical

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### Business Development

Prosenjit Ghosh, Director, Research  
Phone: +91 99206 56299  
Email: [prosenjit.ghosh@crisil.com](mailto:prosenjit.ghosh@crisil.com)

### Client servicing

Phone: +91 22 3342 3561  
Email: [clientservicing@crisil.com](mailto:clientservicing@crisil.com)

## CRISIL SME fundamental grading scale

The CRISIL SME fundamental grade reflects the fundamentals of the company as compared to other SMEs in India.

CRISIL SME Fundamental Grade	Assessment
SME 5/5	Excellent fundamentals
SME 4/5	Superior fundamentals
SME 3/5	Good fundamentals
SME 2/5	Moderate fundamentals
SME 1/5	Poor fundamentals

## About CRISIL Ltd

CRISIL is a global analytical company providing ratings, research, and risk and policy advisory services. We are India's leading ratings agency. We are also the foremost provider of high-end research to the world's largest banks and leading corporations.

## About CRISIL Research

CRISIL Research is India's largest independent integrated research house. We provide insights, opinion and analysis on the Indian economy, industry, capital markets and companies. We also conduct training programs to financial sector professionals on a wide array of technical issues. We are India's most credible provider of economy and industry research. Our industry research covers 86 sectors and is known for its rich insights and perspectives. Our analysis is supported by inputs from our network of more than 5,000 primary sources, including industry experts, industry associations and trade channels. We play a key role in India's fixed income markets. We are the largest provider of valuation of fixed income securities to the mutual fund, insurance and banking industries in the country. We are also the sole provider of debt and hybrid indices to India's mutual fund and life insurance industries. We pioneered independent equity research in India, and are today the country's largest independent equity research house. Our defining trait is the ability to convert information and data into expert judgements and forecasts with complete objectivity. We leverage our deep understanding of the macro-economy and our extensive sector coverage to provide unique insights on micro-macro and cross-sectoral linkages. Our talent pool comprises economists, sector experts, company analysts and information management specialists.

## CRISIL Privacy

CRISIL respects your privacy. We use your contact information, such as your name, address, and email id, to fulfil your request and service your account and to provide you with additional information from CRISIL and other parts of McGraw Hill Financial you may find of interest.

For further information, or to let us know your preferences with respect to receiving marketing materials, please visit [www.crisil.com/privacy](http://www.crisil.com/privacy). You can view McGraw Hill Financial's Customer Privacy Policy at <http://www.mhfi.com/privacy>.

Last updated: August, 2014

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### Grading summary

CRISIL has assigned a CRISIL SME fundamental grade of 'SME 4/5' (pronounced 'SME four on five') to Perfect Infraengineers Ltd (Perfect). This SME fundamental grade indicates that the fundamentals of the company are superior compared to other SMEs in India.

#### Key strengths

- Over the last 19 years, Perfect has established itself as a HVAC/MEP\* systems contractor. It specialises in variable refrigerant flow (VRF) and chiller-based HVAC systems used in diverse segments such as hospitality, retail malls, office spaces, healthcare and education.
- In 2015, it started manufacturing electric control panels through its subsidiary Perfect Control Panels Pvt. Ltd, which complements its MEP contracting business. The company plans to market its panels across the country and has already executed a standalone government order.
- It has an India-wide presence, and has ventured to Nigeria and Tanzania as well. Its clients include prominent organisations such as Fortune Hotels, Apollo Hospitals, Institute of Chartered Accountants of India (commercial building). It has also been associated with major infrastructure projects such as the Commonwealth Games Village in New Delhi and the Mumbai Metro. Over the past three years, it has been able to sufficiently diversify its client base. Contribution from the top 10 clients was ~40% in 9MFY15 compared with 87% in FY13.
- It has a healthy order book of ₹520 mn as of July 2015, which is expected to be executed over the next couple of years. Some of the key projects under execution are Mantralaya – Government of Maharashtra, SRM University (Gurgoan), RITES Ltd (Hyderabad), Novotel (Lavasa) and a commercial complex in Tanzania (Jangid Plaza).

#### Key challenges

- **Revenue growth susceptible to project-specific delays:** Owing to a small size and high working capital cycle, the company's projects are susceptible to delays. In FY13, environment-related issues led to a slowdown in a project in Lavasa, which significantly impacted its revenue growth that year. Though the company has since diversified its client base by entering new segments such as education, project delays may impact its revenues.
- **High competition:** Perfect, as a HVAC/MEP contractor, serves various end-user segments and faces competition from established players such as Sterling Wilson Ltd and project arms of HVAC systems manufacturers. It also faces competition from unorganised players in the electric panel manufacturing industry.
- **Promoter dependency:** Based on our interactions with management, we found the decision-making to be centralised. Promoters make both strategic and day-to-day operational decisions. Perfect has recruited professionals with domain expertise to drive the next phase of growth, which should reduce dependency on the promoters.

#### Key financials

- Revenues grew at a four-year CAGR of 14% to ₹255 mn in FY15. However, revenue growth has been volatile in the past owing to execution issues faced by the company. In FY15, 90% of revenues came from the installation and supply of HVAC/MEP equipment, and the remaining from maintenance contracts for HVAC systems and renting of air conditioners (ACs).
- EBITDA margins have been in the range of 10-13% over the past five years. Margin contracted to 10.3% in FY14 as the company hired experienced personnel to support expansion to new segments such as railways contracting. EBITDA margin was 13.1% in FY15.
- Adjusted net profit increased to ₹12 mn in FY15 (PAT margin of 4.9%) from ₹3 mn in FY14 on account of EBITDA margin expansion. Earnings declined in FY14 owing to higher interest expense due to higher working capital requirement. Over FY11-13, net profit margin was ~4%.

\*Heating ventilation and air conditioning/ mechanical, electrical, plumbing

### Company background

Incorporated in 1996 and headquartered in Mumbai, Perfect is a provider of contract services for supply and installation of HVAC and MEP systems to infrastructure developers, educational institutions, real estate developers, retail malls, hotels and industrial complexes. It also provides maintenance services for HVAC systems and renting of ACs. In 2015, the company forayed into electric control panel fabrication through a subsidiary.

It is promoted by Mr Nimesh Mehta and his wife Mrs Manisha Mehta. It has a team of 150 engineers and technicians across Mumbai, Delhi, Bengaluru and Hyderabad. The company also operates in Nigeria and Tanzania. Its fabrication facility for electric panels is located in Rabale, Navi Mumbai.

**Table 1: Summary of business segments**

Business segment	Services provided	End-users	Financial performance	
			Share in overall revenue (FY15)	Four-year CAGR (FY11-15)
<b>HVAC/MEP projects</b>	Offers contract services to procure and install HVAC and MEP systems. Specialises in VRV and chiller-based technologies in the HVAC segment, and outdoor installations in the MEP segment	Industrial and residential complexes, healthcare, educational institution, infrastructure projects and retail malls	90%	14.8%
<b>Maintenance services</b>	Provides maintenance services for HVAC systems	HVAC – systems maintenance across segments	6%	13.4%
<b>Electric control panel</b>	Manufactures electric control panels	Multiple segments	-	-
<b>Renting of ACs</b>	Rents ACs to individual consumers and offices	Corporates and individuals	4%	1.2%

Source: Company, CRISIL Research

## IPO Details

The proposed IPO is in the form of a fresh issue of shares amounting ₹60 mn. The company plans to spend most of it to fund working capital requirements and towards equity investment in its subsidiary Perfect Controls Panel Pvt. Ltd.

**Table 2: Pre-IPO shareholding pattern**

Name	No. of shares	Percentage (%)
Promoter shareholding (A)	5,029,172	98.51
Institutional (B)	0	0
Individual shareholders (C)	76,236	1.49
Total (A+B+C)	5,105,408	100.00

Source: Draft Prospectus

**Table 3: Issue details**

Type of issue	Fresh issue (fixed price)
Issue size	₹60 mn of gross proceeds
Face value	₹10
Price band	Unavailable at the time of grading
Lead managers	SIDBI, Keynote Corporate Services Ltd
Legal advisors to the issue	Mindspright Legal
Registrar to the issue	Karvy Computershare Private Ltd

Source: Draft Prospectus

**Table 4: Objects of the issue**

Sl no.	Particulars	Amount to be deployed in FY15 (₹ mn)	Total amount
1	Part finance working capital requirement	42.5	42.5
2	Investment in its subsidiary Perfect Control Panels Pvt. Ltd	10	10
3	Issue-related expenses	NA	NA
	<b>Total</b>	<b>60</b>	<b>60</b>

Source: Draft Prospectus

## Grading Rationale

### ***Business prospects***

- Perfect is an established HVAC/MEP contractor with country-wide operations. It has executed contracts across diverse segments such as hospitality, healthcare, industrial and residential complexes, multiplexes, commercial spaces and educational institutions.
- Over the past decade, the company has developed domain expertise in HVAC systems, specialising in VRF and chiller-based cooling systems. It has established relationships with leading HVAC equipment manufacturers such as Daikin Airconditioning India Pvt. Ltd, LG India Ltd and Voltas Ltd.
- The company's clients include some of the big infrastructure and real estate developers in India. Over the past three years, it has been able to sufficiently diversify its client base. In 9MFY15, its top 10 clients contributed ~40% of overall sales compared with 87% in FY13. Some of its major clientele/projects across segments include HCC Ltd (Lavasa), Hyatt Hotels, Hiranandani Hospital, Commonwealth Games Village – New Delhi, Mumbai Metro, TIFR-Mumbai, ICAI, Angel Broking Ltd, and Siemens Ltd among others.
- Perfect also operates in Nigeria and Tanzania, leveraging its execution capabilities in the HVAC segment. It continues to focus on penetrating these markets with new services.
- In FY15, it had ₹520 mn worth of orders to be executed in the next two-three years. Some of the key projects under execution include Mantralaya – Government of Maharashtra, SRM University (Gurgaon), RITES Ltd (Hyderabad), Novotel (Lavasa) and a commercial complex in Tanzania (Jangid Plaza).
- The company is smaller than contracting firms such as Sterling and Wilson Ltd (a Shapoorji Pallonji group company), SEW Engineering India Pvt. Ltd, ETA Engineering Pvt. Ltd and project arms of various AC manufacturers such as Voltas Ltd. This limits its ability to acquire big ticket clients/projects.
- Given the working capital nature of its business, delay in payments from bigger clients can exert significant working capital pressure. In the past, due to slowdown in a project in Lavasa, Perfect's debtor days rose which, subsequently, affected its revenue growth as it could not participate in new projects.

### ***Management and corporate governance***

- Mr Nimesh Mehta, the promoter, has an experience of more than 28 years in the HVAC industry and is well acquainted with the dynamics of the industry. He is supported by his wife Manisha Mehta who heads the legal and finance functions. Though all decision-making rests with the promoters, they are supported by an experienced second line.
- The company has six members on its board including Mr Nimesh Mehta (Managing Director), Mrs Manisha Mehta (Executive Director), Mrs Sharmila Singh (Mr Nimesh's sister) and three independent directors. The independent directors have experience across diverse sectors viz, banking, EPC contracts and logistics.
- The company's head office in Masjid Bhunder, Mumbai is owned by Mrs Manisha Mehta. Currently, there is no rent agreement for the same. Its sales office in Ghatkopar, Mumbai is owned by Mrs Sharmila Singh and the company paid a rent of ₹0.24 mn in FY15. Any significant rise in rent after the listing can impact the company's profitability to that extent.

### **Financial Performance**

- Perfect's revenues grew at a 14% CAGR over FY11-15 to ₹255 mn driven by healthy growth in orders over the years. Some of the projects the company executed include major commercial complexes, infrastructure projects and educational institutions. Its other segments - AC renting and maintenance services - have grown at a steady pace.
- The company's EBITDA margins have been range-bound at 10-13% over the past five years. During FY12-13, margin contracted by 180 bps to 11.5% owing to higher other expenses arising from write-off of receivables due to project-related issues. Margin further contracted to 10.3% in FY14 as the company hired experienced professionals to expand its operations to new segments such as railway contracts and contract employees. In FY15, however, margin rose to 13.1% as employee cost moderated.
- Adjusted net profit increased four times to ₹12 mn in FY15 (PAT margin of 4.9%), largely owing to expansion in EBITDA margin. In FY14, earnings declined owing to higher interest expense due to higher working capital requirement. Over FY11-13, net profit margin was 4%.
- Structurally, the company's working capital cycle has remained stretched owing to small size. In FY15, working capital days increased to 152 days, led by rise in debtor days (193 days in FY15 vs 164 days in FY14). The company faced a similar stretch in the debtor cycle in FY13 (debtor days of 200) as its Lavasa-based client delayed payments owing to regulatory hurdles.

## Financial summary of Perfect Infraengineers

### Income statement

(₹ mn)	FY11	FY12	FY13	FY14	FY15
<b>Operating income</b>	<b>152</b>	<b>153</b>	<b>195</b>	<b>208</b>	<b>255</b>
<b>EBITDA</b>	<b>18</b>	<b>20</b>	<b>23</b>	<b>21</b>	<b>33</b>
<b>EBITDA margin</b>	<b>11.9%</b>	<b>13.3%</b>	<b>11.5%</b>	<b>10.3%</b>	<b>13.1%</b>
Depreciation	3	3	3	3	7
<b>EBIT</b>	<b>15</b>	<b>18</b>	<b>20</b>	<b>18</b>	<b>26</b>
Interest	7	8	8	12	14
<b>Operating PBT</b>	<b>9</b>	<b>10</b>	<b>12</b>	<b>6</b>	<b>12</b>
Other income	1	1	1	0	5
Exceptional inc/(exp)	1	(0)	(0)	0	3
<b>PBT</b>	<b>10</b>	<b>11</b>	<b>12</b>	<b>6</b>	<b>20</b>
Tax provision	3	4	5	3	5
Minority interest	-	-	-	-	-
<b>PAT (Reported)</b>	<b>7</b>	<b>7</b>	<b>7</b>	<b>3</b>	<b>15</b>
Less: Exceptionals	1	(0)	(0)	0	3
<b>Adjusted PAT</b>	<b>6</b>	<b>7</b>	<b>7</b>	<b>3</b>	<b>12</b>

### Ratios

	FY11	FY12	FY13	FY14	FY15
<b>Growth</b>					
Operating income (%)	13.2	1.0	27.5	6.5	22.6
EBITDA (%)	11.4	12.9	10.5	(5.3)	56.3
Adj PAT (%)	2.4	15.8	1.3	(57.1)	297.5
Adj EPS (%)	302.7	10.4	(39.9)	(59.7)	198.1
<b>Profitability</b>					
EBITDA margin (%)	11.9	13.3	11.5	10.3	13.1
Adj PAT Margin (%)	4.1	4.7	3.7	1.5	4.9
RoE (%)	25.7	22.7	18.6	6.7	21.7
RoCE (%)	24.8	22.7	21.7	16.3	17.8
RoIC (%)	23.0	22.2	18.7	15.3	22.1
<b>Valuations</b>					
Price-earnings (x)	-	-	-	-	-
Price-book (x)	-	-	-	-	-
EV/EBITDA (x)	2.2	2.4	2.4	3.3	3.2
EV/Sales (x)	0.3	0.3	0.3	0.4	0.4
Dividend payout ratio (%)	3.4	2.9	5.1	-	6.7
Dividend yield (%)	-	-	-	-	-
<b>B/S ratios</b>					
Inventory days	33	36	25	101	23
Creditors days	67	68	107	134	108
Debtor days	116	160	200	164	193
Working capital days	83	127	121	134	152
Gross asset turnover (x)	7.0	6.9	6.9	5.7	4.6
Net asset turnover (x)	8.0	7.9	7.7	6.2	5.1
Sales/operating assets (x)	5.5	4.7	6.1	5.5	4.7
Current ratio (x)	2.3	2.9	2.2	2.0	2.5
Debt-equity (x)	1.5	1.4	1.3	1.4	1.7
Net debt/equity (x)	1.4	1.4	1.2	1.4	1.7
Interest coverage	2.3	2.2	2.4	1.5	1.9

### Balance Sheet

(₹ mn)	FY11	FY12	FY13	FY14	FY15
<b>Liabilities</b>					
Equity share capital	20	21	36	38	51
Reserves	8	14	7	13	13
Minorities	-	-	-	-	-
<b>Net worth</b>	<b>28</b>	<b>36</b>	<b>43</b>	<b>51</b>	<b>64</b>
Convertible debt	-	-	-	-	-
Other debt	41	50	55	72	109
<b>Total debt</b>	<b>41</b>	<b>50</b>	<b>55</b>	<b>72</b>	<b>109</b>
Deferred tax liability (net)	1	1	1	1	2
<b>Total liabilities</b>	<b>69</b>	<b>86</b>	<b>99</b>	<b>124</b>	<b>174</b>
<b>Assets</b>					
Net fixed assets	20	19	32	36	64
Capital WIP	13	13	-	9	1
<b>Total fixed assets</b>	<b>33</b>	<b>32</b>	<b>32</b>	<b>44</b>	<b>65</b>
<b>Investments</b>	<b>3</b>	<b>3</b>	<b>4</b>	<b>7</b>	<b>5</b>
<b>Current assets</b>					
Inventory	11	12	10	48	13
Sundry debtors	45	63	102	89	130
Loans and advances	3	2	4	7	31
Cash & bank balance	1	1	2	0	1
Marketable securities	0	0	0	0	0
<b>Total current assets</b>	<b>60</b>	<b>78</b>	<b>118</b>	<b>144</b>	<b>175</b>
<b>Total current liabilities</b>	<b>26</b>	<b>27</b>	<b>55</b>	<b>71</b>	<b>71</b>
<b>Net current assets</b>	<b>33</b>	<b>51</b>	<b>63</b>	<b>73</b>	<b>104</b>
<b>Intangibles/Misc. expenditure</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total assets</b>	<b>69</b>	<b>86</b>	<b>99</b>	<b>124</b>	<b>174</b>

### Cash flow

(₹ mn)	FY11	FY12	FY13	FY14	FY15
Pre-tax profit	9	11	12	6	17
Total tax paid	(4)	(4)	(4)	(3)	(4)
Depreciation	3	3	3	3	7
Working capital changes	(1)	(17)	(12)	(11)	(30)
<b>Net cash from operations</b>	<b>7</b>	<b>(7)</b>	<b>(1)</b>	<b>(4)</b>	<b>(10)</b>
<b>Cash from investments</b>					
Capital expenditure	(14)	(2)	(2)	(16)	(28)
Investments and others	(2)	(1)	(1)	(3)	2
<b>Net cash from investments</b>	<b>(16)</b>	<b>(3)</b>	<b>(3)</b>	<b>(19)</b>	<b>(26)</b>
<b>Cash from financing</b>					
Equity raised/(repaid)	9	1	14	5	10
Debt raised/(repaid)	8	9	5	17	37
Dividend (incl. tax)	(0)	(0)	(0)	-	(1)
Others (incl extraordinary)	(8)	(0)	(14)	0	(8)
<b>Net cash from financing</b>	<b>9</b>	<b>9</b>	<b>5</b>	<b>22</b>	<b>37</b>
Change in cash position	1	(0)	1	(1)	1
Closing cash	1	1	2	0	1

### Per share

	FY11	FY12	FY13	FY14	FY15
Adj EPS (₹)	3.1	3.4	2.0	0.8	2.4
CEPS	4.5	4.7	2.8	1.7	3.8
Book value	13.7	16.7	11.9	13.3	12.5
Dividend (₹)	0.1	0.1	0.1	-	0.2
Actual o/s shares (mn)	2	2	4	4	5

Source: DRHP, CRISIL Research

## Annexure I: Profile of the board of directors

Name	Age	Designation	Date of joining	Qualification	Role and experience
Mr Nimesh M Mehta	50	Chairman and Managing Director	May 16, 1996	B.E(Mechanical), MBA	He has 28 years of experience in the HVAC and MEP contract businesses, of which 19 years have been with his company.
Mrs Manisha Mehta,	47	Promoter Director and CFO	May 16, 1996	Chartered Accountant	She has more than 20 years of experience and heads the finance vertical. Her expertise includes project and bridge financing, bill discounting, managing direct and indirect tax compliance.
Mrs Sharmila Singh	43	Executive Director	May 04, 2005	Diploma holder	She heads the HR vertical of the company.
Mr Pradeep Bhawe	60	Independent Director	March 30, 2015	Master's in Physics	He has over 37 years of experience in the finance sector. He had earlier worked with Punjab National Bank and IndusInd Bank, and has served in senior positions in capital market intermediaries.
Mr Vinay Deshmukh	48	Independent Director	April 10, 2015	B.E, MBA	He is currently the CEO of Forbes Facility Management. He was earlier associated with Eureka Forbes Ltd, Ion Exchange (I) Ltd, and Godrej and Boyce Ltd.
Mr Virpul Vora	46	Independent Director	July 10, 2015	B.E (Production engineering)	He has an experience of 23 years. He currently runs My Port Services Ltd as its proprietor. He was earlier associated with Mukand Ltd, Ispat Industries, and Nhava Sheva International Container Terminal Pvt. Ltd.

Source: DRHP, CRISIL Research

## Annexure II: Profile of key management personnel

Name	Designation	Date of joining	Qualification	Experience (years)
Mr Tarun Vora	Project head (civil and plumbing division)	June 01, 2013	Diploma in civil engineering	35
Mr Praveen Sood	Project head (Northern region, HVAC)	March 01, 2015	B.Com.	30
Mr Manish Chaturvedi	Project manager	July 27, 2001	B.A.	13
Mrs Sudha Balaji	Company secretary	February 04, 2015	C.A, C.S	12

Source: DRHP, CRISIL Research



### Annexure III: Shareholding structure

Institutional shareholders	As of July, 2015	
<b>Promoters and promoter group</b>	<b>No. of shares</b>	<b>% holding</b>
Mr Nimesh Mehta	2,566,053	50.26
Mrs Manisha Mehta	2,415,832	47.32
Mrs Sharmila Singh	36,620	0.72
Mrs Priti Bhanushali	10,667	0.21
<b>Total (A)</b>	<b>5,029,172</b>	<b>98.51</b>
<b>Individual shareholders</b>		
Mr Praveen Sood	37,333	0.73
Mr Mitesh Kamdar	23,333	0.46
M/s Kamlakant Chhotalal Exporters Pvt. Ltd	7,783	0.15
Mrs Priya Rudra	1,556	0.03
Mr Nitin Rathod	1,556	0.03
Mrs P. Radha Rani	1,556	0.03
Mr Namal Nagesh Narasurya	1,556	0.03
Mr Mario D' Mello	783	0.02
Mr Rahul Gorky	781	0.02
<b>Total (B)</b>	<b>76,236</b>	<b>1.49</b>
<b>Total (A+B)</b>	<b>5,105,408</b>	<b>100.00</b>

Source: DRHP, CRISIL Research

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