





## WONDER FIBROMATS LIMITED

(CIN- U31900DL2009PLC195174)

Our Company was originally incorporated at Delhi as “Wonder Fibromats Private Limited” on 13th October, 2009 under the provisions of the Companies Act, 1956 vide Certificate of Incorporation issued by the Asst. Registrar of Companies, NCT of Delhi & Haryana. Consequent, upon the conversion of our Company into public limited company, the name of our Company was changed to “Wonder Fibromats Limited” vide fresh certificate of incorporation dated 5th July, 2018 issued by the Registrar of Companies, Delhi. For further details of incorporation, change of name and registered office of our Company, please refer to chapter titled “General Information” and “Our History and Corporate Structure” beginning on pages 68 and page 162 respectively of this Draft Prospectus.

**Registered Office:** 45, Okhla Industrial Estate, Phase-III, New Delhi 110020  
**Work:** Factory at Khasra No. 105-106 Raipur Industrial Area, Bhagwanpur, Roorkee 247667  
**Tel:** 011 66058952  
**Email:** [info@wonderfibromats.com](mailto:info@wonderfibromats.com) **Website:** [www.wonderfibromats.com](http://www.wonderfibromats.com)  
**Contact Person:** Ms. Nikita, Company Secretary & Compliance Officer

**PROMOTER OF OUR COMPANY: MR. HARSH KUMAR ANAND, MR. YOGESH ANAND AND MR. YOGESH SAHNI**

THE ISSUE	
PUBLIC ISSUE OF UPTO 22,51,200 EQUITY SHARES OF FACE VALUE OF RS. 10 EACH (“EQUITY SHARES”) OF WONDER FIBROMATS LIMITED (THE “COMPANY” OR THE “ISSUER”) FOR CASH AT A PRICE OF RS. [●] PER EQUITY SHARE, INCLUDING A SHARE PREMIUM OF RS. [●] PER EQUITY SHARE (THE “ISSUE PRICE”), AGGREGATING RS. [●] LACS (“THE ISSUE”), OF WHICH UPTO 1,12,800 EQUITY SHARES OF FACE VALUE OF RS. 10 EACH FOR CASH AT A PRICE OF RS. [●] PER EQUITY SHARE, AGGREGATING RS. [●] LACS WILL BE RESERVED FOR SUBSCRIPTIONS BY THE MARKET MAKER TO THE ISSUE (THE “MARKET MAKER RESERVATION PORTION”). THE ISSUE LESS MARKET MAKER RESERVATION PORTION I.E. ISSUE OF UPTO 21,38,400 EQUITY SHARES OF FACE VALUE OF RS.10 EACH CASH AT A PRICE OF RS. [●] PER EQUITY SHARE, AGGREGATING RS. [●] LACS IS HEREINAFTER REFERRED TO AS THE “NET ISSUE”. THE ISSUE AND THE NET ISSUE WILL CONSTITUTE 26.79% and 25.45% RESPECTIVELY OF THE POST ISSUE PAID UP EQUITY SHARE CAPITAL OF THE COMPANY.	
THE FACE VALUE OF THE EQUITY SHARES IS RS. 10 EACH AND THE ISSUE PRICE OF RS. [●]/- I.E. [●] TIMES OF THE FACE VALUE OF THE EQUITY SHARES.	
In terms of SEBI Circular No. CIR/CFD/POLICYCELL/11/2015, all potential investors shall participate in the Issue only through an Application Supported by Blocked Amount (“ASBA”) process providing details about the bank account which will be blocked by the Self Certified Syndicate Banks (“SCSBs”) for the same. For details in this regard, specific attention is invited to the chapter titled “Issue Procedure” beginning on page 280 of this Draft Prospectus. A copy will be delivered for registration to the Registrar of companies as required under Section 26 of the Companies Act, 2013.	
All potential investors may participate in the Issue through an Application Supported by Blocked Amount (“ASBA”) process providing details about the bank account which will be blocked by the Self Certified Syndicate Banks (“SCSBs”) for the same. For details in this regard, specific attention is invited to the chapter titled “Issue Procedure” beginning on page 280 of this Draft Prospectus. In case of delay, if any in refund, our Company shall pay interest on the application money at the rate of 15% per annum for the period of delay. Qualified Institutional Buyers and Non-Institutional Investors shall compulsorily participate in the Issue through ASBA process. A Copy will be delivered for registration to the Registrar as required under Section 26 of the Companies Act, 2013.	
THE ISSUE IS BEING MADE IN ACCORDANCE WITH CHAPTER XB OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENT) REGULATIONS, 2009 AS AMENDED FROM TIME TO TIME. For further details please refer to Section titled “Issue structure” beginning on Page 277 of this Draft Prospectus.	
RISK IN RELATION TO THE FIRST ISSUE	
This being the first public issue of our Company, there has been no formal market for our Equity Shares of the Company. The face value of the Equity Shares is Rs. 10 and the issue price of Rs. [●] per Equity Share is [●] times of face value. The issue price (as determined by our Company in consultation with the Lead Manager and as stated in the chapter titled on “Basis for Issue Price” beginning on page 112 of this Draft Prospectus) should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active and/or sustained trading in the Equity Shares of the Company or regarding the price at which the equity shares will be traded after listing.	
GENERAL RISKS	
Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in this Issue. For taking an investment decision, investors must rely on their own examination of our Company and the Issue including the risks involved. The Equity Shares offered in the Issue have not been recommended or approved by the Securities and Exchange Board of India (“SEBI”), nor does SEBI guarantee the accuracy or adequacy of this Draft Prospectus. <b>Specific attention of the investors is invited to the section titled “Risk Factors” beginning on page 15 of this Draft Prospectus.</b>	
ISSUER’S ABSOLUTE RESPONSIBILITY	
The Company having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Prospectus contains all information with regard to our Company and the Issue, which is material in the context of the Issue, that the information contained in this Draft Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Draft Prospectus as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.	
LISTING	
The Equity Shares of our Company offered through this Draft Prospectus are proposed to be listed on the SME Platform of National Stock Exchange of India Limited (“NSE”) (“NSE EMERGE”). Our Company has received an In Principle approval letter dated [●] from NSE for using its name in this offer document for listing of our shares on the NSE EMERGE. For the purpose of this Issue, the designated Stock Exchange will be the National Stock Exchange of India Limited (“NSE”).	
LEAD MANAGER TO THE ISSUE	REGISTRAR TO THE ISSUE
 <b>NAVIGANT CORPORATE ADVISORS LIMITED</b> 423, A Wing, Bonanza, Sahar Plaza Complex, J B Nagar, Andheri Kurla Road, Andheri East, Mumbai-400 059 <b>Tel No.</b> +91-22-41204837/49735078 <b>Email Id-</b> <a href="mailto:navigant@navigantcorp.com">navigant@navigantcorp.com</a> <b>Investor Grievance Email:</b> <a href="mailto:info@navigantcorp.com">info@navigantcorp.com</a> <b>Website:</b> <a href="http://www.navigantcorp.com">www.navigantcorp.com</a> <b>SEBI Registration Number:</b> INM000012243 <b>Contact Person:</b> Mr. Sarthak Vijlani	 <b>KARVY COMPUTERSHARE PRIVATE LIMITED</b> Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad 500 032 <b>Tel :</b> +91 40 6716 2222 <b>Fax :</b> + 91 40 2343 1551 <b>Website:</b> <a href="https://karisma.karvy.com">https://karisma.karvy.com</a> <b>E-mail:</b> <a href="mailto:einward.ris@karvy.com">einward.ris@karvy.com</a> <b>Investor Grievance E-mail:</b> <a href="mailto:wonderfibromats.ipo@karvy.com">wonderfibromats.ipo@karvy.com</a> <b>Contact Person :</b> Mr. M Murali Krishna <b>SEBI Registration :</b> INR0000000221
ISSUE PROGRAMME	
ISSUE OPENS ON: [●]	ISSUE CLOSES ON: [●]

\*Note: Number of shares may need to be adjusted for lot size upon determination of issue price.

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The Equity Shares have not been and will not be registered under the U.S Securities Act of 1933, as amended ("U.S. Securities Act") or any state securities laws in the United States and may not be offered or sold within the United States or to, or for the account or benefit of, "U.S. Persons" (as defined in Regulation S), except pursuant to exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities laws. Accordingly, the Equity Shares are being offered and sold only outside the United States in offshore transaction in reliance on Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers and sale occur. The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and application may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

## SECTION I: GENERAL

### DEFINITIONS

TERMS	DESCRIPTION
"our Company", "the Company", "WFL", "Wonder" or "the Issuer"	Wonder Fibromats Limited, a Public Limited Company incorporated under the Companies Act, 1956.
"you", "your" or "yours"	Prospective Investors in this Issue

### COMPANY RELATED TERMS

TERMS	DESCRIPTION
AOA/Articles/ Articles of Association	Articles of Association of Wonder Fibromats Limited
Banker to the Issue	[•]
Board of Directors / Board/Director(s)	The Board of Directors of Wonder Fibromats Limited
NSE	National Stock Exchange of India Limited (the Designated Stock Exchange)
Companies Act	Unless specified otherwise, this would imply to the provisions of the Companies Act, 2013 (to the extent notified) and / or Provisions of the Companies Act, 1956 w.r.t. to the sections which have not yet been replaced by the Companies Act, 2013 through any official notification.
Depositories Act	The Depositories Act, 1996 as amended from time to time
CIN	Company Identification Number
DIN	Directors Identification Number
Depositories	NSDL and CDSL
FIPB	Foreign Investment Promotion Board
FVCI	Foreign Venture Capital Investor registered under the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000, as amended from time to time.
Director(s)	Director(s) of Wonder Fibromats Limited, unless otherwise specified
Equity Shares / Shares	Equity Shares of our Company of face value of Rs. 10 each unless otherwise specified in the context thereof
EPS	Earnings Per Share.
GIR Number	General Index Registry Number.
Gol/ Government	Government of India.
Statutory Auditor / Auditor	M/s AYK & Associates, Chartered Accountants, the Statutory Auditors of our Company
Peer Review Auditor(s)	M/s. Ramanand & Associates, Chartered Accountants.
Promoters	Promoters of the Company being Mr. Yogesh Anand, Mr. Yogesh Sahni and Mr. Harsh Kumar Anand
Promoter Group Companies /Group Companies / Group Enterprises	Unless the context otherwise specifies, refers to those entities mentioned in the section titled "Our Promoter Group / Group Companies / Entities" on page 195 of this Draft Prospectus.
HUF	Hindu Undivided Family
Indian GAAP	Generally Accepted Accounting Principles in India
IPO	Initial Public Offering

TERMS	DESCRIPTION
Key Managerial Personnel / Key Managerial Employees	The officers vested with executive powers and the officers at the level immediately below the Board of Directors as described in the section titled “Our Management” on page 172 of this Draft Prospectus.
MOA/ Memorandum/ Memorandum of Association	Memorandum of Association of Wonder Fibromats Limited
Non-Resident	A person resident outside India, as defined under FEMA
Non-Resident Indian/ NRI	A person resident outside India, who is a citizen of India or a Person of Indian Origin as defined under FEMA Regulations
Overseas Corporate Body / OCB	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs, including overseas trusts in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly as defined under the Foreign Exchange Management (Deposit) Regulations, 2000. <b>OCBs are not allowed to invest in this Issue.</b>
Person or Persons	Any individual, sole proprietorship, unincorporated association, unincorporated organization, body corporate, corporation, company, partnership, limited liability partnership, limited liability company, joint venture, or trust or any other entity or organization validly constituted and/or incorporated in the jurisdiction in which it exists and operates, as the context requires
Registered office of our Company	45, Okhla Industrial Estate, Phase-III, New Delhi - 110020
SEBI	The Securities and Exchange Board of India constituted under the SEBI Act
SEBI Act	Securities and Exchange Board of India Act, 1992
SEBI Regulation/ SEBI (ICDR) Regulations	The SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended from time to time.
SEBI Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011, as amended from time to time.
SICA	Sick Industrial Companies (Special Provisions) Act, 1985
SME Platform of NSE/Stock Exchange / EMERGE	The SME platform of NSE for listing of Equity Shares offered under Chapter X-B of the SEBI (ICDR) Regulations
SWOT	Analysis of strengths, weaknesses, opportunities and threats
RoC/ Registrar of Companies	Registrar of Companies, Delhi

#### ISSUE RELATED TERMS

Term	Description
Allotment/ Allot/ Allotted	The allotment of Equity Shares pursuant to the Issue to successful Applicants
Allottee	An Applicant to whom the Equity Shares are Allotted
Allotment Advice	Note or advice or intimation of Allotment sent to the Applicants who have been allotted Equity Shares after the Basis of Allotment has been approved by the designated Stock Exchanges
Application	An indication to make an offer during the Issue Period by a prospective pursuant to submission of Application Form or during the Anchor Investor Issue Period by the Anchor Investors, to subscribe for or purchase the Equity Shares of the Issuer at a price including all revisions and modifications thereto.

Term	Description
Application Form	The form in terms of which the Applicant should make an application for Allotment in case of issues other than Book Built Issues, includes Fixed Price Issue
Application Collecting Intermediaries	<ul style="list-style-type: none"> <li>(i) an SCSB, with whom the bank account to be blocked, is maintained</li> <li>(ii) a syndicate member (or sub-syndicate member)</li> <li>(iii) a stock broker registered with a recognised stock exchange (and whose name is mentioned on the website of the stock exchange as eligible for this activity) ("broker")</li> <li>(iv) a depository participant ("DP") (whose name is mentioned on the website of the stock exchange as eligible for this activity)</li> <li>(v) a registrar to an issue and share transfer agent ("RTA") (whose name is mentioned on the website of the stock exchange as eligible for this activity)</li> </ul>
Application Supported by Blocked Amount/ (ASBA)/ASBA	An application, whether physical or electronic, used by Applicants to make an application authorising an SCSB to block the Application Amount in the specified bank account maintained with such SCSB
ASBA Account	Account maintained with an SCSB which may be blocked by such SCSB to the extent of the Application Amount of the ASBA Applicant
ASBA Application	An Application made by an ASBA Applicant
Application Amount	The value indicated in Application Form and payable by the Applicant upon submission of the Application, less discounts (if applicable).
Banker(s) to the Issue/	The banks which are clearing members and registered with SEBI as Banker to the Issue with whom the Public Issue Account(s) may be opened, and as disclosed in the Prospectus and Application Form of the Issuer
Basis of Allotment	The basis on which the Equity Shares may be Allotted to successful Applicants under the Issue
Issue Closing Date	The date after which the SCSBs may not accept any Application for the Issue, which may be notified in an English national daily, a Hindi national daily and a regional language newspaper at the place where the registered office of the Issuer is situated, each with wide circulation Applicants may refer to the Prospectus for the Issue Closing Date
Issue Opening Date	The date on which the SCSBs may start accepting application for the Issue, which may be the date notified in an English national daily, a Hindi national daily and a regional language newspaper at the place where the registered office of the Issuer is situated, each with wide circulation. Applicants may refer to the Prospectus for the Issue Opening Date
Issue Period	The period between the Issue Opening Date and the Issue Closing Date inclusive of both days and during which prospective Applicants (can submit their application inclusive of any revisions thereof. The Issuer may consider closing the Issue Period for QIBs one working day prior to the Issue Closing Date in accordance with the SEBI ICDR Regulations, 2009. Applicants may refer to the Prospectus for the Issue Period
Lead Manager(s)/Lead Manager/ LM	The Lead Manager to the Issue as disclosed in the Draft Prospectus/ Prospectus and the Application Form of the Issuer.
Business Day	Monday to Friday (except public holidays)
CAN/Confirmation of Allotment Note	The note or advice or intimation sent to each successful Applicant indicating the Equity Shares which may be Allotted, after approval of Basis of Allotment by the Designated Stock Exchange

Term	Description
Client ID	Client Identification Number maintained with one of the Depositories in relation to demat account
Companies Act	The Companies Act, 1956 and The Companies Act, 2013 (to the extent notified)
DP	Depository Participant
DP ID	Depository Participant's Identification Number
Depositories	National Securities Depository Limited and Central Depository Services (India) Limited
Demographic Details	Details of the Applicants including the Applicant's address, name of the Applicant's father/husband, investor status, occupation and bank account details
Designated Branches	Such branches of the SCSBs which may collect the Application Forms used by the ASBA Applicants applying through the ASBA and a list of which is available on <a href="http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries">http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries</a>
Designated Date	The date on which the amounts blocked by the SCSBs are transferred from the ASBA Accounts, as the case may be, to the Public Issue Account, as appropriate, after the Prospectus is filed with the RoC, following which the board of directors may Allot Equity Shares to successful Applicants in the Issue
Designated Stock Exchange	The designated stock exchange as disclosed in the Draft Prospectus/Prospectus of the Issuer
Discount	Discount to the Issue Price that may be provided to Applicants in accordance with the SEBI ICDR Regulations, 2009.
Draft Prospectus	The draft prospectus filed with the Designated stock exchange in case of Fixed Price Issues and which may mention a price or a Price Band
Employees	Employees of an Issuer as defined under SEBI ICDR Regulations, 2009 and including, in case of a new company, persons in the permanent and full time employment of the promoting companies excluding the promoter and immediate relatives of the promoter. For further details /Applicant may refer to the Prospectus
Equity Shares	Equity shares of the Issuer
FCNR Account	Foreign Currency Non-Resident Account
Applicant	The Applicant whose name appears first in the Application Form or Revision Form
FPI(s)	Foreign Portfolio Investor
Fixed Price Issue/ Fixed Price Process/Fixed Price Method	The Fixed Price process as provided under SEBI ICDR Regulations, 2009, in terms of which the Issue is being made
FPO	Further public offering
Foreign Venture Capital Investors or FVCIs	Foreign Venture Capital Investors as defined and registered with SEBI under the SEBI (Foreign Venture Capital Investors) Regulations, 2000
IPO	Initial public offering
Issue	Public Issue of Equity Shares of the Issuer including the Offer for Sale if applicable
Issuer/ Company	The Issuer proposing the initial public offering/further public offering as applicable
Issue Price	The final price, less discount (if applicable) at which the Equity Shares may be Allotted in terms of the Prospectus. The Issue Price may be



Term	Description
	decided by the Issuer in consultation with the Lead Manager(s)
Market Maker	[●]
Maximum RII Allottees	The maximum number of RIIs who can be allotted the minimum Application Lot. This is computed by dividing the total number of Equity Shares available for Allotment to RIIs by the minimum Application Lot.
MICR	Magnetic Ink Character Recognition - nine-digit code as appearing on a cheque leaf
Mutual Fund	A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996
NECS	National Electronic Clearing Service
NEFT	National Electronic Fund Transfer
NRE Account	Non-Resident External Account
NRI	NRIs from such jurisdictions outside India where it is not unlawful to make an offer or invitation under the Issue and in relation to whom the RHP/Prospectus constitutes an invitation to subscribe to or purchase the Equity Shares
NRO Account	Non-Resident Ordinary Account
Net Issue	The Issue less Market Maker Reservation Portion
Non-Institutional Investors or NIIs	All Applicants, including sub accounts of FPIs registered with SEBI which are foreign corporate or foreign individuals, that are not QIBs or RIBs and who have applied for Equity Shares for an amount of more than Rs. 2,00,000 (but not including NRIs other than Eligible NRIs)
Non Institutional Category	The portion of the Issue being such number of Equity Shares available for allocation to NIIs on a proportionate basis and as disclosed in the Prospectus and the Application Form
Non Resident	A person resident outside India, as defined under FEMA and includes Eligible NRIs, FPIs registered with SEBI and FVCIs registered with SEBI
OCB/Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date had taken benefits under the general permission granted to OCBs under FEMA
Other Investors	Investors other than Retail Individual Investors in a Fixed Price Issue. These include individual applicants other than retail individual investors and other investors including corporate bodies or institutions irrespective of the number of specified securities applied for.
PAN	Permanent Account Number allotted under the Income Tax Act, 1961
Prospectus	The prospectus to be filed with the RoC in accordance with Section 60 of the Companies Act 1956 read with section 26 of Companies Act 2013, containing the Issue Price, the size of the Issue and certain other information
Public Issue Account	An account opened with the Banker to the Issue to receive monies from the ASBA Accounts on the Designated Date
QIB Category Qualified Institutional Buyers or QIBs	The portion of the Issue being such number of Equity Shares to be Allotted to QIBs on a proportionate basis As defined under SEBI ICDR Regulations, 2009
RTGS	Real Time Gross Settlement
Refunds through electronic	Refunds through ASBA



Term	Description
transfer of funds	
Registrar to the Issue/RTI	The Registrar to the Issue as disclosed in the Draft Prospectus / Prospectus and Application Form
Reserved Category/ Categories	Categories of persons eligible for making application under reservation portion
Reservation Portion	The portion of the Issue reserved for category of eligible Applicants as provided under the SEBI ICDR Regulations, 2009
Retail Individual Investors / RIIs	Investors who applies or for a value of not more than Rs. 2,00,000.
Retail Individual Shareholders	Shareholders of a listed Issuer who applies for a value of not more than Rs. 2,00,000.
Retail Category	The portion of the Issue being such number of Equity Shares available for allocation to RIIs which shall not be less than the minimum lot, subject to availability in RII category and the remaining shares to be allotted on proportionate basis.
Revision Form	The form used by the Applicant in an issue to modify the quantity of Equity Shares in an Application Forms or any previous Revision Form(s)
RoC	The Registrar of Companies, Delhi
SEBI	The Securities and Exchange Board of India constituted under the Securities an Exchange Board of India Act, 1992
SEBI ICDR Regulations, 2009	The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009
Self Certified Syndicate Bank(s) or SCSB(s)	A bank registered with SEBI, which offers the facility of ASBA and a list of which is available on <a href="http://www.sebi.gov.in/cms/sebi_data/attachdocs/1316087201341.html">http://www.sebi.gov.in/cms/sebi_data/attachdocs/1316087201341.html</a>
SME IPO	Initial public offering as chapter XB of SEBI (ICDR) Regulation
SME Issuer	The Company making the Issue under chapter XB of SEBI (ICDR) Regulation
Stock Exchanges/SE	The stock exchanges as disclosed in the Draft Prospectus/Prospectus of the Issuer where the Equity Shares Allotted pursuant to the Issue are proposed to be listed
Specified Locations	Refer to definition of Broker Centers
Underwriters	[●]
Underwriting Agreement	Underwriting Agreement entered between Company and Underwriters
Working Day	Working days shall be all trading days of stock exchanges excluding Sundays and bank holidays

#### CONVENTIONAL AND GENERAL TERMS

Term	Description
A/c	Account
Act/ Companies Act	The Companies Act, 2013, as amended
AGM	Annual General Meeting
AMC	Annual Maintenance Contracts
AS	Accounting Standards Accountants of India issued by the Institute of Chartered Accountant of India
AY	Assessment Year
B2B	Business to Business
BV	Book Value

Term	Description
CAGR	Compounded Annual Growth Rate
CAPEX	Capital Expenditure
CDSL	Central Depository Services (India) Limited
CEO	Chief Executive Officer
CROSS	Client Relation and Order Supply System
EGM	Extraordinary General Meeting
EPF	Employees Provident Fund
EPS	Earnings per Share
ESI	Employees State Insurance
FDI	Foreign Direct Investment
Financial Year/ Fiscal/ FY	The period of twelve (12) months ended March 31 of that particular year.
FEMA Regulations	FEMA (Transfer or Issue of Security by a Person Resident Outside India) Regulations 2000 and amendments thereto
GIR	General Index Registry Number
GOI/Government	Government of India
HR	Human Resource
HTML	Hyper Text Markup Language
IFRS	International Financial Reporting Standard
Indian GAAP	Generally Accepted Accounting Principles in India
ISO	International Organization for Standardization
I.T. Act	Income Tax Act, 1961 as amended from time to time
IVRS	Interactive Voice Response System
LLC	Limited Liability Company
Ltd.	Limited
MD	Managing Director
MIS	Management Information System
Mgmt.	Management
MOA /Memorandum/ Memorandum of Association	Memorandum of Association of our Company
NA	Not Applicable
NAV	Net Asset Value
NBFCs	Non Banking Financial Companies
NOC	No Objection Certificate
Non-Resident	A person resident outside India, as defined under FEMA and includes a non-resident Indian
NRE Account	Non-Resident External Account
NRI / Non-Resident Indian	A person resident outside India, as defined under FEMA and who is a citizen of India or a person of Indian origin under Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000, as amended
NRO Account	Non-Resident Ordinary Account
NSC	National Savings Certificate
NSDL	National Securities Depository Limited

Term	Description
Overseas Corporate Body/ OCB	“Overseas Corporate Body” (OCB) means a Company, partnership firm, society and other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trust, in which not less than 60% beneficial interest is held by NRIs directly or indirectly but irrevocably as defined under Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000. OCBs are not allowed to participate in this Issue.
PAN	Permanent Account Number
PAT	Profit After Tax
Person(s)	Any individual, sole proprietorship, unincorporated association, unincorporated organization, body corporate, corporation, Company, partnership, limited liability Company, joint venture, or trust or any other entity or organization validly constituted and/ or incorporated in the jurisdiction in which it exists and operates, as the context requires
P/E Ratio	Price Earning Ratio
Post Office RDs	Post Office Recurring Deposits
PPF	Public Provident Fund
Qty.	Quantity
Quarter	A period of three consecutive months
R&D	Research and Development
RBI	Reserve Bank of India
RDBMS	Relational Database Management System
RFID	Radio Frequency Identification
Rs. / `	Indian Rupees, the official currency of the Republic of India
RONW	Return on Net Worth
SAS	Small Savings Agent Software
SBI	State Bank of India
SCADA	Supervisory Control and Data Acquisition
SEBI	The Securities and Exchange Board of India constituted under the SEBI
SEBI Act	Securities and Exchange Board of India Act, 1992
SEBI (ICDR) Regulations	SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended
SEBI Insider Trading Regulations	The SEBI (Prohibition of Insider Trading) Regulations, 1992, as amended, including instructions and clarifications issued by SEBI from time to time.
Sq.ft.	Square feet
SQL	Structured Query Language
STT	Securities Transaction Tax
UAE	United Arab Emirates
U.S. GAAP	Generally Accepted Accounting Principles in the United States of
UID	Unique Identification Number
UPS	Uninterruptible Power Supply

#### Industry Related Terms and Abbreviations

Term	Description
CAGR	Compound Annual Growth Rate

Term	Description
ASSOCHAM	Associated Chambers of Commerce and Industry
ERW	Electric Resistance Welded
HF	High Frequency
M/T, MT	Metric Ton
MOU	Memorandum of Understanding
EBITDA	Earnings Before Interest, Tax, Depreciation & Amortization
BIS	Bureau of Indian Standards
BLDC	Brushless Direct Current
BRUSHLESS DC	Brushless Direct Current
CEA	Central Electricity Authority
CRC SHEET	Cold Rolled Close
CNC MACHINE	Computer Numerical Control Machine
FY	Financial Year
CLRA	The Contract Labour (Regulation and Abolition) Act, 1970
GER	Gross Enrolment Ratio
GAAR	General anti-avoidance rule
INTERNAL CC ROAD	Internal Cement Concrete Road
ITW	Illinois Tool Works
ERDA	Electrical Research and Development Association
DIPP	Department of Industrial Policy and Promotion
IMF	International Monetary Fund
INR	Indian Rupee
ISO	International Organization for Standardization
Mn	Million
OEM	Original Equipment Manufacturer
ODM	Original Design Manufacturing
PMSM	Permanent Magnet Synchronous Motor
PMG	Project Monitoring Group
RPM	Revolutions Per Minute
SHS	square hollow sections
RBI	Reserve Bank of India
SCH	Single cross hybrid
USA	United States of America
WEO	World Economic Outlook

## ABBREVIATIONS

ABBREVIATION	FULL FORM
AGM	Annual General Meeting
AS	Accounting Standards issued by the Institute of Chartered Accountants of India
A.Y.	Assessment Year
B.A	Bachelor of Arts
B.Com	Bachelor of Commerce
B.Sc.	Bachelor of Science
BG/LC	Bank Guarantee / Letter of Credit
CAGR	Compounded Annual Growth Rate
C. A.	Chartered Accountant

ABBREVIATION	FULL FORM
CAIIB	Certified Associate of the Indian Institute of Bankers
CC	Cubic Centimeter
CDSL	Central Depository Services (India) Limited
CFO	Chief Financial Officer
C.S.	Company Secretary
DP	Depository Participant
ECS	Electronic Clearing System
EGM / EOGM	Extra Ordinary General Meeting of the shareholders
EPS	Earnings per Equity Share
ESOP	Employee Stock Option Plan
EMD	Earnest Money Deposit
FCNR Account	Foreign Currency Non Resident Account
FEMA	Foreign Exchange Management Act, 1999, as amended from time to time and the regulations issued there under.
FII	Foreign Institutional Investor (as defined under SEBI (Foreign Institutional Investors) Regulations, 1995, as amended from time to time) registered with SEBI under applicable laws in India.
FIs	Financial Institutions.
FIPB	Foreign Investment Promotion Board, Department of Economic Affairs, Ministry of Finance, Government of India
FY / Fiscal	Financial Year
FVCI	Foreign Venture Capital Investors registered with SEBI under the SEBI (Foreign Venture Capital Investor) Regulations, 2000.
GDP	Gross Domestic Product
GIR Number	General Index Registry Number
Gol/ Government	Government of India
HUF	Hindu Undivided Family
BSC	Bachelor in Science
INR / Rs./ Rupees	Indian Rupees, the legal currency of the Republic of India
SME	Small And Medium Enterprises
SSC	Secondary School Certificate
M. Com.	Master of Commerce
NAV	Net Asset Value
No.	Number
NR	Non Resident
NSDL	National Securities Depository Limited
P/E Ratio	Price/Earnings Ratio
PAN	Permanent Account Number
RBI	The Reserve Bank of India
RBI Act	The Reserve Bank of India Act, 1934, as amended from time to time
RoC/Registrar of Companies	Registrar of Companies, Delhi
RONW	Return on Net Worth
USD/ \$/ US\$	The United States Dollar, the legal currency of the United States of America

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## PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA

### FINANCIAL DATA

Unless stated otherwise, the financial data in this Draft Prospectus is derived from our restated financial statements for the fiscal ended March 31 2018, 2017, 2016, 2015 and 2014 and the respective notes, schedules and annexures thereto, prepared in accordance with the applicable provisions of the Companies Act and Indian GAAP and restated in accordance with SEBI (ICDR) Regulations, 2009, as stated in the report of our Auditors and the SEBI Regulations and set out in the section titled "Financial Information" on page 202.

Our Company's financial year commences on April 1 of the immediately preceding calendar year and ends on March 31 of that particular calendar year, so all references to a particular financial year are to the 12 month period commencing on April 1 of the immediately preceding calendar year and ending on March 31 of that particular calendar year.

There are significant differences between the Indian GAAP, the International Financial Reporting Standards (the "IFRS") and the Generally Accepted Accounting Principles in the United States of America (the "U.S. GAAP"). Accordingly, the degree to which the financial statements included in this Draft Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting practices. Any reliance by persons not familiar with Indian accounting practices, the Indian GAAP, the Companies Act and the SEBI (ICDR) Regulations on the financial disclosures presented in this Draft Prospectus should accordingly be limited. We have not attempted to quantify the impact of the IFRS or the U.S. GAAP on the financial data included in this Draft Prospectus, nor do we provide a reconciliation of our financial statements to those under the U.S. GAAP or the IFRS and we urge you to consult your own advisors regarding such differences and their impact on our financial data.

Certain figures contained in this Draft Prospectus, including financial information, have been subject to rounding adjustments. All decimals have been rounded off to two decimal points, except for figures in percentage. In certain instances, (i) the sum or percentage change of such numbers may not conform exactly to the total figure given; and (ii) the sum of the numbers in a column or row in certain tables may not conform exactly to the total figure given for that column or row. However, where any figures that may have been sourced from third-party industry sources are rounded off to other than two decimal points in their respective sources, such figures appear in this Draft Prospectus as rounded-off to such number of decimal points as provided in such respective sources.

### CURRENCY OF PRESENTATION

All references to "Rupees" or "Rs." or "INR" are to Indian Rupees, the official currency of the Republic of India. All references to "\$", "US\$", "USD", "U.S.\$" or "U.S. Dollar(s)" are to United States Dollars, if any, the official currency of the United States of America. This Draft Prospectus contains translations of certain U.S. Dollar and other currency amounts into Indian Rupees (and certain Indian Rupee amounts into U.S. Dollars and other currency amounts). These have been presented solely to comply with the requirements of the SEBI Regulations. These translations should not be construed as a representation that such Indian Rupee or U.S. Dollar or other amounts could have been, or could be, converted into Indian Rupees, at any particular rate, or at all.

In this Draft Prospectus, throughout all figures have been expressed in Lacs, except as otherwise stated. The word "Lacs", "Lac", "Lakhs" or "Lakh" means "One Hundred Thousand".

Any percentage amounts, as set forth in "Risk Factors", "Our Business", "Management's Discussion and Analysis of Financial Conditions and Results of Operation" and elsewhere in this Draft Prospectus, unless otherwise

indicated, have been calculated based on our restated financial statement prepared in accordance with Indian GAAP.

## **INDUSTRY & MARKET DATA**

Unless otherwise stated, Industry & Market data used throughout this Draft Prospectus has been obtained from Internal Company Reports and Industry Publications and the Information contained in those publications has been obtained from sources believed to be reliable but their accuracy and completeness are not guaranteed and their reliability cannot be assured. Although we believe that industry data used in this Draft Prospectus is reliable, it has not been independently verified. Similarly, internal Company reports, while believed by us to be reliable, have not been verified by any independent sources.

The extent to which the market and industry data used in this Draft Prospectus is meaningful depends on the reader's familiarity with and understanding of the methodologies used in compiling such data.

For additional definitions, please refer the section titled "Definitions and Abbreviations" on page 2 of this Draft Prospectus.



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## FORWARD LOOKING STATEMENTS

Our Company has included statements in this Draft Prospectus, that contain words or phrases such as "will", "aim", "will likely result", "believe", "expect", "will continue", "anticipate", "estimate", "intend", "plan", "project", "shall", "contemplate", "seek to", "future", "objective", "goal", "project", "should", "will continue", "will pursue" and similar expressions or variations of such expressions that are "forward-looking statements". However, these words are not the exclusive means of identifying forward-looking statements. All statements regarding our Company objectives, plans or goals, expected financial condition and results of operations, business plans and prospects are also forward-looking statements.

These forward-looking statements include statements as to business strategy, revenue and profitability, planned projects and other matters discussed in this Draft Prospectus regarding matters that are not historical fact. These forward-looking statements contained in this Draft Prospectus (whether made by us or any third party) involve known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements.

All forward-looking statements are subject to risks, uncertainties and assumptions that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. Important factors that could cause actual results to differ materially from expectations include, among others general economic conditions, political conditions, conditions in the finance & investment sector, inclement weather, interest rates, inflation etc. and business conditions in India and other countries.

- General economic and business conditions in India and other countries;
- Ability to retain the customers is heavily dependent upon various factors including our reputation and our ability to maintain a high level of service quality including our satisfactory performance for the customers;
- We operate in a significantly fragmented and competitive market in each of our business segments;
- Regulatory changes relating to the finance and capital market sectors in India and our ability to respond to them;
- Our ability to successfully implement our strategy, our growth and expansion, technological changes, our exposure to market risks that have an impact on our 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 and foreign laws, regulations and taxes and changes in competition in our industry;
- Changes in the value of the Rupee and other currencies;
- The occurrence of natural disasters or calamities; and
- Change in political and social condition in India.

For further discussion of factors that could cause Company's actual results to differ, see the section titled "Risk Factors" on page 15 of this Draft Prospectus. By their nature, certain 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. Our Company, the Lead Manager, and their respective affiliates do not have any obligation to, and do not intend to, update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with SEBI requirements, our Company and the Lead Manager will ensure that investors in India are informed of material developments until listing and trading permission by the Stock Exchange.

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## SECTION II

### RISK FACTORS

*An investment in Equity Shares involves a high degree of risk. You should carefully consider all the information in this Draft Prospectus, including the risks and uncertainties described below, before making an investment in our Equity Shares. In making an investment decision, prospective investors must rely on their own examination of our Company and the terms of this offer including the merits and risks involved. Any potential investor in, and subscriber of, the Equity Shares should also pay particular attention to the fact that we are governed in India by a legal and regulatory environment in which some material respects may be different from that which prevails in other countries. The risks and uncertainties described in this section are not the only risks and uncertainties we currently face.*

*Additional risks and uncertainties not known to us or that we currently deem immaterial may also have an adverse effect on our business. If any of the following risks, or other risks that are not currently known or are now deemed immaterial, actually occur, our business, results of operations and financial condition could suffer, the price of our Equity Shares could decline, and you may lose all or part of your investment. Additionally, our business operations could also be affected by additional factors that are not presently known to us or that we currently consider as immaterial to our operations.*

*Unless otherwise stated in the relevant risk factors set forth below, we are not in a position to specify or quantify the financial or other implications of any of the risks mentioned herein. Unless otherwise stated, the financial information of our Company used in this section is derived from our restated financial statements prepared in accordance with Indian GAAP and the Companies Act and restated in accordance with the SEBI ICDR Regulations.*

*To obtain a better understanding, you should read this section in conjunction with the chapters titled “Our Business” beginning on page 134, “Industry Overview” beginning on page 120 and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” beginning on page 230 respectively, of this Draft Prospectus as well as other financial information contained herein.*

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

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

*The financial and other related implications of risks concerned, wherever quantifiable, have been disclosed in the risk factors mentioned below. However, there are risk factors where the impact may not be quantifiable and hence the same has not been disclosed in such risk factors. Unless otherwise stated, the financial information of the Company used in this section is derived from our financial statements under Indian GAAP, as restated in this Draft Prospectus. Unless otherwise stated, we are not in a position to specify or quantify the financial or other risks mentioned herein. For capitalized terms used but not defined in this chapter, refer to the chapter titled “Definitions and Abbreviation” beginning on page 2 of this Draft Prospectus. The numbering of the risk factors has been done to facilitate ease of reading and reference and does not in any manner indicate the importance of one risk factor over another.*

*The risk factors are classified as under for the sake of better clarity and increased understanding:*



## INTERNAL RISK FACTORS

### A. Business Risk/Company Specific Risk

#### 1. There are certain Tax proceedings pending involving our Promoter Group Company.

There are certain tax litigations involving our Promoter Group entity, namely, M/s Quality Component, M/s G.N. Hostels Private Limited in respect of Assessment year 2017-18 under Section 143 (3) of the Income Tax Act, 1961 only the said proceedings are open and the liability, if any, cannot be crystallised at this moment. Also, In respect of M/s Uttranchal Industries, there is demand of Rs. 51,850 under section 143(3) of Income Tax Act in respect of AY 2010-11, Rs. 10,080 in respect of AY 2016-17 and in respect of proceeding for AY 2017-18 the proceedings are open and the liability, if any, cannot be crystallised at this moment. Deposit of TDS of Rs. 2290 and Rs. 710 is pending for FY 2016-17 and FY 2017-18 respectively by M/s Uttranchal Industries.

These proceedings may have an impact on our corporate image, reputation, customer relationships, divert the attention of our management and Promoter and waste our corporate resources. If we are unable to neutralize the impact of these proceedings effectively or efficiently, we may suffer damage to our reputation and relationships with our customers, lenders, suppliers and communities and experience delays or cost overruns. Our business, prospects, financial condition and results of operation could be adversely affected as a result.

#### 2. Our manufacturing operations at our Manufacturing Facility Situated at Factory at Khasra No. 105-106 Raipur Industrial Area, Bhagwanpur, Roorkee 247667 are critical to our business and any shutdown of our manufacturing facilities may have an adverse effect on our business, results of operations and financial condition.

Our Company manufactures the fans of various types and our success depend on our ability to successfully manufacture and deliver our products to meet our customer demand. Our manufacturing facility is also susceptible to damage or interruption or operating risks, such as human error, power loss, breakdown or failure of equipment, power supply or processes, performance below expected levels of output or efficiency, obsolescence, loss of services of our external contractors, terrorist attacks, acts of war, break-ins, earthquakes, other natural disasters and industrial accidents and similar events. It is also subject to operating risk arising from compliance with the directives of relevant government authorities. In past, there have been two instances where our facility met with a fire situation.

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Operating risks may result in personal injury and property damage and in the imposition of civil and criminal penalties.

If our Company experience delays in production or shutdowns at our facility due to any reason, including disruptions caused by disputes with its workforce or any external factors, our Company's operations will be significantly affected, which in turn would have a material adverse effect on its business, financial condition and results of operations. Further, continuous addition of industries in and around our manufacturing facilities without commensurate growth of its infrastructural facilities may put pressure on the existing infrastructure therein, which may adversely affect our business.

- 3. Activities involving our manufacturing process can be dangerous and can cause injury to people or property in certain circumstances. A significant disruption at any of our manufacturing facilities may adversely affect our production schedules, costs, sales and ability to meet customer demand.**

Our business operations are subject to hazards such as risk of equipment failure, work accidents, fire or explosion and require individuals to work under potentially dangerous circumstances or with flammable materials. Although we employ safety procedures in the operation of our facilities and maintain what we believe to be adequate insurance, there is a risk that an accident or death may occur in one of our facilities. An accident may result in destruction of property or equipment, environmental damage, manufacturing or delivery delays, or may lead to suspension of our operations and/or imposition of liabilities. Any such accident may result in litigation, the outcome of which is difficult to assess or quantify, and the cost to defend litigation can be significant. As a result, the costs to defend any action or the potential liability resulting from any such accident or death or arising out of any other litigation, and any negative publicity associated therewith, may have a negative effect on our business, financial condition, results of operations, cash flows and prospects.

In particular, if operations at our manufacturing facility were to be disrupted as a result of any significant workplace accident, equipment failure, natural disaster, power outage, fire, explosion, terrorism, adverse weather conditions, labour dispute, obsolescence or other reasons, our financial performance may be adversely affected as a result of our inability to meet customer demand or committed delivery schedules for our products. Interruptions in production may also increase our costs and reduce our sales, and may require us to make substantial capital expenditures to remedy the situation or to defend litigation that we may become involved in as a result, which may negatively affect our profitability, business, financial condition, results of operations, cash flows and prospects.

- 4. Our Manufacturing operations may be adversely affected in case of industrial accidents at any of our production facilities.**

Usage of heavy machinery, handling of materials by labour during production process or otherwise, lifting of materials by humans, cranes, heating processes of the furnace etc. may result in accidents, which could cause injury to our labour, employees, other persons on the site and could also damage our properties thereby affecting our operations. Further our plants and machinery and personnel are not covered under insurance and hence any such occurrence of accidents could hamper our production and consequently affect our profitability.

- 5. The capacity of our current plant units is not fully utilized. Consecutively, if there is also any under-utilization of our capacities in next three years, it could affect our ability to fully absorb fixed costs and thus may adversely impact our financial performance.**

The capacity of our current plant is not fully utilized. Even though the capacity utilization of our plant situated at Factory at Khasra No. 105-106 Raipur Industrial Area, Bhagwanpur, Roorkee 247667 is upto

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91% at present, the capacities of our products has not been fully utilized at this plant. Also, Our Company had used to increase its Capacity in previous. For more details, please refer chapter “Our Business” on page 134 of this Draft prospectus.

Further, we propose to fully utilize our production capacities in coming years based on our estimates of market demand and profitability. In the event of nonmaterialization of our estimates and expected order flow for our product and/or failure of optimum utilization of our capacities, due to factors including adverse economic scenario, change in demand or for any other reason, our capacities may not be fully utilized thereby impairing our ability to fully absorb our fixed cost and may adversely impact our financial performance.

- 6. We intend to set up a new manufacturing facility at Hyderabad to expend our Production and the Company is in process of identify the location for the same. Any failure to succeed in setting up the new manufacturing unit may have an adverse effect on our financial performance.**

Our Company is already established in manufacturing of various types of Fans and in view of growing need of our products, Our Company has decided to expend the production by setting up a new manufacturing unit at Hyderabad for which our Company has yet to identify the land. For more details of our projects, please refer the chapter “objects of the issue” on page 102 of this Draft Prospectus. We may be unsuccessful or delay in indentify the suitable land for the new manufacturing unit and we cannot provide you with any assurances as to the timing and amount of any returns or benefits that we may receive from new manufacturing facility. Any delay of setting up the same may delay to delay returns on the investment put into and thus may negatively affect our profitability, business, financial condition, results of operations, cash flows and prospects.

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

Our Company has entered into related party transactions with our Promoter, Directors and the Promoter Group aggregating to Rs. 7963.10 Lacs during the financial year 2017-18. While our Company believes that all such transactions have been conducted on the arms length basis, there can be no assurance that it could not have been achieved on more favorable terms had such transactions not been entered into with related parties. Furthermore, it is likely that our Company will 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 operation. For further details, please refer to Financial Information on page 202 of Draft Prospectus.

- 8. Since our Company is manufacturing the Fans for few well known established Companies. Our historical revenues have been significantly dependent on few customers. If our customers choose not to source their requirements from us, our business, financial condition and results of operations may be adversely affected.**

Our top 10 customers have contributed over 96.05% of our revenues for the period ended 31<sup>st</sup> March, 2018. Any decline in our quality standards, growing competition and any change in the demand by these customers may adversely affect our ability to retain them. We cannot assure that we shall generate the same quantum of business, or any business at all, from these customers, and loss of business from one or more of them may adversely affect our revenues and profitability.

However, the composition and revenue generated from these clients might change as we continue to add new clients in normal course of business. We intend to retain our customers by offering solutions to address specific needs in a proactive, cost effective and time efficient manner. This helps us in

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providing better value to each customer thereby increasing our engagement with our new and existing customer base that presents a substantial opportunity for growth.

**9. Conflicts of interest may arise out of common business undertaken by our Company and our promoter Group Entities.**

Our Promoter Group Entities namely Gurutech Industries LLP, Stamping & More LLP, Y & Y Appliances Private Limited, J.M.A Manufacturing Private Limited, Guru Technologies Private Limited, Greha Engineers & Chemicals Private Ltd, Uttranchal Industries, Quality Components, GSA International are authorized to carry out business similar to that of our Company. As a result, conflicts of interests may arise in allocating business opportunities amongst our Company and our Group Entities in circumstances where our respective interests diverge. In cases of conflict, our Promoters may favour other companies in which our Promoters have interests. There can be no assurance that our Promoters or our Group Entities or members of the Promoter Group will not compete with our existing business or any future business that we may undertake or that their interests will not conflict with ours. Any such present and future conflicts could have a material adverse effect on our reputation, business, results of operations and financial condition.

**10. The Promoter Group of our Company does not include Late Lajpat Rai Anand, Late Leela Anand, Late Ved Prakash Kakkar, Late Shanti Kakkar and Late Suresh Kakkar, Late Bhagat Ram Walia, Late Krishan Parkash Sahni, Late Uma Sahni, Late Prem Chand Duggal, Mr. Umesh Anand, Mr. Punesh Anand, Mrs. Sushma Vij, Mrs. Renu Malhotra, Mr. Narinder Kakkar, Mrs. Astha Anand, Smt. Brij Bhagat Walia, Mrs. Uma Ahllu Walia, Mrs. Usha Librehan, Mr. Yogender Walia, Mr. Sandeep Walia, Mr. Pradeep Walia, Mr. Sanjay Walia, Mr. Pravesh Sahni, Mr. Rakesh Sahni, Mr. Samarath Sahni, Mrs. Kamla Duggal, Mrs. Aruna Malhan, Mr. Karuna Rai and/ or their entity(ies) in which they may have an interest.**

The Promoter Group of our Company does not include certain relatives of our promoters, namely, Late Lajpat Rai Anand, Late Leela Anand, Late Ved Prakash Kakkar, Late Shanti Kakkar and Late Suresh Kakkar, Late Bhagat Ram Walia, Late Krishan Parkash Sahni, Late Uma Sahni, Late Prem Chand Duggal, Mr. Umesh Anand, Mr. Punesh Anand, Mrs. Sushma Vij, Mrs. Renu Malhotra, Mr. Narinder Kakkar, Mrs. Astha Anand, Smt. Brij Bhagat Walia, Mrs. Uma Ahllu Walia, Mrs. Usha Librehan, Mr. Yogender Walia, Mr. Sandeep Walia, Mr. Pradeep Walia, Mr. Sanjay Walia, Mr. Pravesh Sahni, Mr. Rakesh Sahni, Mr. Samarath Sahni, Mrs. Kamla Duggal, Mrs. Aruna Malhan, Mr. Karuna Rai and/ or their entity(ies) in which they may have an interest.

Mr. Harsh Kumar Anand, one of the promoters has confirmed that Late Lajpat Rai Anand, Late Leela Anand, Late Ved Prakash Kakkar, Late Shanti Kakkar and Late Suresh Kakkar are not alive and they are not treated as part of Promoter Group and the disclosures made in this Draft Prospectus are limited to the extent of Information that has been made available in relation to these relatives.

Mr. Yogesh Anand, one of the promoters has confirmed that Late Lajpat Rai Anand, Late Leela Anand, Late Bhagat Ram Walia are not alive and they are not treated as part of Promoter Group and the disclosures made in this Draft Prospectus are limited to the extent of Information that has been made available in relation to these relatives.

Mr. Yogesh Sahni, one of the Promoters has confirmed that Late Krishan Parkash Sahni, Late Uma Sahni, Late Prem Chand Duggal are not alive and they are not treated as part of Promoter Group and the disclosures made in this Draft Prospectus are limited to the extent of Information that has been made available in relation to these relatives.



Also, Our Promoters have provided a confirmation, other members of the promoter group namely, Mr. Umesh Anand, Mr. Punesh Anand, Mrs. Sushma Vij, Mrs. Renu Malhotra, Mr. Narinder Kakkar, Mrs. Astha Anand, Smt. Brij Bhagat Walia, Mrs. Uma Ahllu Walia, Mrs. Usha Librehan, Mr. Yogender Walia, Mr. Sandeep Walia, Mr. Pradeep Walia, Mr. Sanjay Walia, Mr. Pravesh Sahni, Mr. Rakesh Sahni, Mr. Samarath Sahni, Mrs. Kamla Duggal, Mrs. Aruna Malhan, Mr. Karuna Rai and/ or their entity(ies) in which they may have an interest are not included in the promoter group. The Promoters have also confirmed that they do not have any financial interest in the Company and do not own shareholding in Wonder Fibromats Limited and are also not involved in the business of Wonder Fibromats Limited, directly or indirectly and apart from the said confirmation, there are no formal disassociation arrangements between them.

**11. The Registered Office of our Company are not owned by us.**

We operate from our registered office situated at 45, Okhla Industrial Estate, Phase-III, New Delhi 110020. The same has been taken on lease from M/s Aroma Medica, to use the place situated at 45, Okhla Industrial Estate, Phase-III, New Delhi 110020 as registered office vide agreement dated 9<sup>th</sup> May, 2018 for a period 3 years commencing from 18<sup>th</sup> June, 2018. Any discontinuance of facility to use the office will lead us to locate any other premises. Our inability to identify the new premises may adversely affect the operations, finances and profitability of our Company.

For further details please refer to section titled Our Business on page 134 of this Draft Prospectus.



**12. Our Logo is in the process of getting registered. If we fail to obtain trademark registration our brand building efforts may be hampered which might lead to adverse effect on our business.**

We have made an application for registration of our Logo/trademark under the Trademarks Act, 1999 and are in the process of getting the same registered. If our Company is unable to obtain registration of trademark, it may not be able to successfully enforce or protect our intellectual property rights and obtain statutory protections available under the Trademarks Act, 1999, as otherwise available for registered trademarks in future could have a material adverse effect on our business, which in turn could adversely affect our results of operations. For further details please refer to section titled Government & Other Approvals on page 255 of this Draft Prospectus.

**13. The average cost of acquisition of Equity Shares by our Promoter may be less than the Issue Price.**

The average cost of acquisition of Equity Shares by our Promoters may be less than the Issue Price. The details of average cost of acquisition of Equity Shares acquired by our Promoters is set out below:

Name of the Promoter	No. of Shares held	Average cost of Acquisition (in Rs.)
Mr. Yogesh Anand	9,87,300	5.10
Mr. Yogesh Sahni	5,88,300	6.35
Mr. Harsh Kumar Anand	9,78,300	5.12

*\*The average cost of acquisition of our Equity Shares by our Promoters has been calculated by taking into account the amount paid by them to acquire, by way of fresh issuance or transfer, the Equity Shares, including the issue of bonus shares, if any, to them. The average cost of acquisition of our Equity Shares by our Promoters has been reduced due to the issuance of bonus shares to them, if any. For more information, please refer to the section titled "Capital Structure" on page 76.*



- 14. Information relating to our production capacities and the historical capacity utilization of our production facilities included in this Prospectus is based on certain assumptions and has been subjected to estimates of our management, and accordingly, our future production and capacity utilization may vary.**

Information relating to our production capacities and the historical capacity utilization of our production facilities included in this Draft Prospectus is based on various assumptions and estimates of our management, including proposed operations, assumptions relating to availability and quality of raw materials, assumptions relating to operational efficiencies. Actual production levels and utilization rates may differ significantly from the estimated production capacities or historical estimated capacity utilization information of our facilities. Undue reliance should therefore not be placed on our production capacity or historical estimated capacity utilization information for our existing facilities included in this Draft Prospectus. For further information, see the section titled Our Business on page 134.

- 15. We do not hold any patents or other form of intellectual property protection in relation to our manufacturing processes, and our inability to maintain the integrity and secrecy of our manufacturing processes may adversely affect our business.**

Our research and development efforts are primarily directed towards developing new and more innovative product lines as well as new and more efficient production processes that are typically applicable to the current range of products we manufacture. Like our competitors, we possess extensive technical knowledge about our products. Our know-how may not be adequately protected by intellectual property rights such as patent registration. We employ a high level of automation in our production processes, which result in high productivity and quality.

We also rely in part on mutual trust for protection of our trade secrets and confidential information relating to our manufacturing processes. It is our policy to take precautions to protect our trade secrets and confidential information against breach of trust by our employees, consultants, customers and suppliers and our agreements with employees incorporate confidentiality provisions. However, it is possible that unauthorized disclosure of our trade secrets or confidential information may occur. We cannot assure you that we will be successful in the protection of our trade secrets and confidential information. Our manufacturing processes may not be eligible for intellectual property protection and others may be able to use the same or similar automation in production processes, thereby undermining any competitive advantage we may have derived from such processes and adversely affecting our financial condition and results of operations.

- 16. We have experienced negative cash flows and any negative cash flows in the future could adversely affect our financial conditions and results of operations.**

The detailed break up of cash flows as restated is summarized in below mentioned table and our Company have reported negative cash flow in certain financial years and which could affect our business and growth:

	(In Lacs.)				
Particulars	31.03.18	31.03.17	31.03.16	31.03.15	31.03.14
Net Cash flow from Operative activities	(851.65)	811.95	(432.18)	0.93	(10.18)
Net Cash Flow from investing activities	(373.35)	(229.56)	(187.72)	(707.15)	(621.15)
Net Cash Flow from Financing activities	1,235.31	(632.52)	669.26	710.77	629.60
<b>Net Cash Flow for the Year</b>	<b>10.31</b>	<b>(50.13)</b>	<b>49.36</b>	<b>4.55</b>	<b>1.73</b>

**17. Our inability to effectively manage our growth or to successfully implement our business plan and growth strategy could have an adverse effect on our business, results of operations and financial condition.**

We have experienced significant growth over the past three years and we have significantly expanded our operations and product portfolio. As per our Restated Standalone Financial Statements, we have achieved CAGR of 59.97% in Total revenue of the Company of Rs. 29,486.85 Lacs in fiscal ended March 31, 2018 and in fiscal ended March 31, 2017, CAGR of 51.65% in Total revenue of the Company of Rs. 16564.89 Lacs. Similarly, we have achieved CAGR of 90.78% in Total revenue of the Company of Rs. 13741.19 Lacs in fiscal 2016. We cannot assure you that our growth strategy will continue to be successful or that we will be able to continue to expand further, or at the same rate.

The success of our business will depend greatly on our ability to effectively implement our business and growth strategy. Our growth strategy involves focusing on production of wide range of fans, expansion of our current product portfolio, adopting new technologies in the manufacturing process, expanding our manufacturing initiative. For further details, refer Our Business on page 134.

Our success in implementing our growth strategies may be affected by:

- Our ability to identify trends and demands in the industry in which we operate, and develop new and more customized products;
- our ability to identify new markets;
- acceptance by our target consumer base of our new products;
- our ability to maintain the quality of our products;
- our ability to increase our existing consumer base;
- the general condition of the Indian and global economy; and
- changes in the Indian or international regulatory environment applicable to us.

Few of these factors are beyond our control and there is no assurance that we will succeed in implementing our strategy. Separately, our growth strategy involves adoption of advanced technologies to firm up our production processes, and expansion of our manufacturing initiative, which could lead to an increase in our operating expenses, hinder our ability to produce optimal quantities of our products and lower our brand image and reputation. There can be no assurance that we will be able to execute our strategy on time and within our estimated budget, or that our expansion and development plans will increase our profitability. Any of these factors could adversely impact our results of operations. We cannot assure you that we will not face any such time or cost overruns in respect of implementation of our strategies in the future. Further, we expect our growth strategy to place significant demands on our management, financial and other resources and require us to continue developing and improving our operational, financial and other internal controls. Our inability to manage our business and implement our growth strategy could have a material adverse effect on our business, financial condition and profitability.

**18. Any delay or default in payment from our customers could result in the reduction of our profits and affect our cash flows. consequently, we face the risk of the uncertainty regarding the receipt of these outstanding amounts. Accordingly, we have and may continue to have high levels of outstanding receivables.**

For the Fiscal Years 2016, 2017, 2018, our trade receivables were Rs. 2,688.25 Lacs, Rs. 4,110.34 Lacs, Rs. 8,964.38 lacs respectively, which constituted 19.56%, 24.81%, 30.40% (on an annualized basis), respectively, of our total restated standalone revenues for the same periods, respectively. If our

customers delay or default in making these payments, our profits margins and cash flows could be adversely affected.

**19. In the 12 months prior to the date of filing the Draft Prospectus, the Company had issued Equity Shares at a price, which may be lower than the Issue Price.**

In the 12 months prior to the date of filing of the Draft Prospectus, the Company had allotted 41,01,000 Equity Shares on 10<sup>th</sup> August, 2018 as bonus shares to its existing shareholders. For more details on the issuance of same, please see "Capital Structure" on page 76 of this Draft Prospectus.

**20. Our Promoter Company and Promoter Group Company have incurred losses in the previous financial years.**

Our some of the Promoter Group Companies as tabled below have incurred losses in the last three financial years. The details of profit/loss are as under:

**M/S G.N. HOSTELS PRIVATE LTD:**

Amount In Lacs.			
Particulars	31 <sup>st</sup> March, 2017	31 <sup>st</sup> March, 2016	31 <sup>st</sup> March, 2015
Profit/(Loss) After Tax	11.30	(0.91)	2.06

**M/S GREHA ENGINEERS & CHEMICALS PRIVATE LTD**

Amount In Lacs.			
Particulars	31 <sup>st</sup> March, 2017	31 <sup>st</sup> March, 2016	31 <sup>st</sup> March, 2015
Profit/(Loss) After Tax	(6.14)	(0.14)	(0.14)

**M/S J.M.A MANUFACTURING PRIVATE LIMITED**

Amount In Lacs.			
Particulars	31 <sup>st</sup> March, 2017	31 <sup>st</sup> March, 2016	31 <sup>st</sup> March, 2015
Profit/(Loss) After Tax	4.96	(2.62)	13.37

**M/S GURUTECH INDUSTRIES LLP**

Amount In Lacs.			
Particulars	31 <sup>st</sup> March, 2017	31 <sup>st</sup> March, 2016	31 <sup>st</sup> March, 2015
Profit/(Loss) After Tax	(4.81)	N.A.	N.A.

**M/S GSA INTERNATIONAL**

Amount In Lacs.			
Particulars	31 <sup>st</sup> March, 2018	31 <sup>st</sup> March, 2017	31 <sup>st</sup> March, 2016
Profit/(Loss) After Tax	(75.67)	(7.90)	9.06

**21. Our cost of production is exposed to fluctuations in the prices of Raw materials.**

Our Company is dependent on third party suppliers for procuring the the raw material. We are exposed to fluctuations in the prices of these raw materials as well as its unavailability, particularly as we typically do not enter into any long term supply agreements with our suppliers and our major requirement is met in the spot market. We may be unable to control the factors affecting the price at

which we procure the materials. We also face the risks associated with compensating for or passing on such increase in our cost of production/ trades on account of such fluctuations in prices to our customers. Upward fluctuations in the prices of raw material may thereby affect our margins and profitability, resulting in a material adverse effect on our business, financial condition and results of operations. Though we enjoy favourable terms from the suppliers both in prices as well as in supplies, our inability to obtain high- quality materials in a timely and cost-effective manner would cause delays in our production and delivery schedules, which may result in the loss of our customers and revenues.

**22. The shortage or non-availability of power facilities may adversely affect our manufacturing processes and have an adverse impact on our results of operations and financial condition.**

Our manufacturing processes requires substantial amount of power facilities. The quantum and nature of power requirements of our industry and Company is such that it cannot be fully supplemented/ augmented by alternative/ independent sources of power supply since it involve significant capital expenditure and per unit cost of electricity produced is very high in view of increasing oil prices and other constraints. We are mainly dependent on State Government for meeting our electricity requirements. Any disruption / non availability of power shall directly affect our production which in turn shall have an impact on profitability and turnover of our Company.

**23. Improper handling, processing or storage of our raw materials or products, or spoilage of and damage to such raw materials and products, could damage our reputation and have an adverse effect on our business, results of operations and financial condition.**

Our raw materials as well as the products that we manufacture are subject to risks during their manufacture, or storage. Although, raw materials procured by us are extensively tested at our facilities, we cannot assure you that quality tests conducted by us will be accurate at all times. Any shortcoming in the production or storage of our products due to negligence, human error or otherwise, may damage our products and result in noncompliance with applicable quality standards. Any allegation that our products do not match requisite quality standards could damage our reputation, adversely affect our sales and result in legal proceedings being initiated against us, irrespective of whether such allegations have any factual basis.

We sell our products, directly to customers and if the products sold by those customers are found to be faulty on account of our products, our customers may return our goods, terminate their relationships with us and initiate legal proceedings against us. We cannot assure you that we will not be subject to such product liability claims in the future. Should any of our products be perceived or found to be faulty, we may be subject to regulatory action, product recalls and our reputation, business, results of operations and financial condition may be adversely affected.

We may also be exposed to liability from consumers for defects in the quality of our products, which may be occasioned by manufacturing defects or contamination, spoilage or damage to our raw materials. Significant product liabilities could adversely affect our reputation, sales revenues and results of operations.

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

We believe that the Indian Electrical and Home Appliance industry faces competitive pressures in recruiting and retaining skilled and unskilled labour. Our industry being labour intensive is highly dependent on labour force for carrying out its business operations. Shortage of skilled/unskilled

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personnel or work stoppages caused by disagreements with employees could have an adverse effect on our business and results of operations.

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

**25. Compliance with, and changes in, safety, health and environmental laws and regulations may adversely affect our business, prospects, financial condition and results of operations.**

Due to the nature of our business, we expect to be or continue to be subject to extensive and increasingly stringent environmental, health and safety laws and regulations and various labour, workplace and related laws and regulations. We are also subject to environmental laws and regulations, including but not limited to:

- a. Environment (Protection) Act, 1986
- b. Air (Prevention and Control of Pollution) Act, 1981
- c. Water (Prevention and Control of Pollution) Act, 1974
- d. Hazardous Waste Management & Handling Rules, 2008
- e. other regulations promulgated by the Ministry of Environment and Forests and the Pollution Control Boards of the state of Maharashtra

which govern the discharge, emission, storage, handling and disposal of a variety of substances that may be used in or result from the operations of our business.

The scope and extent of new environmental regulations, including their effect on our operations, cannot be predicted and hence the costs and management time required to comply with these requirements could be significant. Amendments to such statutes may impose additional provisions to be followed by our Company and accordingly the Company needs to incur clean-up and remediation costs, as well as damages, payment of fines or other penalties, closure of production facilities for non-compliance, other liabilities and related litigation, could adversely affect our business, prospects, financial condition and results of operations.

**26. We are subject to stringent labour laws or other industry standards and any strike, work stoppage or increased wage demand by our employees or any other kind of disputes with our employees could adversely affect our business, financial condition and results of operations.**

Our manufacturing activities are labour-intensive. As of March 31, 2018, we had 494 permanent employees engaged across various operational and business divisions. We are subject to a number of stringent labour laws that protect the interests of our workers, including legislation that stipulates rigorous procedures for dispute resolution and retrenchment of workers and imposes financial obligations on employers. We may experience labour unrest and lock out and other labour action, which may have an adverse impact on our operations, and if not resolved in a timely manner, could lead to disruptions in our operations. We cannot guarantee that we will not experience any strike, work

stoppage or other industrial action in the future and any such event could adversely affect our business, results of operation and financial condition. Further, our third-party raw material suppliers may experience strikes or other labour disruptions and shortages that could affect our operations, possibly for a significant period of time, result in increased wages, shortage in manpower and other costs and otherwise have a material adverse effect on our business, results of operations or financial condition. Additionally, our inability to recruit employees, in particular skilled employees and retain our current workforce could have a material adverse effect on our business, financial condition and profitability.

Furthermore, certain recent changes, and proposed changes to Indian labour laws could adversely affect our business. For instance, a recent amendment to the Payment of Bonus Act, 1965, has, inter alia, increased the eligibility ceiling for bonus payments to employees of factories and certain other establishments from 10,000 per month to 21,000 per month. The GoI also proposes to enact the Code on Industrial Relations Bill, 2015 and the Labour Code on Wages Bill, 2015, which seeks to consolidate all existing labour legislation in the country (including the Minimum Wages Act, 1948) into distinct codes dealing with industrial relations, wages, social security, industrial safety and welfare. Furthermore, the Ministry of Labour and Employment, GoI has recently proposed an amendment to Indian contract labour legislation that will increase the minimum wage of contract labourers to 10,000 per month. Any such changes, if implemented, could adversely affect our operating margins, manufacturing operations, cash flows and results of operations.

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

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

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

Modernization and technology up gradation is essential to reduce costs and increase the efficiency. Our technology may become obsolete or may not be upgraded timely, hampering our operations and financial conditions and we may lose our competitive edge. Although we believe that we are utilizing latest technology by using latest machineries and equipments, we shall continue to strive to keep our technology updated. In case of a new found technology in the Fan Manufacturing Industry, we may be required to implement new technology employed by us. Further, the cost in upgrading our technology is significant which could substantially affect our finances and operations.

**29. Our business requires us to obtain and renew certain registrations; licenses and permits from government and regulatory authorities and the failure to obtain and renew them in a timely manner may adversely affect our business operations.**

Our business operations require us to obtain and renew from time to time, certain approvals, licenses, registration and permits, some of which may expire and for which we may have to make an application for obtaining the approval or its renewal. Our Company is required to renew such permits, licenses and approvals. There can be no assurance that the relevant authorities will issue any of such permits or approvals in time or at all.



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Further, these permits, licenses and approvals are subject to several conditions, and our Company cannot assure that it shall be able to continuously meet such conditions and this may lead to cancellation, revocation or suspension of relevant permits/ licenses/ approvals, which may affect our business adversely. For more information about the licenses required in our business and the licenses and approvals applied for renewal and approvals yet to apply, please refer section "Government and other statutory approvals" appearing on page 255 of this Draft Prospectus.

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

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

**31. Our ability to retain the clients is heavily dependent upon various factors including our reputation and Our skill to maintain the quality in Products manufactured by us and our ability to maintain a high level of service quality including our satisfactory performance for the customers. Any failure by us to retain or attract customers may impact its business and revenues.**

We believe our strong brand reputation & our skill to maintain the quality in Products manufactured by us has helped us to attract and retain our customers. As a result, our reputation and perception of our brands are critical to our business. Although, we believe that we as well as our customers have a dedicated and talented team that comprise of experienced personnel in the field of fan manufacturing. Our business heavily relies on our reputation as well as the quality and popularity of the product provided by us and our visibility and perception amongst customers. It is important that we retain the trust placed by our customers. We must also continue to attract more and increase the number of our customers at a consistent rate. We attempt to retain our position by maintaining quality and by our ability to improve and add value to the performance of our customers in their respective areas. This requires constant upgradation of the methodology and technologies are adequately equipped. Further, we rely on a variety of advertising efforts tailored to target the customers. Failure to maintain and enhance our reputation or any actual or perceived reasons leading to reduction of benefits from our customers or any negative publicity against us may affect the rate of customers. Any failure by us to retain or attract customers may adversely impact our business and revenues.

**32. If we are unable to source business opportunities effectively, we may not achieve our financial objectives.**

Our ability to achieve our financial objectives will depend on our ability to identify, evaluate and accomplish business opportunities. To grow our business, we will need to hire, train, supervise and manage new employees and to implement systems capable of effectively accommodating our growth. However, we cannot assure you that any such employees will contribute to the success of our business or that we will implement such systems effectively. Our failure to source business opportunities effectively could have a material adverse effect on our business, financial condition and results of operations. It is also possible that the strategies used by us in the future may be different from those presently in use. No assurance can be given that our analyses of market and other data or the strategies we use or plans in future to use will be successful under various market conditions.



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- 33. We could become liable to customers, suffer adverse publicity and incur substantial costs as a result of defects in our products, which in turn could adversely affect the value of our brand, and our sales could be diminished if we are associated with negative publicity.**

Any failure or defect in our products could result in a claim against us for damages, regardless of our responsibility for such a failure or defect. We currently carry no products liability insurance with respect to our products. Although we attempt to maintain quality standards, we cannot assure that all our products would be of uniform quality, which in turn could adversely affect the value of our brand, and our sales could be diminished if we are associated with negative publicity.

Also, our business is dependent on the trust our customers have in the quality of our products. Any negative publicity regarding our company, brand, or products, including those arising from a drop in quality of merchandise from our vendors, mishaps resulting from the use of our products, or any other unforeseen events could affect our reputation and our results from operations.

- 34. Changes in customer preferences could affect our business, financial condition, results of operations and prospects.**

Any change in the customer preference can render our old stock obsolete, as changes in customer preference are generally beyond our control. Some or all of our products may become less attractive in light of changing customer preferences or better products by competitors and we may be unable to adapt to such changes in a timely manner. However, we constantly focus on research and development and to develop new products to cater the customer needs, any change in customer preferences that decreases demand could affect our business, financial condition, results of operations and prospects.

- 35. Our Company's failure to maintain the quality standards of the products could adversely impact our business, results of operations and financial condition.**

The demand for our products depends on quality that we market. Any failure of ours to maintain the quality standards may affect our business. Although we have put in place strict quality control procedures, we cannot assure that our products will always be able to satisfy our customer's quality standards. Any negative publicity regarding our Company, or products, including those arising from any deterioration in quality of our products or any other unforeseen events could adversely affect our reputation, our operations and our results from operations.

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

Our Company uses third party transportation providers for delivery of our goods. Though our business has not experienced any disruptions due to transportation strikes in the past, any future transportation strikes may have an adverse effect on our business. In addition goods may be lost or damaged in transit for various reasons including occurrence of accidents or natural disasters. There may also be delay in delivery of products, which may also affect our business and results of operation negatively. An increase in the freight costs or unavailability of freight for transportation of our raw materials or finished goods may have an adverse effect on our business and results of operations.

Further, disruptions of transportation services due to weather related problems, strikes, lock-outs, inadequacies in the road infrastructure, or other events could impair ability to procure raw

materials on time. Any such disruptions could materially and adversely affect our business, financial condition and results of operations.

**37. We face risks and uncertainties associated with the implementation of expansion and new projects which may impact our business, operations and revenue.**

Our business plan includes expansion of our Industrial customers for growth opportunities and thereby increase the revenue. We may face risks and uncertainties in relation to expansion and achieving our business plans efficiently, which may include various factors i.e. we may face difficulties in recruiting, training and retaining sufficient skilled faculty members, technical and management personnel and inability to or difficulty in satisfying clients expectations. This may adversely affect our business, results of operation and revenues.

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

We have provided security in respect of loans / facilities availed by us from banks and financial institutions by creating a charge over our immovable property. The total amounts outstanding and payable by us as secured loans were Rs. 3250.13 lacs as on 31<sup>st</sup> March, 2018. In the event we default in repayment of the loans / facilities availed by us and any interest thereof, our properties may be subject to forfeiture by lenders, which in turn could have significant adverse effect on business, financial condition or results of operations. For further details of secured loans of our Company, please refer the chapter titled *Financial Indebtedness* on page 228 of this Draft Prospectus.

**39. Unsecured loans taken by our Company from related parties can be recalled by the lenders at any time.**

As on March 31, 2018, our Company has unsecured loans amounting to Rs. 87.91 lacs from related parties that are repayable on demand to the relevant lender. Further, some of these loans are not repayable in accordance with any agreed repayment schedule and may be recalled by the relevant lender at any time. Any such unexpected demand or accelerated repayment may have a material adverse effect on the business, cash flows and financial condition of the borrower against which repayment is sought. Any demand from lenders for repayment of such unsecured loans, may adversely affect our cash flows. For further details of unsecured loans of our Company, please refer the chapter titled *Financial Information* on page 228 of this Draft Prospectus.

**40. Our Company may incur penalties or liabilities for non-compliances with certain provisions of the Companies Act and other applicable laws in the last five (5) Years.**

Our Company may incur penalties or liabilities for non compliance with certain provisions including lapsed/ made delay in certain filings and/or errorness filing/ Non Filing of eforms under Company Act applicable to it and Non Registration of Rent Agreement in the past years. Such non compliances/delay Compliances /errorness filing/ Non Filing/Non Registration may incur the penalties or liabilities which may affect the results of operations and financial conditions.

**41. Our Promoters have provided personal guarantees to certain loan facilities availed by us, which if revoked may require alternative guarantees, repayment of amounts due or termination of the facilities.**

Our Promoters have provided personal guarantees in relation to certain loan facilities availed of by us. In the event that any of these guarantees are revoked, the lenders for such facilities may require alternate guarantees, repayment of amounts outstanding under such facilities, or may even terminate

such facilities. We may not be successful in procuring alternative guarantees satisfactory to the lenders, and as a result may need to repay outstanding amounts under such facilities or seek additional sources of capital, which may not be available on acceptable terms or at all and any such failure to raise additional capital could affect our operations and our financial condition.

**42. Termination of agreements/arrangements with Customers, could negatively impact our revenues and profitability.**

Our major customers include well known Companies of fans & home appliances which are selling under their own brands in India. All our customers are well respected players in one or more product categories offered by us. Many of our client contracts can be terminated with or without cause by providing notice and without termination-related penalties. Additionally, most of clients carry no commitment to a specific volume of business or future work. Our business is dependent on the decisions and actions of our customers, and there are a number of factors relating to our clients that are outside our control that might result in the termination of an assignment or the loss of a client, including a demand for price reductions. Therefore our business may be adversely affected if any of our contracts are terminated by our customers.

**43. Our success depends largely on our senior management and our ability to attract and retain our key personnel.**

Our success depends on the continued services and performance of the members of our management team and other key employees. Competition for senior management in the industry is intense, and we may not be able to retain our existing senior management or attract and retain new senior management in the future. The loss of the services of our Promoters could seriously impair our ability to continue to manage and expand our business. Further, the loss of any other member of our senior management or other key personnel may adversely affect our business, results of operations and financial condition. We do not maintain key man's life insurance for our Promoters, senior members of our management team or other key personnel.

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

While Original Equipment Manufacturer ("OEM") sales continue to be a major source of our revenue, we plan to gradually expand our share of the ODM model of manufacturing. As an ODM, we control the entire manufacturing cycle of a product from the initial stage of designing and are responsible for all the aspects of manufacturing, including planning and sourcing of raw materials and components. Under ODM, we sell our products to companies who in turn distribute these products under their own brand to end users, however, warranties with respect to defects in raw materials and workmanship affecting normal use of products are provided by us. The ODM model of business requires additional investment in R&D as well as working capital but provides higher margins as compared to the OEM model.

The industry in which we operate is competitive in the sense that our competitive success include, amongst other things, price, demand for our products, and availability of raw materials, and reliability. Our competitors vary in size, and may have greater financial, production, marketing, personnel and other resources than us and certain of our competitors have a longer history of established businesses and reputations in the Indian market as compared with us. Competitive conditions in some of our segments have caused us to incur lower net selling prices and reduced gross margins and net earnings. These conditions may continue indefinitely. Changes in the identity, ownership structure, and strategic goals of our competitors and the emergence of new competitors in our target markets may impact our

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financial performance. New competitors may include foreign-based companies and domestic producers who could enter our markets.

Also our Customers are big names in the industry and may their own start their manufacturing and may discontinue sourcing our products or may lower sourcing our products and ultimately it may adversely impact our revenue and financial position.

Our failure to compete effectively, including any delay in responding to changes in the industry and market, together with increased spending on advertising, may affect the competitiveness of our products, which may result in a decline in our revenues and profitability.

**45. Insurance coverage obtained by us may not adequately protect us against unforeseen losses.**

We have maintained insurance coverage of our assets and accident policies as specified in section titled Insurance Policies on page 152 of the Draft Prospectus. We believe that the insurance coverage maintained, would reasonably cover all normal risks associated with the operation of our business, however, there can be no assurance that any claim under the insurance policies maintained by us will be met fully, in part or on time. In the event we suffer loss or damage that is not covered by insurance or exceeds our insurance coverage, our results of operations and cash flow may be adversely affected.

**46. Our promoter and promoter group will continue to retain significant control over our Company after the IPO.**

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

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

**47. Our Promoter, Directors and Key Managerial Personnel of our Company may have interests in us other than reimbursement of expenses incurred or normal remuneration or benefits.**

Our Promoters are interested in us to the extent of any transactions entered into or their shareholding and dividend entitlement in us. Our Directors are also interested in us to the extent of remuneration paid to them for services rendered as our Directors and reimbursement of expenses payable to them. Our Directors and Promoters, Mr. Harsh Kumar Anand, Mr. Yogesh Anand and Mr. Yogesh Sahni have given personal guarantees for our borrowings to secure our loans. Our Directors may also be interested to the extent of any transaction entered into by us with any other company or firm in which they are directors or partners or in their individual capacity. For further details, refer related party transactions on page 200 respectively.

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**48. Some of our secretarial records are not traceable.**

Some of our secretarial filings for Striking off documents of M/s. Gurutech Electro Systems Private Limited and M/s JM Plastics Private Limited & related Certificates and the sale documents of M/s Maa Durga Steel are not traceable. Due to the absence of these records, our management has not been in a position to assess whether our Company has complied with its statutory obligations and disclosure in the Draft Prospectus is limited to the extent of information available.

**49. We are yet to acquire land on which our new unit for manufacturing is to be set up.**

One of the Objects of the Issue is setting up of a new unit for manufacturing at Hyderabad. We are yet to acquire land on which the said unit is proposed to be set up. We are in process of identifying an industrial land. Any delay in acquisition of land at Hyderabad may hinder our operations. Non-approval from statutory / regulatory authorities with regards to such acquisition may lead to delay in implementation of our project which in turn would affect our revenue from operations, profit and cash flow.

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

As per SEBI (ICDR) Regulations, 2009 appointment of monitoring agency is required only for Issue size above Rs. 10,000 Lacs. Hence, we have not appointed a monitoring agency to monitor the utilization of Issue proceeds. However, the audit committee of our Board will monitor the utilization of Issue proceeds. 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.

**51. Delay in raising funds from the IPO could adversely impact the implementation schedule.**

The proposed expansion, as detailed in the section titled “*Objects of the Issue*” is to be entirely funded from the proceeds of this IPO. We have not identified any alternate source of funding and hence any failure or delay on our part to mobilize the required resources or any shortfall in the Issue proceeds may delay the implementation schedule. We therefore, cannot assure that we would be able to execute the expansion process within the given time frame, or within the costs as originally estimated by us. Any time overrun or cost overrun may adversely affect our growth plans and profitability.

**52. The Objects of the Issue for which funds are being raised, are based on our management estimates and any bank or financial institution or any independent agency has not appraised the same. The deployment of funds in the project is entirely at our discretion, based on the parameters as mentioned in the chapter titles “Objects of the Issue”.**

The fund requirement and deployment, as mentioned in the “Objects of the Issue” on page 102 of this Draft Prospectus is based on the estimates of our management and has not been appraised by any bank or financial institution or any other independent agency. These fund requirements are based on our current business plan. We cannot assure that the current business plan will be implemented in its entirety or at all. In view of the highly competitive and dynamic nature of our business, we may have to revise our business plan from time to time and consequently these fund requirements. The deployment of the funds as stated under chapter “Objects of the Issue” is at the discretion of our Board of Directors and is not subject to monitoring by any external independent agency.

Further, we cannot assure that the actual costs or schedule of implementation as stated under chapter “Objects of the Issue” will not vary from the estimated costs or schedule of implementation. Any such variance may be on account of one or more factors, some of which may be beyond our control. Occurrence of any such event may delay our business plans and/or may have an adverse bearing on our expected revenues and earnings.

**53. The Objects of the Issue for which funds are being raised, are based on our management estimates and the Quotations/Estimates etc taken by Our Company from various vendors/suppliers as mentioned in the chapter titles “Objects of the Issue”.**

The fund requirement as mentioned in the “Objects of the Issue” on page 102 of this Draft Prospectus is based on the estimates of our management and the Quotations/Estimates taken by our Company from various vendors/suppliers as mentioned in the Chapter titles “Objects of the Issue”. The fund requirements are based on the management estimates and those quotations/estimates. However, We cannot assure that vendors/suppliers will supply the services/products as per Quotations/Estimates. In case of any revision of Prices of quotations/estimates, we may have to revise our business plan and consequently these fund requirements may be changed. Any such variance may delay our business plans and/or may have an adverse bearing on our expected revenues and earnings.

**54. We have not independently verified certain data in this Draft Prospectus.**

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

**B. Risk related to this Issue and Investment in our Equity Shares**

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

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

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

The amount of our future dividend payments, if any, will depend upon our Company's future earnings, financial condition, cash flows, working capital requirements, capital expenditures, applicable Indian legal restrictions and other factors. There can be no assurance that our Company will be able to pay dividends.

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

Under current Indian tax laws, capital gains arising from the sale of equity shares within 12 months 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”), is paid on the transaction. STT is levied on and collected by a domestic stock exchange on which equity shares are sold. Any gain realized 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, is 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. Capital gains arising from the sale of equity shares are exempt from taxation in India where an exemption from taxation in India is provided under a treaty between India and the country of which the seller is resident. Generally, Indian tax treaties do not limit India’s ability to impose tax on capital gains. As a result, residents of other countries may be liable to pay tax in India as well as in their own jurisdiction on a gain on the sale of equity shares.

## **EXTERNAL RISK FACTORS**

### **58. Political, Economic and Social changes in India could adversely affect our business.**

Our business, and the market price and liquidity of our Company’s shares, may be affected by changes in Government policies, including taxation, social, political, economic or other developments in or affecting India could also adversely affect our business. Since 1991, successive governments have pursued policies of economic liberalization and financial sector reforms including significantly relaxing restrictions on the private sector. In addition, any political instability in India may adversely affect the Indian economy and the Indian securities markets in general, which could also affect the trading price of our Equity Shares.

### **59. The Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 have effected significant changes to the existing Indian company law/ listing framework, which may subject us to higher compliance requirements and increase our compliance costs.**

A majority of the provisions and rules under the Companies Act, 2013 have come into effect. The Companies Act, 2013 has brought into effect significant changes to the Indian company law framework, such as in the provisions related to issue of capital (including provisions in relation to issue of securities on a private placement basis), disclosures in Issuing documents, corporate governance norms, accounting policies and audit matters, related party transactions, introduction of a provision allowing the initiation of class action suits in India against companies by shareholders or depositors, a restriction on investment by an Indian company through more than two layers of subsidiary investment companies (subject to certain permitted exceptions), prohibitions on loans to directors and insider trading and restrictions on directors and key managerial personnel from engaging in futures trading. Further, the Companies Act, 2013 imposes greater monetary and other liability on us and our directors for any non-compliance. To ensure compliance with the requirements of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we may need to allocate additional resources, which may increase our regulatory compliance costs and divert management attention. The Companies Act, 2013 introduced certain additional requirements which do not have corresponding equivalents under the Companies Act, 1956. Accordingly, we may face challenges in interpreting and complying with such provisions due to the limited jurisprudence on them. In the event our interpretation of such provisions of the Companies Act, 2013 differs from, or contradicts with, any judicial pronouncements or clarifications issued by the Government in the future, we may face regulatory actions or we may be required to undertake remedial steps. Further, we cannot currently determine the impact of provisions of the Companies Act, 2013 which are yet to be notified. Any increase in our compliance requirements or in our compliance costs may have an adverse effect on our business and results of operations.



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**60. Our business is dependent on economic growth in India.**

Our performance is dependent on the health of the overall Indian economy. There have been periods of slowdown in the economic growth of India. India economic growth is affected by various factors including domestic consumption and savings, balance of trade movements primarily resulting from export demand and movements in key imports, such as oil and oil products, and annual rainfall, which affect agricultural production. For example, in the monsoon of 2009, Several parts of the country experienced below average rainfall, leading to reduced farm output which impaired economic growth. In the past, economic slowdowns have harmed industries and industrial development in the country. Any future slowdown in the Indian economy could harm our business, financial condition and results of operations.

**61. The extent and reliability of Indian infrastructure could adversely affect our results of operations and financial condition.**

India's physical infrastructure is less developed than that of many developed countries. Any congestion or disruption in its port, rail and road networks, electricity grid, communication systems or any other public facility could disrupt our normal business activity. Any deterioration of India's physical infrastructure would harm the national economy.

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

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

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

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

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

Some parts of India have experienced communal disturbances, terrorist attacks and riots during recent years. If such events recur, our operational and marketing activities may be adversely affected, resulting in a decline in our income. The Asian region has, from time to time, experienced instances of civil unrest and hostilities among neighbouring countries. Since May 1999, military confrontations between countries have occurred in Kashmir. The hostilities between India and its neighbouring

countries are particularly threatening because India and certain of its neighbours possess nuclear weapons. Hostilities and tensions may occur in the future and on a wider scale. Also, since 2003, there have been military hostilities and continuing civil unrest and instability in Afghanistan. There has also recently been hostility in the Korean Peninsula. In July 2006 and November 2008, terrorist attacks in Mumbai resulted in numerous casualties. Events of this nature in the future, as well as social and civil unrest within other countries in Asia, could influence the Indian economy and could have a material adverse effect on the market for securities of Indian companies, including our Equity Shares.

**65. The occurrence of natural disasters may adversely affect our business, financial condition and results of operations.**

The occurrence of natural disasters, including hurricanes, floods, earthquakes, tornadoes, fires and pandemic disease may adversely affect our financial condition or results of operations. The potential impact of a natural disaster on our results of operations and financial position is speculative, and would depend on numerous factors. The extent and severity of these natural disasters determines their effect on the Indian economy. Although the long term effect of diseases such as the H5N1 –avian flul virus, or H1N1, the swine flu virus, cannot currently be predicted, previous occurrences of avian flu and swine flu had an adverse effect on the economies of those countries in which they were most prevalent. An outbreak of a communicable disease in India would adversely affect our business and financial conditions and results of operations. We cannot assure you that such events will not occur in the future or that our business, financial condition and results of operations will not be adversely affected.

**66. Changing laws, rules and regulations and legal uncertainties, including adverse application of corporate and tax laws, may adversely affect our business, results of operations, financial condition and prospects.**

The regulatory and policy environment in which we operate is evolving and subject to change. Such changes, including the instances mentioned below, may adversely affect our business, results of operations, financial condition and prospects, to the extent that we are unable to suitably respond to and comply with any such changes in applicable law and policy. The Gol has proposed a comprehensive national goods and services tax ("GST") regime that will combine taxes and levies by the Central and State Governments into a unified rate structure which is proposed to be effective from April 1, 2016. While the Gol and other state governments have announced that all committed incentives will be protected following the implementation of the GST, given the limited availability of information in the public domain concerning the GST, we are unable to provide any assurance as to this or any other aspect of the tax regime following implementation of the GST. The implementation of this rationalized tax structure may be affected by any disagreement between certain state governments, which may create uncertainty. Any such future increases or amendments may affect the overall tax efficiency of companies operating in India and may result in significant additional taxes becoming payable.

Further, the General Anti Avoidance Rules ("GAAR") are proposed to be made effective from April 1, 2017. The tax consequences of the GAAR provisions being applied to an arrangement could result in denial of tax benefit amongst other consequences. In the absence of any precedents on the subject, the application of these provisions is uncertain. If the GAAR provisions are made applicable to our Company, it may have an adverse tax impact on us. We have not determined the impact of these proposed legislations on our business. Uncertainty in the applicability, Interpretation or implementation of any amendment to, or change in, governing law, regulation or policy in the jurisdictions in which we operate, including by reason of an absence, or a limited body, of administrative or judicial precedent may be time consuming as well as costly for us to resolve and may impact the viability of our current business or restrict our ability to grow our business in the future. Further, the Gol may introduce a waiver or incentive scheme in relation to specific population segments such as MSEs in public interest,

pursuant to which we may be required to Issue our products and services at discounted rates. This may affect our business and results of operations.

#### PROMINENT NOTES:

##### 1) SIZE OF THE ISSUE:

Public issue of upto 22,51,200 Equity Shares of face value of Rs.10.00 each of our Company for cash at a price of Rs. [●] per Equity Share (including a share premium of Rs. [●] per Equity Share) ("Issue Price") aggregating to Rs. [●] lacs ("the Issue") of which upto 1,12,800 Equity Shares aggregating to Rs. [●] lacs will be reserved for subscription by Market Maker ("Market Maker Reservation Portion"). The Issue less the Market Maker Reservation Portion i.e. issue of upto 21,38,400 Equity Shares of face value of Rs.10.00 each at an Issue Price of Rs. [●] per equity share aggregating to Rs. [●] lacs is hereinafter referred to as the "Net Issue". The Issue and the Net Issue will constitute 26.79% and 25.45%, respectively of the post issue paid-up equity share capital of our Company.

##### 2) The average cost of acquisition of Equity Shares by the Promoters:

Name of the Promoter	No. of Shares held	Average cost of Acquisition (in Rs.)
Mr. Yogesh Anand	9,87,300	5.10
Mr. Yogesh Sahni	5,88,300	6.35
Mr. Harsh Kumar Anand	9,78,300	5.12

*\*The average cost of acquisition of our Equity Shares by our Promoters has been calculated by taking into account the amount paid by them to acquire, by way of fresh issuance or transfer, the Equity Shares, including the issue of bonus shares, if any, to them. The average cost of acquisition of our Equity Shares by our Promoters has been reduced due to the issuance of bonus shares to them, if any. For more information, please refer to the section titled "Capital Structure" on page 76.*

- 3) Our Net worth as on 31<sup>st</sup> March, 2018 is Rs. 1,362.77 Lacs as per Restated Financial Statements.
- 4) The Book - Value per share as on 31<sup>st</sup> March, 2018 is Rs. 66.46 as per Restated Financial Statements.
- 5) For information on changes in our Company's name, Registered Office and changes in the objects clause of the MOA of our Company, please refer "Our History and Corporate Structure" on page 162 of this Draft Prospectus.
- 6) Investors may please note that in the event of over subscription, allotment shall be made on proportionate basis in consultation with the NSE, the Designated Stock Exchange. For more information, please refer to "Basis of Allotment" on Page 292 of the Draft Prospectus. The Registrar to the Issue shall be responsible to ensure that the basis of allotment is finalized in a fair and proper manner as set out therein.
- 7) Investors are advised to refer to the paragraph on "Basis for Issue Price" on page 112 of this Draft Prospectus before making an investment in this Issue.
- 8) No part of the Issue proceeds will be paid as consideration to Promoters, Promoter Group, Directors, key management employee, associate companies, or Group Companies.

- 9) Investors may contact the Lead Manager or the Compliance Officer for any complaint/clarifications/information pertaining to the Issue. For contact details of the Lead Manager and the Compliance Officer, refer the front cover page.
- 10) Other than as stated in the section titled "*Capital Structure*" beginning on page 76 of this Draft Prospectus, our Company has not issued any Equity Shares for consideration other than cash.
- 11) Except as mentioned in the sections titled "*Capital Structure*" beginning on page 76 of this Draft Prospectus, we have not issued any Equity Shares in the last twelve months.
- 12) Except as disclosed in the sections titled "*Our Promoters*" or "*Our Management*" beginning on pages 190 and 172 respectively of this Draft Prospectus, none of our Promoters, our Directors and our Key Managerial Employees have any interest in our Company except to the extent of remuneration and reimbursement of expenses and to the extent of the Equity Shares held by them or their relatives and associates or held by the companies, firms and trusts in which they are interested as directors, member, partner and/or trustee and to the extent of the benefits arising out of such shareholding.
- 13) Any clarification or information relating to the Issue shall be made available by the LM and our Company to the investors at large and no selective or additional information would be available for a section of investors in any manner whatsoever. Investors may contact the LM for any complaints pertaining to the Issue. Investors are free to contact the LM for any clarification or information relating to the Issue who will be obliged to provide the same to the investor.
- 14) For transactions in Equity Shares of our Company by the Promoter Group and Directors of our Company in the last six (6) months, please refer to paragraph under the section titled "*Capital Structure*" on page 76 of this Draft Prospectus.
- 15) There are no certain contingent liabilities as on 31<sup>st</sup> March, 2018 as per Restated Financial Statements mentioned on page 202 of this Draft Prospectus.
- 16) For details of any hypothecation, mortgage or other encumbrances on the movable and immovable properties of our Company please refer to the section titled "*Financial Information*" on page 202 of this Draft Prospectus.
- 17) Except as disclosed in the section titled "*Our Promoter Group / Group Companies / Entities*" on page 195, none of our Group Companies have business interest in our Company.
- 18) For interest of Promoters/Directors, please refer to the section titled "*Our Promoters*" beginning on page 190 of this Draft Prospectus.
- 19) The details of transactions with the Group Companies/ Group Enterprises and other related party transactions are disclosed as Annexure 28 of restated financial statement under the section titled "*Financial Information*" on page 202 of the Draft Prospectus.

## SECTION III: INTRODUCTION

### SUMMARY

*This is only the summary and does not contain all information that you shall consider before investing in Equity Shares. You should read the entire Draft Prospectus, including the information on “Risk Factors” and related notes on page 15 of this Draft Prospectus before deciding to invest in Equity Shares.*

### INDUSTRY OVERVIEW

#### GLOBAL PROSPECTS AND POLICIES

World growth strengthened in 2017 to 3.8 percent, with a notable rebound in global trade. It was driven by an investment recovery in advanced economies, continued strong growth in emerging Asia, a notable upswing in emerging Europe, and signs of recovery in several commodity exporters. Global growth is expected to tick up to 3.9 percent this year and next, supported by strong momentum, favorable market sentiment, accommodative financial conditions, and the domestic and international repercussions of expansionary fiscal policy in the United States. The partial recovery in commodity prices should allow conditions in commodity exporters to gradually improve.

Over the medium term, global growth is projected to decline to about 3.7 percent. Once the cyclical upswing and US fiscal stimulus have run their course, prospects for advanced economies remain subdued, given their slow potential growth. In emerging market and developing economies, in contrast, growth will remain close to its 2018-19 level as the gradual recovery in commodity exporters and a projected increase in India’s growth provide some offset to China’s gradual slowdown and emerging Europe’s return to its lower-trend growth rate. Nevertheless, 40 emerging market and developing economies are projected to grow more slowly in per capita terms than advanced economies, failing to narrow income gaps vis-à-vis the group of more prosperous countries.

Despite strong aggregate figures in the baseline forecast and buoyant market sentiment, the current momentum is not assured. Upside and downside risks are broadly balanced over the next several quarters, but risks farther down the road are skewed to the downside. With still-easy financial conditions and persistently low inflation that has required protracted monetary policy accommodation, a potential further buildup of financial vulnerabilities could give way to rapid tightening of global financial conditions, denting confidence and growth. The support to growth that comes from procyclical policies, including in the United States, will eventually need to be reversed. Other risks include a shift toward inward-looking policies that harm international trade and a worsening of geopolitical tensions and strife.

The current favorable juncture offers a window to enact policies and reforms that protect the upswing and raise medium-term growth to the benefit of all—strengthening the potential for higher and more inclusive growth, building buffers that will help deal more effectively with the next downturn, improving financial resilience to contain financial market risks, and fostering international cooperation.

(Source: <https://www.imf.org/en/Publications/WEO/Issues/2018/03/20/world-economic-outlook-april-2018#Chapter%201>)

#### RECENT DEVELOPMENTS AND PROSPECTS

##### An Investment-Led Pickup in Growth

At 3.8 percent, global growth last year was ½ percentage point faster than in 2016 and the strongest since 2011. Two-thirds of countries accounting for about three-fourths of global output experienced faster growth in 2017 than in the previous year (the highest share of countries experiencing a year-over-year growth pickup since



2010). The preliminary outcome for global growth in 2017 was 0.2 percentage point stronger than forecast in the October 2017 World Economic Outlook (WEO), with upside surprises in the second half of 2017 in advanced as well as emerging market and developing economies.

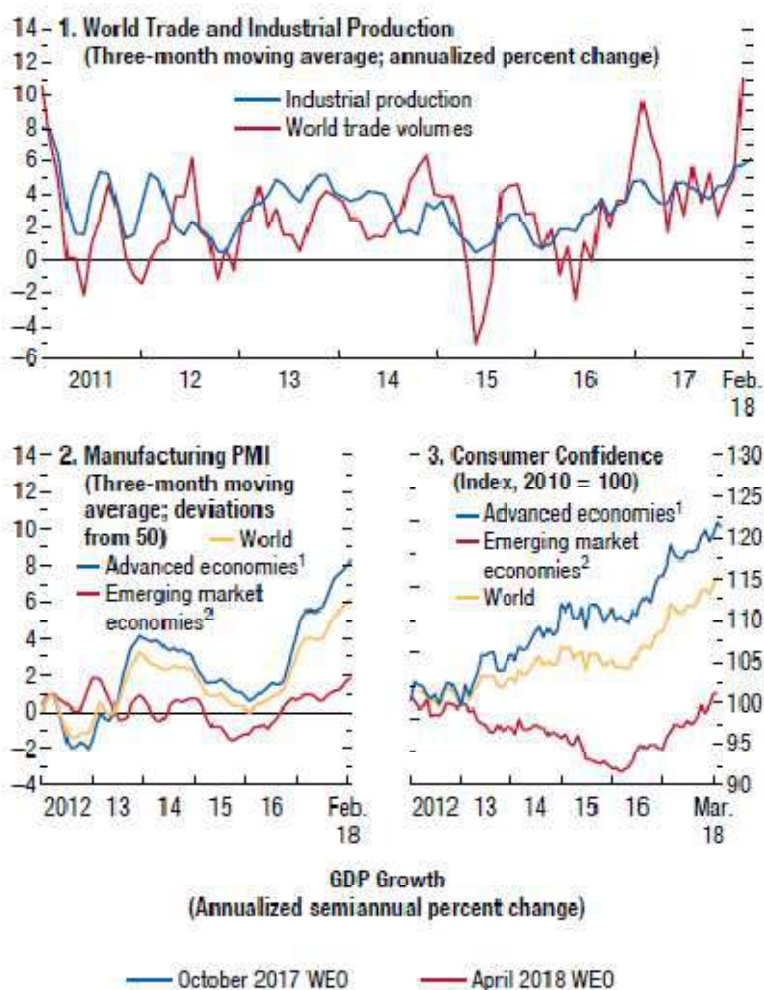
Resurgent investment spending in advanced economies and an end to the investment decline in some commodity-exporting emerging market and developing economies were important drivers of the uptick in global GDP growth and manufacturing activity (Figures 1.1-1.3).

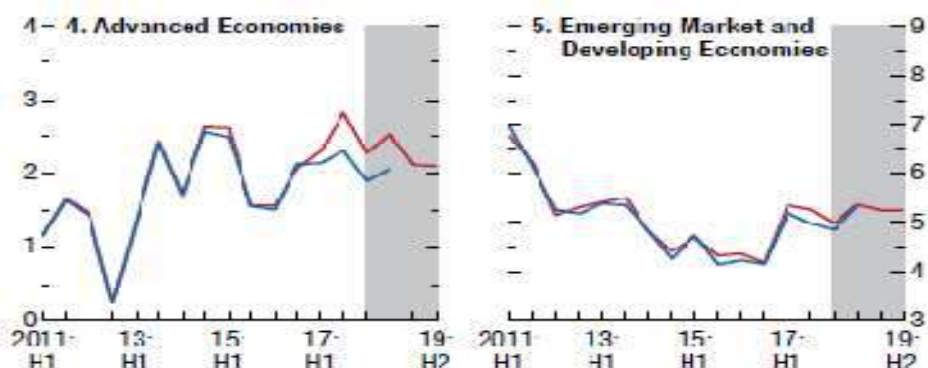
- Across advanced economies, the 0.6 percentage point pickup in 2017 growth relative to 2016 is explained almost entirely by investment spending, which remained weak since the 2008-09 global financial crisis and was particularly subdued in 2016 (Figure 1.2, left column). Both stronger gross fixed capital formation and an acceleration in stock building contributed to the pickup in investment, with accommodative monetary policy, stronger balance sheets, and an improved outlook helping release pent-up demand for capital goods.

- Across emerging market and developing economies, the 0.4 percentage point pickup in 2017 growth came primarily from an acceleration in private consumption (Figure 1.2, right column). But the picture is mixed within the group. Growth in China and India last year was supported by resurgent net exports and strong private consumption, respectively, while investment growth slowed. An end to fixed investment contractions in commodity-exporting countries that were severely affected by the commodity price downturn during 2015-16 (notably Brazil and Russia, but also Angola, Ecuador, and Nigeria) instead played an important role in their growth pickup in 2017. Higher fixed investment growth (2.3 percentage points above its 2016 level) also supported the growth performance of other emerging market and developing economies, alongside stronger private consumption.

**Figure 1.1. Global Activity Indicators**

Global growth surprised on the upside in the second half of 2017 amid strengthening industrial production and trade.





Sources: CFB Netherlands Bureau for Economic Policy Analysis; Haver Analytics; Markit Economics; and IMF staff estimates.

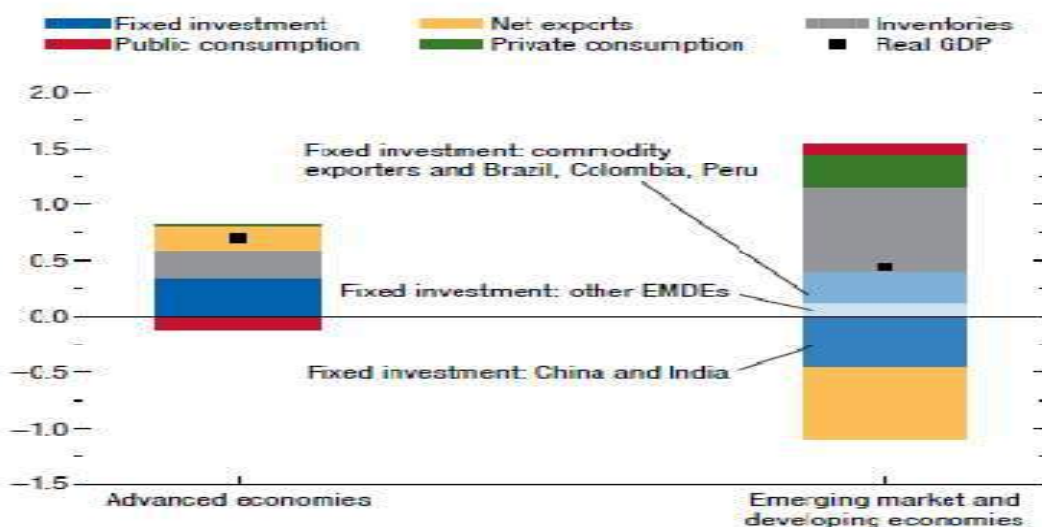
Note: CC = consumer confidence; PMI = purchasing managers' index; WEO = *World Economic Outlook*.

<sup>1</sup>Australia, Canada (FMI only), Czech Republic, Denmark, euro area, Hong Kong SAR (CC only), Israel, Japan, Korea, New Zealand (PMI only), Norway (CC only), Singapore (PMI only), Sweden (CC only), Switzerland, Taiwan Province of China, United Kingdom, United States.

<sup>2</sup>Argentina (CC only), Brazil, China, Colombia (CC only), Hungary, India (PMI only), Indonesia, Latvia (CC only), Malaysia (FMI only), Mexico (PMI only), Philippines (CC only), Poland, Russia, South Africa, Thailand (CC only), Turkey, Ukraine (CC only).

**Figure 1.2. Contributions to the Change in Real GDP Growth, 2016–17**  
(Percentage points)

Stronger investment spending in advanced economies and an end to fixed investment contractions in commodity exporters were important contributors to the pickup in global growth.



Source: IMF staff calculations.

Note: EMDEs = emerging market and developing economies.



## A Cyclical Rebound in Global Trade

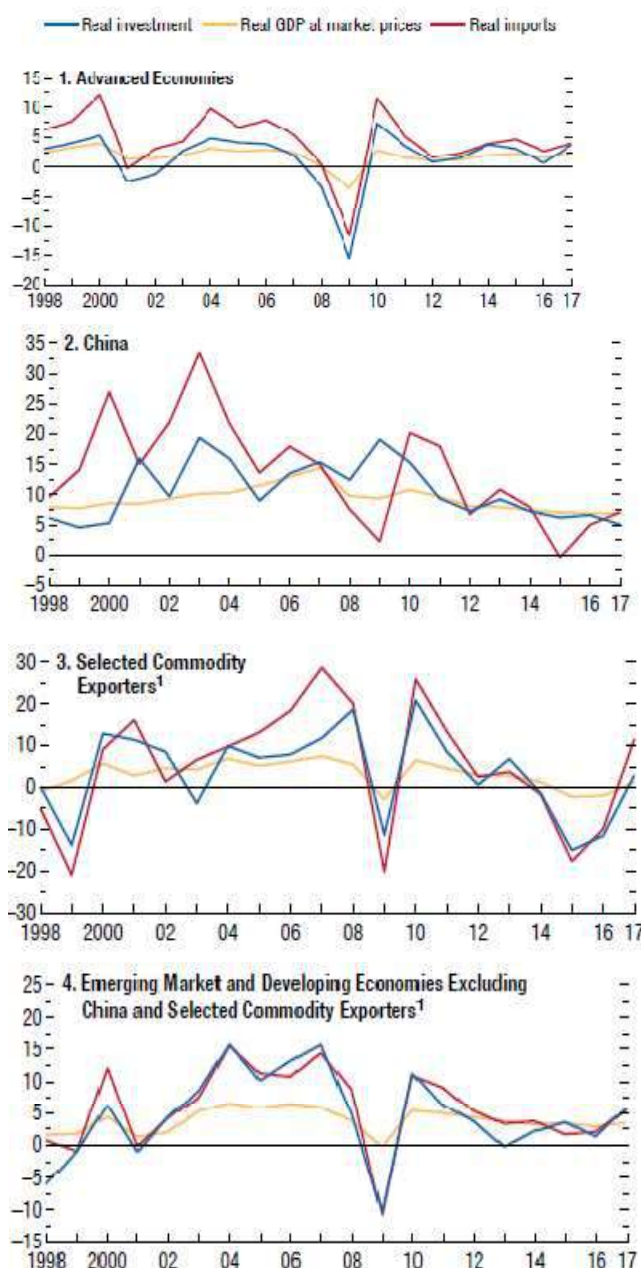
Global trade—which tends to be highly correlated with global investment (see Figure 1.3 and Chapter 2 of the October 2016 WEO)—recovered strongly in 2017 after two years of weakness, to an estimated real growth rate of 4.9 percent. The upsurge was more pronounced in emerging market and developing economies (with trade growth rising from 2.2 percent in 2016 to 6.4 percent in 2017), reflecting improved investment growth rates in formerly stressed commodity exporters as well as the recovery in advanced economy investment and domestic demand more generally.

Among advanced economies, large exporters, such as Germany, Japan, the United Kingdom, and the United States, contributed strongly to the recovery in exports (Figure 1.4, panel 1), while the recovery in imports was broad based, except in the United Kingdom (Figure 1.4, panel 2).

Among emerging market and developing economies, as shown in Figure 1.4, panel 3, the rebound in export growth was particularly strong in emerging Asia, especially China.<sup>1</sup> In contrast, the rebound in imports largely reflects an import recovery among commodity exporters—countries that had earlier experienced sharp investment and import contractions during the 2015–16 commodity price downturn. This is shown in Figure 1.4, panel 4: the blue bars represent commodity exporters that had a particularly pronounced cycle in imports (Angola, Brazil, Ecuador, Nigeria, Russia); the green bars represent remaining commodity exporters, which account for an important part of the import demand cycle among other emerging market and developing economies.

**Figure 1.3. Global Investment and Trade**  
(Percent change)

Global trade recovered strongly in 2017 after two years of weakness as investment spending picked up.

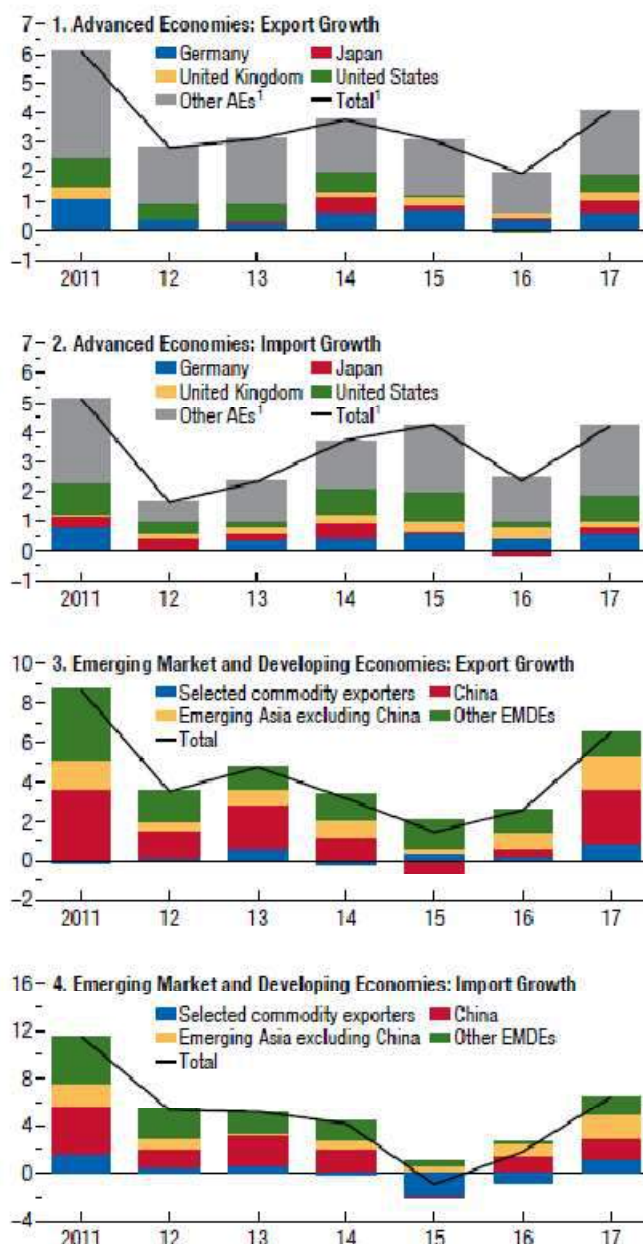


Source: IMF staff calculations.

<sup>1</sup> Selected commodity exporters = Angola, Brazil, Ecuador, Nigeria, Russia.

**Figure 1.4. Contributions to Trade Growth (Percent)**

The trade recovery was particularly pronounced in emerging market and developing economies.



Source: IMF staff calculations.

Note: Trade growth reflects export and import volumes from external sector data. AEs = advanced economies; EMDEs = emerging market and developing economies; selected commodity exporters = Angola, Brazil, Ecuador, Nigeria, Russia.

<sup>1</sup>Excludes Ireland.

## Rising Commodity Prices

The IMF's Primary Commodities Price Index rose 16.9 percent between August 2017 and February 2018—that is, between the reference periods for the October 2017 WEO and the current report (Figure 1.5). As described in the Commodities Special Feature, the increase was driven primarily by rising oil and natural gas prices. Among the other subindices, metals and agricultural commodity prices also rose, although less rapidly than energy prices.

- Oil prices increased to more than \$65 a barrel in January, the highest level since 2015, following unplanned outages on the US Gulf Coast and in Libya, the North Sea, and Venezuela; an extension to the end of 2018 of the Organization of the Petroleum Exporting Countries agreement on production targets; and stronger global economic growth. Prices moderated to \$63 a barrel in February, 27 percent above their August level.

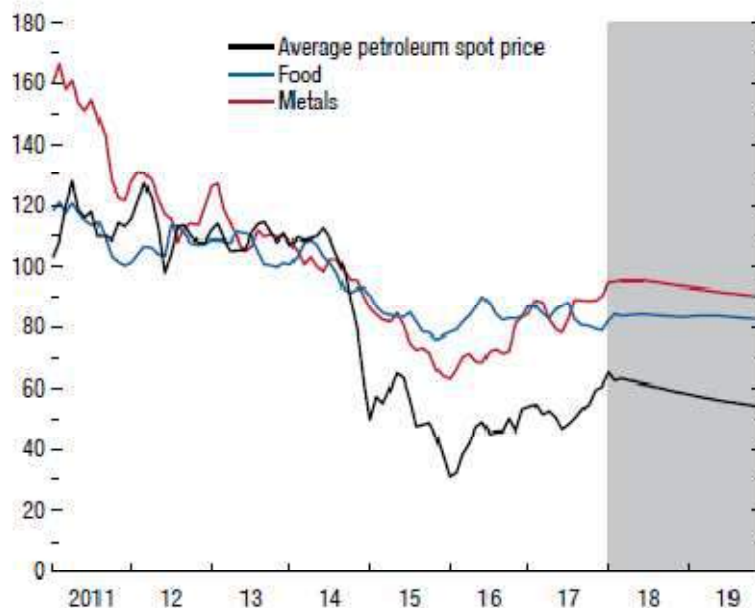
- The natural gas price index—an average for Europe, Japan, and the United States—rose sharply, by 45 percent from August 2017 to February 2018, reflecting seasonal factors. Strong demand for liquefied natural gas (LNG) in China, where the government has restricted the use of coal to mitigate air pollution, helped drive the spot LNG price to its highest level in three years. Higher oil prices also added upward pressure in countries where oil-linked pricing is more common.

- Metal prices increased 8.3 percent from August to February, in line with stronger growth in all major economies. Demand for base metals—especially aluminum—was strong, while supply was limited in part due to China's production capacity cuts. Iron ore prices rose 4.1 percent from August to February, rallying recently thanks to strong steel prices and

- The IMF's agricultural price index rose 4.1 percent from August 2017 to February 2018, as unfavorable weather conditions in recent months are expected to reduce this year's harvests of many grains and oilseeds. The subindices of food and agricultural raw materials rose 4.1 percent and 6.0 percent, respectively.

**Figure 1.5. Commodity and Oil Prices**  
(Deflated using US consumer price index; index, 2014 = 100)

Commodity prices, notably of oil and natural gas, have risen since the fall, but the medium-term outlook remains subdued.



Sources: IMF, Primary Commodity Price System; and IMF staff estimates.

(Source: <https://www.imf.org/en/Publications/WEO/Issues/2018/03/20/world-economic-outlook-april-2018#Chapter%201>)

## Indian Economy Overview

### Introduction

India has emerged as the fastest growing major economy in the world as per the Central Statistics Organisation (CSO) and International Monetary Fund (IMF) and it is expected to be one of the top three economic powers of the world over the next 10-15 years, backed by its strong democracy and partnerships. India's GDP increased 7.1 per cent in 2016-17 and is expected to reach a growth rate of 7 per cent by September 2018.

### Market size

India's gross domestic product (GDP) at constant prices grew by 7.2 per cent in September-December 2017 quarter as per the Central Statistics Organisation (CSO). Corporate earnings in India are expected to grow by 15-20 per cent in FY 2018-19 supported by recovery in capital expenditure, according to JM Financial.

The tax collection figures between April 2017- February 2018 show an increase in net direct taxes by 19.5 per cent year-on-year and an increase in net direct taxes by 22.2 per cent year-on-year.

India has retained its position as the third largest startup base in the world with over 4,750 technology startups, with about 1,400 new start-ups being founded in 2016, according to a report by NASSCOM.

India's labour force is expected to touch 160-170 million by 2020, based on rate of population growth, increased labour force participation, and higher education enrolment, among other factors, according to a study by ASSOCHAM and Thought Arbitrage Research Institute.

India's foreign exchange reserves were US\$ 422.53 billion in the week up to March 23, 2018, according to data from the RBI.

### **Government Initiatives**

In the Union Budget 2017-18, the Finance Minister, Mr. Arun Jaitley, verified that the major push of the budget proposals is on growth stimulation, providing relief to the middle class, providing affordable housing, curbing black money, digitalisation of the economy, enhancing transparency in political funding and simplifying the tax administration in the country.

India's unemployment rate has declined to 4.8 per cent in February 2017 compared to 9.5 per cent in August 2016, as a result of the Government's increased focus towards rural jobs and the Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) scheme.

The Government of Maharashtra has set a target to double farm income by 2022 through measures like large scale micro irrigation, water conservation, expansion of formal cash credit coverage, crop insurance and agriculture diversification, as per Mr. Vidyasagar Rao, Governor of Maharashtra.

Numerous foreign companies are setting up their facilities in India on account of various government initiatives like Make in India and Digital India. Mr. Narendra Modi, Prime Minister of India, has launched the Make in India initiative with an aim to boost the manufacturing sector of Indian economy, to increase the purchasing power of an average Indian consumer, which would further boost demand, and hence spur development, in addition to benefiting investors. The Government of India, under the Make in India initiative, is trying to give boost to the contribution made by the manufacturing sector and aims to take it up to 25 per cent of the GDP from the current 17 per cent. Besides, the Government has also come up with Digital India initiative, which focuses on three core components: creation of digital infrastructure, delivering services digitally and to increase the digital literacy.

Some of the recent initiatives and developments undertaken by the government are listed below:

- The Government of India has succeeded in providing road connectivity to 85 per cent of the 178,184 eligible rural habitations in the country under its Pradhan Mantri Gram Sadak Yojana (PMGSY) since its launch in 2014.
- A total of 15,183 villages have been electrified in India between April 2015-November 2017 and complete electrification of all villages is expected by May 2018, according to Mr. Raj Kumar Singh, Minister of State (IC) for Power and New & Renewable Energy, Government of India.
- The Government of India has decided to invest Rs 2.11 trillion (US\$ 32.9 billion) to recapitalise public sector banks over the next two years and Rs 7 trillion (US\$ 109.31 billion) for construction of new roads and highways over the next five years.
- The mid-term review of India's Foreign Trade Policy (FTP) 2015-20 has been released by Ministry of Commerce & Industry, Government of India, under which annual incentives for labour intensive MSME sectors have been increased by 2 per cent.
- The India-Japan Act East Forum, under which India and Japan will work on development projects in the North-East Region of India will be a milestone for bilateral relations between the two countries, according to Mr. Kenji Hiramatsu, Ambassador of Japan to India.
- The Government of India will spend around Rs 1 lakh crore (US\$ 15.62 billion) during FY 18-20 to build roads in the country under Pradhan Mantri Gram Sadak Yojana (PMGSY).



- The Government of India plans to facilitate partnerships between gram panchayats, private companies and other social organisations, to push for rural development under its 'Mission Antyodaya' and has already selected 50,000 panchayats across the country for the same.
- The fiscal deficit of the Government of India, which was 4.5 per cent of the gross domestic product (GDP) in 2013-14, has steadily reduced to 3.5 per cent in 2016-17 and is expected to further decrease to 3.2 per cent of the GDP in 2017-18, according to the Reserve Bank of India (RBI).
- The Government of India plans to implement a new scheme, named 'Sasti Bijli Har Ghar Yojana' with an outlay of Rs 17,000 crore (US\$ 2.64 billion), to provide electricity to around 40 million un-electrified households in the country.
- The Government of India and the Government of Portugal have signed 11 bilateral agreements in areas of outer space, double taxation, and nano technology, among others, which will help in strengthening the economic ties between the two countries.
- India's revenue receipts are estimated to touch Rs 28-30 trillion (US\$ 436- 467 billion) by 2019, owing to Government of India's measures to strengthen infrastructure and reforms like demonetisation and Goods and Services Tax (GST).

## Road Ahead

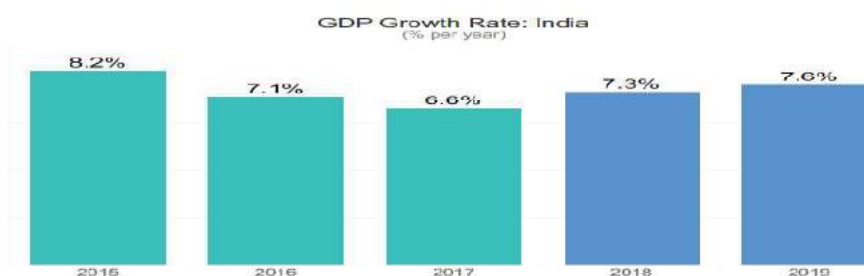
India's gross domestic product (GDP) is expected to reach US\$ 6 trillion by FY27 and achieve upper-middle income status on the back of digitisation, globalisation, favourable demographics, and reforms.

India is also focusing on renewable sources to generate energy. It is planning to achieve 40 per cent of its energy from non-fossil sources by 2030 which is currently 30 per cent and also have plans to increase its renewable energy capacity from 57 GW to 175 GW by 2022.

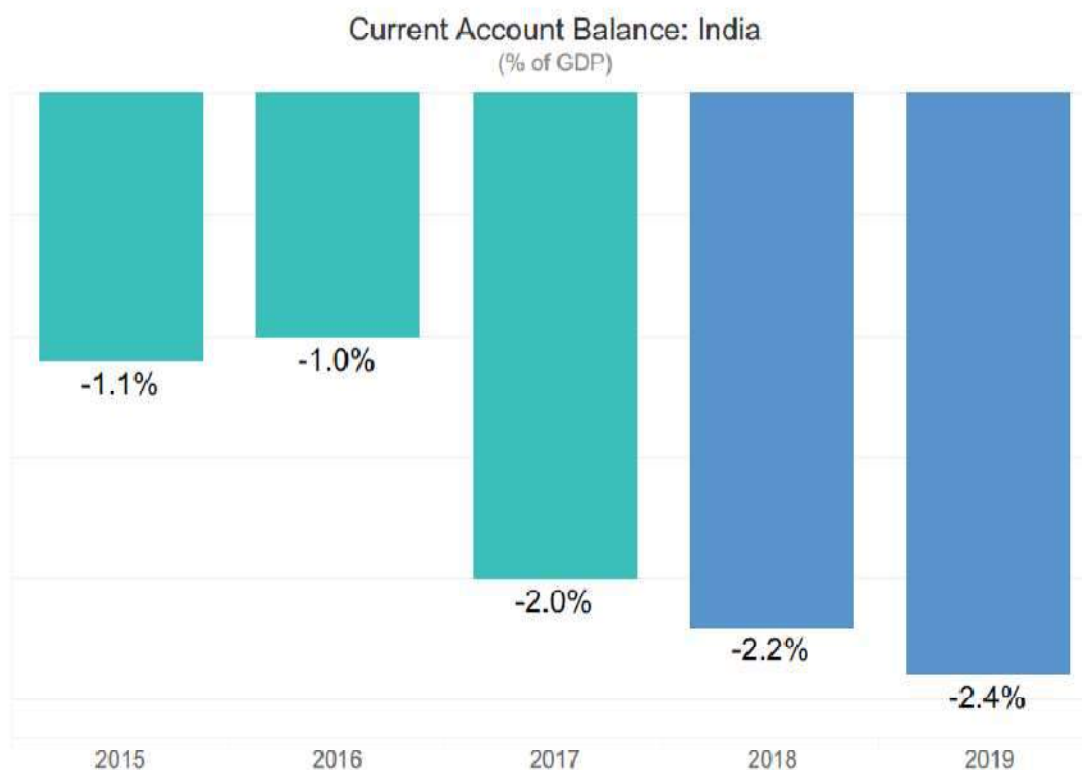
India is expected to be the third largest consumer economy as its consumption may triple to US\$ 4 trillion by 2025, owing to shift in consumer behaviour and expenditure pattern, according to a Boston Consulting Group (BCG) report; and is estimated to surpass USA to become the second largest economy in terms of purchasing power parity (PPP) by the year 2040, according to a report by PricewaterhouseCoopers.

(Source: <https://www.ibef.org/economy/indian-economy-overview>)

## Economic indicators for India



Source: Asian Development Bank: Asian Development Outlook (ADO) 2018



Source: Asian Development Bank. *Asian Development Outlook (ADO) 2018*

(Source: <https://www.adb.org/countries/india/economy#tabs-0-3>)

## MANUFACTURING SECTOR IN INDIA

### Introduction

Manufacturing has emerged as one of the high growth sectors in India. Prime Minister of India, Mr. Narendra Modi, had launched the 'Make in India' program to place India on the world map as a manufacturing hub and give global recognition to the Indian economy. India is expected to become the fifth largest manufacturing country in the world by the end of year 2020\*.

### Market Size

The Gross Value Added (GVA) at basic current prices from the manufacturing sector in India grew at a CAGR of 4.34 per cent during FY12 and FY18 as per the second advance estimates of annual national income published by the Government of India. Quarterly GVA at basic prices from manufacturing sector grew by 10.92 per cent in the third quarter of FY18. Under the Make in India initiative, the Government of India aims to increase the share of the manufacturing sector to the gross domestic product (GDP) to 25 per cent by 2022, from 16 per cent, and to create 100 million new jobs by 2022. Business conditions in the Indian manufacturing sector continue to remain positive.

## Investments

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

Cumulative Foreign Direct Investment (FDI) in India's manufacturing sector reached US\$ 73.70 billion during April 2000-December 2017.

India has become one of the most attractive destinations for investments in the manufacturing sector. Some of the major investments and developments in this sector in the recent past are:

- Mahindra and Mahindra is planning to start operating a fleet of electric cabs and supplying parts to Electric Vehicle (EV) manufacturers.
- Grasim Industries has received clearance for expansion of its plant at Vilayat. The expansion will entail an investment of Rs 2,560 crore (US\$ 396.8 million)
- Over 350 mobile charger factories are expected to be set up in India by 2025, on the back of the government's push to encourage production of battery chargers. Setting up of these factories is expected to lead to production of 1.46 billion chargers and generation of 0.8 million jobs.
- Government of India is planning to invite bids for setting up of 20 Gigawatts (GW) of solar power capacity with the objective of boosting domestic manufacturing of solar power equipment.
- JSW Energy has signed a memorandum of understanding (MoU) with the Government of Gujarat, for setting up an electric vehicle (EV) manufacturing unit in Gujarat at an estimated cost of Rs 4,000 crore (US\$ 608.88 million).
- With an aim to increase its presence in India, Denmark-based heating ventilation and air-conditioning (HVAC) giant, Danfoss, is planning to take its manufacturing localisation to 50 per cent as well as double its supplier base in India by 2020.

## Government Initiatives

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

- As of March 2018, Government of India is in the process of coming up with a new industrial policy which envisions development of a globally competitive Indian industry.
- The government has introduced two new World Bank assisted projects viz. SANKALP scheme and STRIVE scheme for skill development in the country.
- In Union Budget 2018-19, the Government of India reduced the income tax rate to 25 per cent for all companies having a turnover of up to Rs 250 crore (US\$ 38.75 million).
- Under the Mid-Term Review of Foreign Trade Policy (2015-20), the Government of India increased export incentives available to labour intensive MSME sectors by 2 per cent.
- The Ministry of Electronics and Information Technology is in the process of formulation of a new electronics manufacturing policy. The aim of the new policy will be to create an ecosystem of manufacturing in the country, enable India to become a significant global player in some of these categories.
- Ministry of Home Affairs liberalised Arms Rules to boost 'Make in India' manufacturing policy of the government. The liberalisation of the policy is expected to encourage investment in the manufacturing of arms and ammunition and weapon systems and promote employment generation.



- The Government of India has launched a phased manufacturing programme (PMP) aimed at adding more smartphone components under the Make in India initiative thereby giving a push to the domestic manufacturing of mobile handsets.
- The Government of India is in talks with stakeholders to further ease foreign direct investment (FDI) in defence under the automatic route to 51 per cent from the current 49 per cent, in order to give a boost to the Make in India initiative and to generate employment.
- The Ministry of Defence, Government of India, approved the “Strategic Partnership” model which will enable private companies to tie up with foreign players for manufacturing submarines, fighter jets, helicopters and armoured vehicles.
- The Union Cabinet has approved the Modified Special Incentive Package Scheme (M-SIPS) in which, proposals will be accepted till December 2018 or up to an incentive commitment limit of Rs 10,000 crore (US\$ 1.5 billion).

### Road Ahead

India is an attractive hub for foreign investments in the manufacturing sector. Several mobile phone, luxury and automobile brands, among others, have set up or are looking to establish their manufacturing bases in the country.

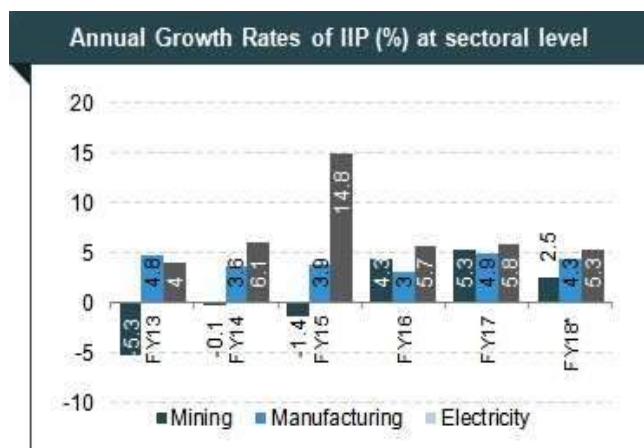
The manufacturing sector of India has the potential to reach US\$ 1 trillion by 2025 and India is expected to rank amongst the top three growth economies and manufacturing destination of the world by the year 2020. The implementation of the Goods and Services Tax (GST) will make India a common market with a GDP of US\$ 2.5 trillion along with a population of 1.32 billion people, which will be a big draw for investors.

With impetus on developing industrial corridors and smart cities, the government aims to ensure holistic development of the nation. The corridors would further assist in integrating, monitoring and developing a conducive environment for the industrial development and will promote advance practices in manufacturing.



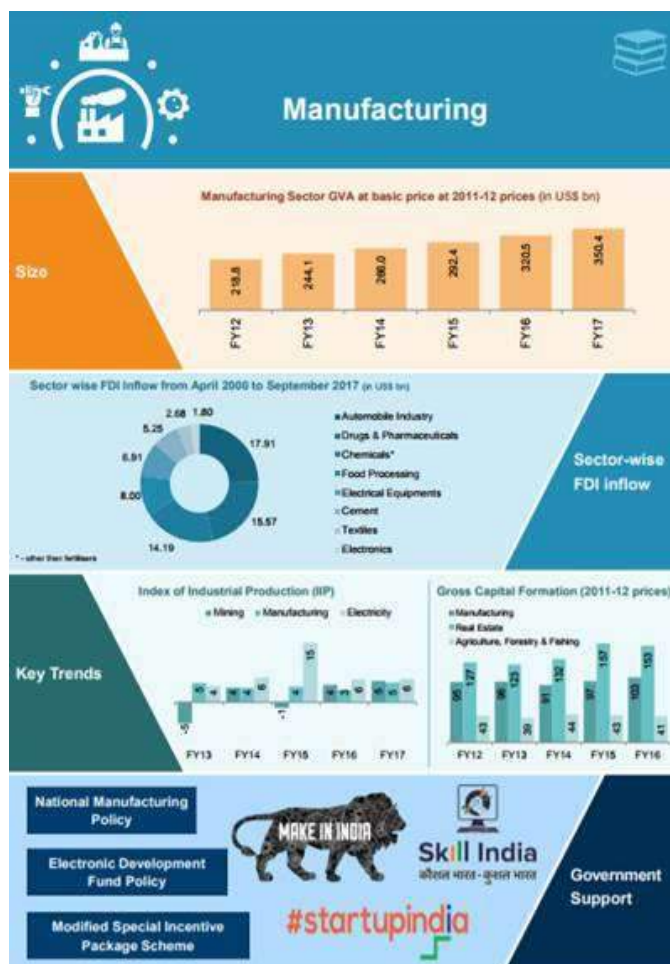
- The Index of Industrial Production (IIP) is prepared by the Central Statistics Office to measure the activity happening in three industrial sectors namely Mining, Manufacturing, and Electricity.
- It is the benchmark index and serves as a proxy to gauge the growth of manufacturing in India since manufacturing alone has a weight of 77.63 per cent in the index.
- The manufacturing component of the IIP recorded 4.4 per cent growth in FY17 and 8.7 per cent in January 2018.

- The production levels are expected to pick up growth again as the Goods and Services Tax (GST) has finally been implemented.



The Gross Value Added (GVA) from the manufacturing sector is estimated at US\$ 326.3 billion in FY18. The sector's contribution to the country's GDP stood at 16.51 per cent in 2016. Quarterly GVA at basic prices from manufacturing sector grew by 10.92 per cent in the third quarter of FY18. India has been ranked at 30th position on a global manufacturing index\*, ahead of BRICS peers, Brazil, South Africa and Russia.

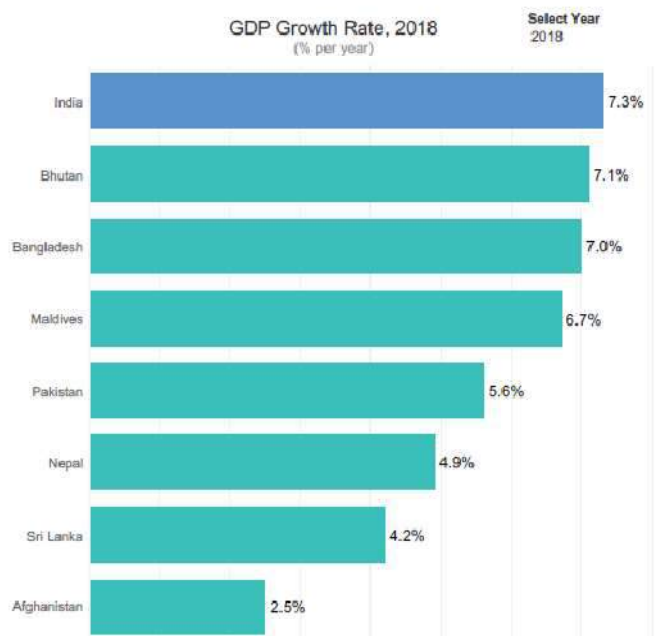
During 2017-18, Index of Industrial Production for manufacturing sector grew 4.50 per cent. India's Index of Eight Core Industries advanced 4.2 per cent year-on-year during 2017-2018. Manufacturing sector PMI of India stood at 51.60 in April 2018 indicating an expansion in the manufacturing sector.



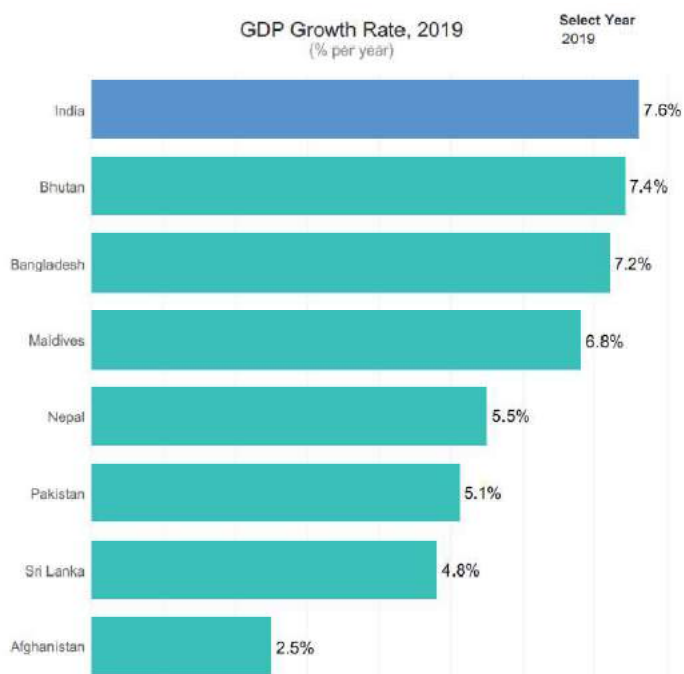
The electronic goods industry is one of the fastest growing industries and is expected to be worth US\$ 400 billion by 2020. Government is working on an export-oriented policy for Electronic products. The idea behind this policy is to promote greater exports of electronics and drive larger investments by setting up port-based electronic manufacturing clusters. Also, as of November 2017, Ministry of Electronics and Information Technology is going to come up with a new electronics manufacturing policy and is in process of setting up industry-specific groups.

The Government of India has been supportive towards this growth. It set up Electronic Hardware Technology Parks (EHTPs), Special Economic Zones (SEZs) and brought about a favourable climate for Foreign Direct Investment (FDI). The government has also increased liberalisation and relaxed tariffs to promote growth in the sector. In addition, it has given the nod to Modified Special Incentive Package Scheme (MSIPS) under which the central government will be offering up to US\$ 1.7 billion in benefits to the electronics sector in next five years. The growing customer base and the increased penetration in consumer durables segment have provided enough scope for the growth of the Indian electronics sector. Also, digitisation of cable could lead to increased broadband penetration in the country and open up new avenues for companies in the electronics industry.

## Comparative economic forecasts for South Asian countries



Source: Asian Development Bank. *Asian Development Outlook (ADO) 2018*

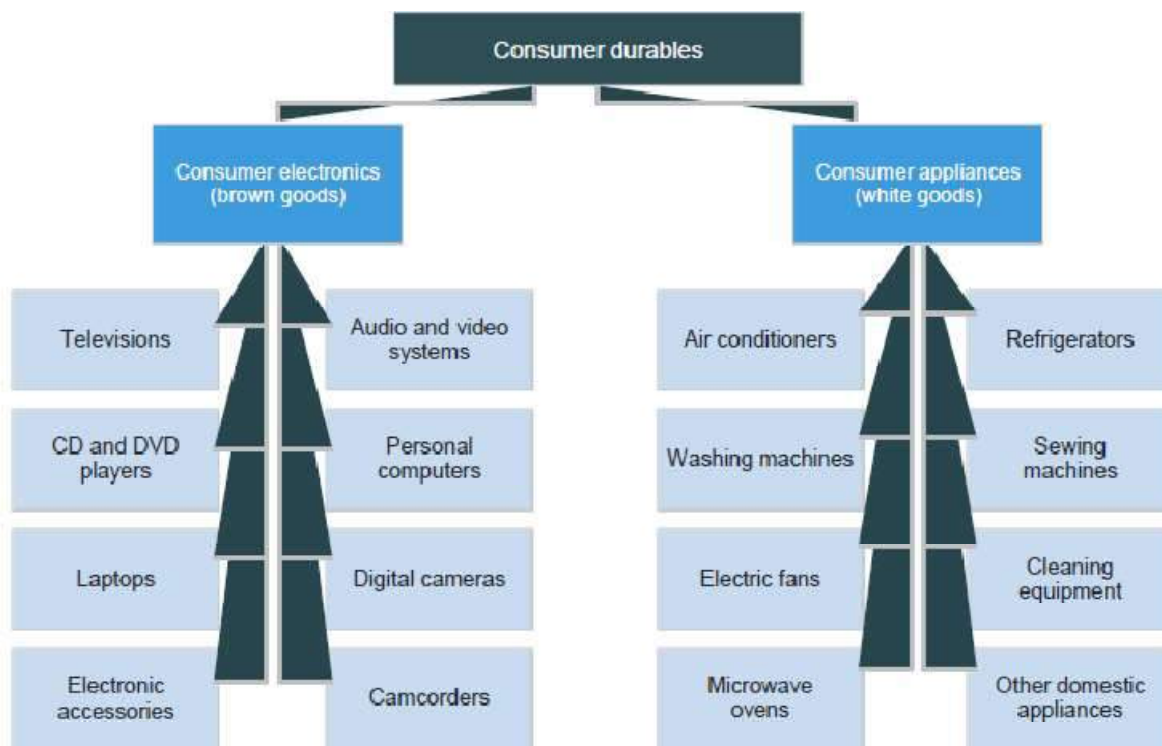


Source: Asian Development Bank. *Asian Development Outlook (ADO) 2018*

(Source: <https://www.adb.org/countries/india/economy#tabs-0-3>)

## CONSUMER DURABLES MARKET

THE CONSUMER DURABLES MARKET IS SPLIT INTO TWO KEY SEGMENTS



*Source: Electronic Industries Association of India, Aranca Research*

## CONSUMER DURABLES REVENUES HAVE BEEN GROWING AT A HEALTHY PACE

<b>Electric fans</b>	<ul style="list-style-type: none"> <li>Domestic electric fan market in India increased at 13 per cent CAGR between FY08-17 to reach Rs 70 billion (US\$ 1.1 billion). 22.6 million fans were produced in the country in 2017-18*</li> <li>Penetration of electric fans in rural areas is expected to reach 76-78 per cent in 2019-20 from 65 per cent in 2017.</li> </ul>
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## SUMMARY OF BUSINESS

*Some of the information contained in the following discussion, including information with respect to our plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should read the section “Forward-Looking Statements” for a discussion of the risks and uncertainties related to those statements and also the section “Risk Factors” for a discussion of certain factors that may affect our business, financial condition or results of operations. Our actual results may differ materially from those expressed in or implied by these forward- looking statements. Our fiscal year ends on March 31 of each year, so all references to a particular fiscal are to the twelve-month period ended March 31 of that year.*

*In this section, a reference to the “Company” or “we”, “us” or “our” means Wonder Fibromats Limited.*

*All financial information included herein is based on our Restated Financial Statements included on page 202 of this Draft Prospectus.*

### Overview

Ceiling and exhaust fans are important electro mechanic devices used in every household and commercial space adding value to the living interiors in terms of looks and air comfort. Fans have today become a necessity and not just a luxury.

We are a fully integrated end-to-end product and solution suite to the original sellers of the fans wherein we provide start to end solutions for fan sellers including sourcing, manufacturing, quality testing and packaging. We manufacture and supply fans to many well-known companies in India, which in turn distribute these products under their own brands.

Our Company was originally incorporated at Delhi as “Wonder Fibromats Private Limited” on 13<sup>th</sup> October, 2009 under the provisions of the Companies Act, 1956 vide Certificate of Incorporation issued by the Registrar of Companies, NCT of Delhi & Haryana. Consequent upon the conversion of our Company into public limited company, the name of our Company was changed to “Wonder Fibromats Limited” vide fresh Certificate of Incorporation dated July 5, 2018 issued by the Registrar of Companies, Delhi.

Our Company is engaged in the manufacturing of ceiling fans, exhaust, pedestal and brushless DC (BLDC) fans. All the parts & components of the fans are tested stringently at our in-house quality management lab to ensure their flawless performance. Moreover, various R&D activities are conducted by our professionals to remain abreast of the latest market requirements and competition. Apart from this, we have also set up a client-satisfaction cell which is supervised by our quality check (QC) department that reviews the complaints regarding our products directly from clients.

At Wonder Fibromats Limited, we manufacture and supply a wide range of ceiling, exhaust, pedestal and BLDC fans in various attractive designs and patterns, which are known for their high performance and low power consumption in the market. Our range of fans is available in different designs, colours and has superior gloss finishes that add grace to the decor of the surroundings. We also manufacture these fans as per specification of our clients which include well-known companies which are selling under their own brands in India.

Our fans are manufactured in accordance with the strict industrial standards and these extra durable ceiling, exhaust, pedestal and BLDC fans are known for their features such as superior strength, fine finish, and make us the one of the established fans manufacturers in India.

We believe that we have continuously diversified our product portfolio to keep pace with changing consumer trends and development in technology.



The table below sets out our sales volume across our key product portfolio for the period indicated:

Sr. No.	Product/ Vertical	Installed Capacity P.A (in Units)	Sales for the period ended 31 <sup>st</sup> March 2018] (in Units)	% sale of the Installed Capacity
1.	Ceiling Fans	42.00 Lacs	35.95 Lacs	85.60%
2.	Exhaust Fans	3.00 Lacs	2.35 Lacs	78.33%
3.	Pedestal Fans	3.00 Lacs	0.05 Lacs	1.67%
4.	BLDC Fans	1.20 Lacs	0.09 Lacs	7.5%

In line with our focus to provide end to end product solutions, we have done backward integration of our major manufacturing processes by developing in-house capabilities for blade fabrication, cover & rotor machining on automatic CNC machines, copper winding of stators, sanding, buffing, pre-treatment using nano technology, powder coating on a fully conveyORIZED & automatic paint-shop using robotic arm reciprocators, liquid painting for high end metallic finishes on a fully conveyORIZED, semi-automatic paint-shop and assembly. We believe that this improves our cost efficiency, reduces dependency on third party suppliers and gives better control on production time and quality of critical components used in manufacturing of the products.

Our in-house R&D team, apart from undertaking aesthetic, electrical and mechanical design and component engineering, also assists our customers in cost reduction through value engineering. This enables us to address consumer requirements across geographies, introduce new and unique products in the market and enhance existing products with emerging technologies.

Our R&D Facilities include the following:

1. Computer Aided designing tools like AutoCAD, ProE etc.;
2. Fully functional Lab for testing & validation of design;
3. Semi-Automatic Air Delivery Chamber with Imported Anemometer;
4. Access to all in-house processes like CNC Machining, Automatic Winding Shop, Press Shop for Blade Fabrication, Paint-Shops etc.

We have state-of-the-art manufacturing facility which is strategically located at Khasra No. 105-106, Raipur Industrial Area, Bhagwanpur, Roorkee-247667, meeting all the quality requirements of our customers. Our manufacturing facility has been accredited with quality management system and environmental management system, certificate for compliance with ISO 9001:2015 & ISO 14001:2015 requirements respectively. Further, few of our products are also compliant with quality standards issued by the Bureau of Indian Standards and our facility is BIS approved for using ISI mark on qualifying products. For further details, refer to the sub-section titled *“Our Manufacturing Facilities” on page 59 of the Draft Prospectus*. We are also in the process of setting up a new manufacturing facility in Hyderabad for an estimated production capacity of manufacturing 36,00,000 fans per annum presuming 300 operating days in a year and single Shift (12 Hours)-working basis. For more details, please refer the chapter titled *“Objects of the Issue” on page 102 of the Draft Prospectus*.

As on March 31, 2018, we had 494 (Four Hundred Ninety Four) permanent employees.

Our revenue from operations (Net), EBITDA and Profit after Tax, as restated, from all the segments, for the periods indicated are provided in the table below:

Rs. in Lacs					
Particulars	31.03.18	31.03.17	31.03.16	31.03.15	31.03.14
Revenue from operations (net)	29,371.22	16,562.95	13,739.78	7,202.28	-
EBITDA	1,280.22	1,046.47	592.27	151.73	-

Particulars	31.03.18	31.03.17	31.03.16	31.03.15	31.03.14
EBITDA (%)	4.36%	6.32%	4.31%	2.17%	
Profit after tax	797.30	509.16	163.73	(227.48)	-
Profit after tax (%)	2.71%	3.07%	1.19%	(3.16)%	-

The following table sets out the vertical-wise revenue proportion of our Major Products during the last five years:

PRODUCTS	2017-18		2016-17		2015-16		2014-15		2013-14	
	Qty	Value	Qty	Value	Qty	Value	Qty	Value	Qty	Value
Ceiling fans	36.47	25,616.28	18.67	13,295.12	16.58	11,606.19	7.57	5,639.50	-	-
Exhaust fans	1.63	2,725.30	1.55	2,613.03	1.12	1,732.83	0.87	1,324.48	-	-

### **Our Strengths:**

We believe that our experience in manufacturing, successful backward integration and design capabilities, strong relationships with our suppliers and anchor customers has resulted in us achieving leading position in our key verticals. We believe our established position helps us in buying critical components at competitive prices, achieve operational efficiencies, helps us in continuing to expand our customer base and further strengthens our relationship with anchor customers. It further enhances our ability to diversify into related products and enter new geographies.

### **Strong relationships with a diverse top-tier customer base**

We have established and will continue to focus on strengthening our long-standing relationships with well-known customers across product verticals. We view these customers as our partners and seek to provide them with quality end-to-end product solutions. We believe that our customers are long term reputed players in the industry. Our relationships with them have enabled us to continuously develop, diversify and improve our product portfolio, plan our production in anticipation of demand from retail customers and ensure continuous focus on quality. Such long-term business relationships stem from our commitment to quality products and timely delivery of customers' orders under tight delivery schedules and short production lead time.

Our major customers include well known companies of fans & home appliances which are selling the products under their own brands in India. All our customers are well respected players in one or more product categories offered by us.

Over the years, while maintaining and strengthening our relationships with our existing customers, we have successfully expanded and diversified our customer mix. In addition to targeting large and global players, we also cater to various leading local and small players across product verticals. We believe that by broadening our customer portfolio, we are able to reduce our reliance on just a few customers for our revenue streams.

We believe, our strong customer base has not only been instrumental in our success to date, but also will be a strong driver of our future growth and help expand our market share, develop new products and enter newer markets. Our ability to maintain and grow these customer relationships stems from our history of continuously creating value for our customers.

### **Experienced Promoters and seasoned management team**

Our Promoters have almost 3 decades of experience in the fan manufacturing industry.



Our Key Managerial Personnel have an average experience of over 15 years, comprise of experienced professionals with extensive experience in their domains, helping us develop new products through in-house R&D capabilities, thereby quickly adapting to changing client requirements across varying product mix.

Additionally, our senior management also possesses extensive industry and management experience which we believe has given us a specialized understanding of the complexities involved in the fan manufacturing industry in India and its processes. We believe that our business growth is attributable to our strong management culture fostered by an entrepreneurial spirit, each product vertical being managed by experienced and hands-on vertical heads having in-depth knowledge of our industry. Our experienced management team has successfully led our operations, increased our capacity, revenues and profits since our inception and is passionate and dedicated to our business and innovation.

We believe that our highly experienced and dedicated management team enables us to capture market opportunities, formulate and execute business strategies, manage client expectations as well as proactively manage changes in market conditions.

### **Quality Assurance and Standards**

We believe in providing our customers the best possible quality products. Since our Company is dedicated towards quality products, processes and inputs we get regular orders from our customers, as we are capable of meeting their quality standards.

### **End to end solutions provider with dedicated research and development capabilities**

Since inception, we have expanded our customer base and gained technological expertise in designing and manufacturing of fans. We place a high emphasis on integrating our services to continue to serve as an end-to-end product solutions provider and maintain an edge over our competitors. We believe that our dedication to design, manufacturing and our service infrastructure ensure customer satisfaction, foster customer loyalty and generate repeat business. Our capabilities which enable us to provide end-to-end solutions are:

#### **Research and development**

Our product superiority is founded on firm commitment to fan technology through continuous research and development.

Our manufacturing team produces high quality fans and all fans are tested in a well-equipped, in-house laboratory. All manufactured products are tested as per the standards laid down by Bureau of Indian Standards.

All our equipment is backed by not only highly skilled production staff but also by a strong and very experienced engineering and management team. We have in-house processes for machining, fabrication, stator winding, buffing, powder coating, painting, assembling, testing and packaging which includes moving semi-finished parts/products through conveyor belts.

Our R&D center which is located at our manufacturing facility in Roorkee has access to latest equipment such as CNC M/C for covers and rotors, drill, tapping, lathe, lacquer booth, drying oven, powder coating system (ITW GEMA), powder coating line, power presses and shearing machines for blade fabrication, belt conveyor, bearing pressing, coil winding, varnishing, liquid painting, sanding, auto strapping, dynamic balancing etc. The R&D team has the capabilities to verify and develop conceptual designs received from customers and convert such designs into deliverable products by improving the designs, recommending suitable raw materials and testing of trial products. The R&D team also aims to provide solutions to improve manufacturing efficiency on the existing

products, reduce production costs and also assists our customers in designing consumer durable and lighting products by providing design and engineering support.

Driven by core values of manufacturing and producing top-quality, authentic fans of the highest standards, the Company has rapidly developed a reputation for exceptional quality fans that offers top value for money.

### **Sourcing**

With an increase in the scale of our operations over the years, we have access to and have established continuous relationships with domestic and some international suppliers and gained expertise in procurement of components which meet strict quality standards and adhere to the time schedules laid down by our customers, on competitive rates. The benefits of placing large orders with our suppliers allow us to source at competitive prices thereby improving our margins and ability to win further business.

### **Backward integration**

We have successfully achieved backward integration of our services by setting up in-house manufacturing of wound components, blades & packing as well as other processes like machining, buffing, powder coating, painting etc. Backward integration provides us the benefit of greater control on the manufacturing process, quality and the corresponding benefits of cost efficiencies thereby improving our margins. As a result, we are able to fulfil our customers' diverse needs in a timely manner and enhance our ability to offer cost-competitive 'one-stop-shop' solutions.

### **Flexible and cost-effective manufacturing capabilities**

We have a proven track record of serving product requirements of our customers and we continue to pursue greater efficiencies of cost, time, quality and scale in our manufacturing processes. We maintain the flexibility of our manufacturing facilities by measures such as multiple-function training and standardization of equipment.

Due to the large scale of our operations, extensive experience in manufacturing, backward integrated manufacturing facilities, sourcing, processes and availability of skilled and unskilled manpower at our manufacturing facilities, we are able to offer cost effective solutions to our customers while maintaining our margins.

We attribute our ability to deliver quality products because of our control on manufacturing processes, robust engineering and quality assurance systems. The quality control team is tasked with thorough pre-manufacturing checks and balances. This prevents or, where necessary, uncovers defects which ensures that time and resources are not wasted in the production of defective products. Our manufacturing facility has been certified ISO 9001:2000 in accordance with international quality standards.

### **Strong Financial Performance and stable cash flows**

We have a track record of sustained growth in revenue and profitability. For the last three fiscals ended March 31, 2018, we achieved a CAGR of 59.97% in Total revenue of the Company of Rs. 29,486.85 Lacs and in fiscal ended March 31, 2017, CAGR of 51.65% in Total revenue of the Company of Rs. 16564.89 Lacs. Similarly, we have achieved CAGR of 90.78% in Total revenue of the Company of Rs. 13741.19 Lacs in fiscal 2016.

We believe that our robust financial position illustrates not only the growth of our operations over the years, but also the effectiveness of allocation of our capital and strong working capital management across our business. Further, during the fiscals 2018, 2017 and 2016, we reported RONW of 58.51%, 90.53% and 298.83%, respectively. Among other things, our strong financial position has enabled us to increase our production

capacities and diversify into newer products and offerings through internal accruals without increasing our external borrowings.

Our financial stability and positive cash flow from operations enable us to meet the present and future requirement of our customers. Our strong balance sheet gives our customers the confidence that we will be able to support them in terms of both capabilities and capacities. This also helps strengthen trust and engagement with our customers, thereby increasing customer stickiness.

### **Our Strategies**

We intend to build on our existing strengths of product design, manufacturing and service to enhance our position as the fan manufacturer. Key elements of our business strategy are described below:

#### ***Continue to focus on Original Design Manufacturer (“ODM”) model***

While Original Equipment Manufacturer (“OEM”) sales continue to be a major source of our revenue, we plan to gradually expand our share of the ODM model of manufacturing. As an ODM, we control the entire manufacturing cycle of a product from the initial stage of designing and are responsible for all the aspects of manufacturing, including planning and sourcing of raw materials and components. Under ODM, we sell our products to companies which in turn, distribute these products under their own brand to end users. However, warranties with respect to defects in raw materials and workmanship affecting normal use of products are provided by us. The ODM model of business requires additional investment in R&D as well as working capital but provides higher margins as compared to the OEM model.

We have in the past three years expanded our presence as an OEM in fan manufacturing vertical. The contribution of OEM sales, by vertical, to our revenue from such vertical for the periods indicated is as below:

S. No.	Vertical	% of revenue from vertical in the period ending		
		March 31, 2016	March 31, 2017	March 31, 2018
1.	Ceiling Fan	84.47%	80.27%	87.90%
2.	Exhaust Fan	12.61%	15.78%	11.12%
3.	Pedestal Fan	-	-	00.27%
4.	BLDC Fans	-	-	00.72%

Our strategy to move towards the ODM model is to service all major customer requirements across the industry. This also helps us in improving our overall profitability as we are able to control all aspects of the manufacturing cycle. Gradually, we believe there is a trend in certain product verticals wherein regional and private labels have been gaining market share and the ODM model allows us to service this market as well.

#### ***Continue to strengthen our existing product portfolio and diversify into products with attractive growth and profitability prospects***

Currently, our product offerings include ceiling fans, exhaust fans, pedestal fans & BLDC fans which accounted for 87.90%, 11.12%, 0.27% and 0.72% respectively, of our revenue from operations (net) in the fiscal ended March 31, 2018 and our ceiling fan and exhaust fan accounted 80.27% and 15.78%, of our revenue from operations (net) in Fiscal ended March 31, 2017. We plan to continue to increase offerings in our current product verticals as well as diversify into new verticals by tapping into segments which in the view of our management have attractive growth prospects and higher return ratios where we have distinctive competence and compelling value propositions.

### ***Expand existing relationships with customers into other product verticals***

We plan to continue to focus on customers with whom we have long-standing relationships in order to develop and supply more sophisticated, higher margin products. For example, from manufacturing of 17,77,180 fans in year 2015-16, we have expanded our productions to 38,23,150 fans as on March 31, 2018. Our experienced R&D team enables us to bring innovations to our existing customers that translate into new opportunities. Our R&D team has the ability to add new features to existing fan models and develop new product lines.

### ***Continue to strive for cost leadership***

We intend to continue to be the most cost-efficient player in each of the product verticals we will enter. This cost leadership will be achieved through initiatives like having large manufacturing capacities, backward integration and being a sizeable player in the industry. Economies of scale will also enable us to continuously improve our operational efficiencies.

### **SWOT ANALYSIS**

#### **STRENGTHS:**

- Effective leadership;
- Technical Manpower;
- Prestigious Client Base;
- Continued Research and Development;
- Experienced Promoters.

#### **WEAKNESSES:**

- Critical Manufacturing Cycle;
- Dependence on Key Customers;
- No owned brand.

#### **OPPORTUNITIES:**

- Growth in durable goods industry;
- Fast paced development in electrical fans;
- Expanding Geographical Markets;
- Continuous growth of end users.

#### **THREATS:**

- Technology disruptions;
- Entry of Global Players.

### **OUR MANUFACTURING FACILITIES**

We currently have one manufacturing facility at Khasra No. 105-106, Raipur Industrial Area, Bhagwanpur, Roorkee, Uttarakhand, details of which are set out below:

Sr. No.	Name of the Facility	Area in (in Sq. m)	Leased/Owned	Year of commencing	Product Manufactured /	Key Machinery/Equipment
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				operations	Services	
1.	Factory	9554	Owned	2014	Manufacturing of Fans	CNC M/C for covers and rotors, drill, tapping, lathe, lacquer booth motor, blower motor, drying oven, powder coating system (ITW GEMA), powder coating line, power press for blade fabrication, shearing, belt conveyor, bearing pressing, coil winding, varnishing, liquid paint, sanding, auto strapping, dynamic balancing

The details of our consolidated installed capacity and capacity utilization in the last three years are set out below:

PLANT CAPACITY UTILIZATION (NO OF UNITS CAPACITY AND PRODUCTION) FOR PAST 3 YEARS AND YEAR TO DATE (FOR ALL THE UNITS)		
Year	Capacity	Production
2017-18	42,00,000	38,23,150
2016-17	26,04,000	21,69,450
2015-16	19,44,000	17,77,180

**SUMMARY OF FINANCIAL INFORMATION**

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

(Rs. In Lacs)

Particulars	31.03.2018	31.03.17	31.03.16	31.03.15	31.03.14
<b>Equity &amp; Liabilities</b>					
<b>Shareholders' Funds</b>					
Share Capital	205.05	205.05	205.05	106.05	76.05
Reserve & Surplus	1,182.37	385.07	(124.09)	(287.83)	(60.34)
<b>Total (A)</b>	<b>1,387.42</b>	<b>590.12</b>	<b>80.96</b>	<b>(181.78)</b>	<b>15.71</b>
<b>Non Current Liabilities</b>					
Share Application Money	-	-	-	-	-
Long Term Borrowings	1,039.78	854.60	1,140.86	1,335.26	442.74
Deferred Tax Liabilities (Net)	-	-	-	-	-
Other Long Term Liabilities	-	-	-	-	-
Long Term Provisions	-	-	-	-	-
<b>Total (B)</b>	<b>1,039.78</b>	<b>854.60</b>	<b>1,140.86</b>	<b>1,335.26</b>	<b>442.74</b>
<b>Current Liabilities</b>					
Short Term Borrowings	2,298.25	1,230.25	1,384.81	380.50	416.71
Trade Payables	7,300.27	3,760.27	2,549.11	2,711.88	34.02
Other Current Liabilities	-	-	-	-	-
Short Term Provisions	556.93	240.51	86.60	64.40	1.90
<b>Total (C)</b>	<b>10,155.45</b>	<b>5,231.03</b>	<b>4,020.52</b>	<b>3,156.78</b>	<b>452.63</b>
<b>Total (D=A+B+C)</b>	<b>12,582.65</b>	<b>6,675.75</b>	<b>5,242.34</b>	<b>4,310.26</b>	<b>911.08</b>
<b>Assets</b>					
<b>Fixed Assets:</b>					
(i) Tangible Assets	1,554.30	1,379.35	1,330.75	1,331.45	205.02
(ii) Intangible Assets	-	-	-	-	-
(iii) Capital Work in Progress	-	-	-	-	624.32
	-	-	-	-	-
Long Term Loans & Advances	-	-	-	-	-
Non Current Investments	-	-	-	-	-
Deferred Tax Assets (Net)	24.01	26.43	24.27	18.83	-
Other Non Current Assets	0.64	1.27	1.90	2.53	20.63
<b>Total (E)</b>	<b>1,578.95</b>	<b>1,407.05</b>	<b>1,356.92</b>	<b>1,352.81</b>	<b>849.97</b>



<b>Current Assets</b>					
Current Investments	-	-	-	-	-
Inventories	1,394.47	957.97	1,070.95	1,156.58	1.13
Trade Receivables	8,964.38	4,110.34	2,688.25	1,729.24	-
Cash & Bank Balances	16.83	6.52	56.65	7.28	2.73
Short Term Loans & Advances	628.02	193.87	69.57	64.35	57.25
Other Current Assets	-	-	-	-	-
<b>Total (F)</b>	<b>11,003.70</b>	<b>5,268.70</b>	<b>3,885.42</b>	<b>2,957.45</b>	<b>61.11</b>
<b>Total (G=E+F)</b>	<b>12,582.65</b>	<b>6,675.75</b>	<b>5,242.34</b>	<b>4,310.26</b>	<b>911.08</b>

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

(Rs. In Lacs)

Particulars	31.03.18	31.03.17	31.03.16	31.03.15	31.03.14
<b>Income</b>					
Revenue from Operations	29,371.22	16,562.95	13,739.78	7,202.28	-
Other Income	115.63	1.94	1.41	0.52	-
<b>Total</b>	<b>29,486.85</b>	<b>16,564.89</b>	<b>13,741.19</b>	<b>7,202.80</b>	<b>-</b>
<b>Expenditure</b>					
Raw Materials Consumed	20,828.37	12,754.17	10,749.18	6,103.28	-
Manufacturing Expenses	3,220.95	1,965.94	1,861.32	847.69	-
Changes in Inventories of Finished Goods, Work in Progress, Stock in Trade	2,945.95	114.05	58.96	(199.15)	-
Employees Benefit Expenses	914.29	555.52	327.02	230.32	-
Administrative, Selling and Other Expenses	297.07	128.74	152.44	68.93	-
<b>Total</b>	<b>28,206.63</b>	<b>15,518.42</b>	<b>13,148.92</b>	<b>7,051.07</b>	<b>-</b>
<b>Profit before Depreciation, Interest and Tax</b>	<b>1,280.22</b>	<b>1,046.47</b>	<b>592.27</b>	<b>151.73</b>	<b>-</b>
Depreciation & Amortization	198.40	180.96	188.42	222.50	-
Preliminary Expenses Written Off	-	-	-	-	-
<b>Profit before Interest &amp; Tax</b>	<b>1,081.82</b>	<b>865.51</b>	<b>403.85</b>	<b>(70.77)</b>	<b>-</b>
Financial Expenses	17.87	191.70	239.65	175.54	-
Exceptional Items	-	-	-	-	-
<b>Net Profit before Tax</b>	<b>1,063.95</b>	<b>673.81</b>	<b>164.20</b>	<b>(246.31)</b>	<b>-</b>
<b>Less: Provision for Taxes:</b>					
Current Tax	264.23	166.81	5.91	-	-
Deferred Tax	2.42	(2.16)	(5.44)	(18.83)	-
<b>Net Profit After Tax &amp; Before Extraordinary Items</b>	<b>797.30</b>	<b>509.16</b>	<b>163.73</b>	<b>(227.48)</b>	<b>-</b>
Extra Ordinary Items	-	-	-	-	-
<b>Net Profit</b>	<b>797.30</b>	<b>509.16</b>	<b>163.73</b>	<b>(227.48)</b>	<b>-</b>

**STATEMENT OF CASH FLOW, AS RESTATED**

(Rs. In Lacs)

Particulars	31.03.18	31.03.17	31.03.16	31.03.15	31.03.14
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>					
Net profit before taxes	1,063.95	673.81	164.20	(246.31)	-
Adjustment for:					
Add: Depreciation & Amortization	198.40	180.96	188.42	222.50	-
Add: Financial Expenses	17.87	191.70	239.65	175.54	-
Add: Preliminary Expenses Written Off	0.63	0.63	0.63	0.63	-
Operating Profit before Working capital changes	<b>1,280.85</b>	<b>1,047.10</b>	<b>592.90</b>	<b>152.36</b>	-
Adjustments for:					
Decrease (Increase) in Inventories	(436.50)	112.98	85.63	(1,155.45)	(0.93)
Decrease (Increase) in Trade & Other Receivables	(4,854.04)	(1,422.09)	(959.01)	(1,729.24)	12.85
Decrease (Increase) in Short Term Loans & Advances (Excl Taxes)	117.12	177.84	9.83	(7.08)	(57.05)
Decrease (Increase) in Other Current Assets	(438.48)	(181.96)	-	-	-
Increase (Decrease) in Trade Payables	3,540.00	1,211.96	(162.77)	2,677.86	34.02
Increase (Decrease) in Short Term Provisions (Excl Taxes)	196.28	38.44	(6.42)	62.50	0.93
Increase (Decrease) in Other Current Liabilities	-	-	-	-	-
Net Changes in Working Capital	<b>(1,875.62)</b>	<b>(63.62)</b>	<b>(1,032.74)</b>	<b>(151.41)</b>	<b>(10.18)</b>
Cash Generated from Operations	(594.77)	983.47	(439.84)	0.95	(10.18)
Taxes	(256.88)	(171.52)	7.66	(0.02)	-
<b>Net Cash Flow from Operating Activities (A)</b>	<b>(851.65)</b>	<b>811.95</b>	<b>(432.18)</b>	<b>0.93</b>	<b>(10.18)</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>					
Sale / (Purchase) of Fixed Assets and CWIP	(373.35)	(229.56)	(187.72)	(707.15)	(621.15)
Decrease (Increase) in Investments	-	-	-	-	-
<b>Net Cash Flow from Investing Activities (B)</b>	<b>(373.35)</b>	<b>(229.56)</b>	<b>(187.72)</b>	<b>(707.15)</b>	<b>(621.15)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>					
Issue of share capital and Proceeds / (Refund) from Share Application Money	-	-	99.00	30.00	35.52
Interest & Finance Charges	(17.87)	(191.70)	(239.65)	(175.54)	-
Preliminary Expenses Incurred	-	-	-	-	(20.63)
Increase / (Repayment) of Long Term Borrowings	185.18	(286.26)	(194.40)	892.52	442.74
Increase / (Repayment) of Short Term Borrowings	1,068.00	(154.56)	1,004.31	(36.21)	171.97
Decrease (Increase) in Long Term Loans &	-	-	-	-	-
<b>Net Cash Flow from Financing Activities (C)</b>	<b>1,235.31</b>	<b>(632.52)</b>	<b>669.26</b>	<b>710.77</b>	<b>629.60</b>
<b>Net Increase / (Decrease) in Cash &amp; Cash Equivalents</b>	<b>10.31</b>	<b>(50.13)</b>	<b>49.36</b>	<b>4.55</b>	<b>1.73</b>

Particulars	31.03.18	31.03.17	31.03.16	31.03.15	31.03.14
Cash and cash equivalents at the beginning of the year / Period	6.52	56.65	7.28	2.73	4.46
Cash and cash equivalents at the end of the year/ Period	16.83	6.52	56.65	7.28	2.73

## ISSUE DETAILS IN BRIEF

The following table summarizes the issue details:

Particulars	Details of Equity Shares
Issue of Equity Shares by our Company	Issue of upto 22,51,200 Equity Shares having face value of Rs. 10.00 each at a price of Rs. [●] per Equity Share (including a share premium of Rs. [●] per Equity share) aggregating Rs. [●] lacs.
<b>Of which:</b>	
Market Maker Reservation Portion	Upto 1,12,800 Equity Shares of face value of Rs. 10 each fully paid of the Company for cash at price of Rs. [●] /- per Equity Share aggregating Rs. [●] lacs.
Net Issue to the Public*	Upto 21,38,400 Equity Shares of face value of Rs.10 each fully paid of the Company for cash at price of Rs. [●] per Equity Share aggregating Rs. [●] lacs.
	<b>Of which:</b>
	Not less than 10,69,200 Equity Shares of face value of Rs.10 each fully paid of the Company for cash at price of Rs. [●] per Equity Share aggregating Rs. [●] lacs will be available for allocation to investors up to Rs. 2.00 Lacs.
	Upto 10,69,200 Equity Shares of face value of Rs.10 each fully paid of the Company for cash at price of Rs. [●] per Equity Share aggregating Rs. [●] lac will be available for allocation to investors above Rs. 2.00 Lacs
<b>Pre and Post Issue Equity Shares</b>	
Equity Shares outstanding prior to the Issue	61,51,500 Equity Shares of face value of Rs.10 each
Equity Shares outstanding after the Issue	Upto 84,02,700 Equity Shares of face value of Rs. 10 each
Use of Proceeds	For further details please refer chapter titled Objects of the Issue, beginning on page 102 of this Draft Prospectus for information on use of Issue Proceeds.

*The Issue has been authorised by our Board pursuant to a resolution dated August 06, 2018 and by our Equity Shareholders pursuant to a resolution passed at the extraordinary general meeting held on August 31, 2018.*

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

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

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

*\*Note: Number of shares may need to be adjusted for lot size upon determination of issue price.*

For further details please refer to section titled “*Issue Information*” beginning on page 271 of this Draft Prospectus.



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## GENERAL INFORMATION

### WONDER FIBROMATS LIMITED

Our Company was originally incorporated at Delhi as “Wonder Fibromats Private Limited” on 13<sup>th</sup> October, 2009 under the provisions of the Companies Act, 1956 vide Certificate of Incorporation issued by the Asst. Registrar of Companies, NCT of Delhi & Haryana. Consequent, upon the conversion of our Company into public limited company, the name of our Company was changed to “Wonder Fibromats Limited” vide fresh certificate of incorporation dated 5<sup>th</sup> July, 2018 issued by the Registrar of Companies, Delhi

#### REGISTERED OFFICE:

**Registered office:**

45, Okhla Industrial Estate,

Phase-III,

New Delhi - 110020

Tel: + 011 66058952

Email Id: [info@wonderfibromats.com](mailto:info@wonderfibromats.com)

Website: [www.wonderfibromats.com](http://www.wonderfibromats.com)

**Factory/Manufacturing Facility:**

Khasra No. 105-106, Raipur Industrial Area,

Bhagwanpur, Roorkee,

Distt. Haridwar (U.K.)

*\*Our Company maintains books of account and papers at the Factory / Manufacturing facility of the Company.*

#### COMPANY REGISTRATION NUMBER: 195174

#### COMPANY IDENTIFICATION NUMBER: U31900DL2009PLC195174

Our Company is registered with the Registrar of Companies, Delhi.

**Address:**

4th Floor, IFCI Tower,

61, Nehru Place,

New Delhi - 110019

#### DESIGNATED STOCK EXCHANGE: National Stock Exchange of India Limited

#### LISTING OF SHARES OFFERED IN THIS ISSUE: National Stock Exchange of India Limited

For details in relation to the changes to the name of our Company, please refer to the section titled “Our History and Corporate Structure” beginning on page 162 of this Draft Prospectus.

#### CONTACT PERSON:

Ms. Nikita

Company Secretary and Compliance officer

45, Okhla Industrial Estate,

Phase-III,  
New Delhi - 110020  
Tel: + 011 66058952  
Email: [cs@wonderfibromats.com](mailto:cs@wonderfibromats.com)  
Website: [www.wonderfibromats.com](http://www.wonderfibromats.com)

#### BOARD OF DIRECTORS:

Our Board of Directors comprise of the following members:

NAME	DESIGNATION	DIN	PAN	ADDRESS
Mr. Harsh Kumar Anand	Managing Director	00312438	AAHPA4957D	E-279 Greater Kailash-II South Delhi 110048
Mr. Yogesh Anand	Executive and Non Independent Director	00425775	AAEPA6561A	C-62 Sector-44,Noida Gautam Budh Nagar 201301 UP
Mr. Yogesh Sahni	Executive and Non Independent Director	00811667	AAXPS3626D	8, Sri Ram Road, Civil Lines, Delhi 110054
Mr. Rohit Anand	Executive and Non Independent Director	00317492	AAHPA4954A	E-279 Greater Kailash Part-II South Delhi 110048
Mr. Karan Anand	Executive and Non Independent Director	05253410	AFNPA0921N	E-279 Greater Kailash Part-II South Delhi 110048
Mr. Jatin Anand	Executive and Non Independent Director	07507727	AFYPA7710C	C-62 Sector-44,Noida Gautam Budh Nagar 201301 UP
Mr. Siddhant Sahni	Executive and Non Independent Director	07508004	BDAPS0889K	8 Shri Ram Road Civil Lines Delhi-110054
Mrs. Neerja Sahni	Executive and Non Independent Director	08180342	CMSPS6652Q	8 Shri Ram Road Civil Lines Delhi-110054
Mr. Praveen Chand Khanna	Independent Director	00535792	AAMPK8445P	House No. 17, Alipur Road, Civil Lines, North Delhi North Delhi 110054
Mr. Jugal Kishore Chugh	Independent Director	01254901	AAAPC1552H	I-208, Plot No. E 8 B, Parsvnath Gardenia Sector-61, Gautam Buddha Nagar Noida 201301 UP
Mr. Sunil Malhotra	Independent Director	08183343	AAHPM9022H	Flat No.-402,Tower C-6, The Legend, Sushant Lok 3 , Sector-57, Gurgaon 122011 HR
Mr. Amarbir Singh Bhatia	Independent Director	08183825	AKCPB5042k	A-151,Defence Colony, Lajpat Nagar Delhi 110024

For further details of Management of our Company, please refer to section titled "Our Management" on page 172 of this Draft Prospectus.

#### **COMPANY SECRETARY & COMPLIANCE OFFICER**

Ms. Nikita  
Company Secretary and Compliance officer  
45, Okhla Industrial Estate,  
Phase-III,  
New Delhi - 110020  
Tel: + 011 66058952  
Email: [cs@wonderfibromats.com](mailto:cs@wonderfibromats.com)  
Website: [www.wonderfibromats.com](http://www.wonderfibromats.com)

All grievances may be addressed to the Registrar to the Issue with a copy to the relevant Designated Intermediary with whom the ASBA Form was submitted. The Applicant should give full details such as name of the sole or first Applicant, ASBA Form number, Applicant DP ID, Client ID, PAN, date of the ASBA Form, address of the Applicant, number of the Equity Shares applied for and the name and address of the Designated Intermediary where the ASBA Form was submitted by the Applicant.

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

Applicants can contact the Compliance Officer or the Lead Manager or the Registrar to the Issue in case of any pre-Issue or post-Issue related problems, such as non-receipt of letters of Allotment, credit of Allotted Equity Shares in the respective beneficiary account and refund orders, etc. All complaints, queries or comments received by Stock Exchange / SEBI shall be forwarded to the Lead Manager, who shall respond to the same.

<p><b><u>CHIEF FINANCIAL OFFICER</u></b></p> <p>Mr. Yogesh Anand, 45, Okhla Industrial Estate, Phase-III, New Delhi - 110020 Tel: + 011 66058952 Email: <a href="mailto:cfo@wonderfibromats.com">cfo@wonderfibromats.com</a> Website: <a href="http://www.wonderfibromats.com">www.wonderfibromats.com</a></p>	<p><b><u>BANKER TO THE COMPANY</u></b></p> <p><b><u>Bank of India-</u></b> Roorkee Branch. <b><u>Bank of India-</u></b> Lajpat Nagar Branch.</p>
<p><b><u>STATUTORY AUDITORS</u></b></p> <p>M/s. AYK &amp; Associates Chartered Accountants Office: C-24, Ground Floor, Sector- 2, Noida,U.P,India 201301 E-mail: <a href="mailto:yogesh@aykca.com">yogesh@aykca.com</a> Contact Person: Mr. Yogesh Kumar Contact Number: 0120-4124996 Membership No. 403036</p>	<p><b><u>PEER REVIEW AUDITORS</u></b></p> <p>M/S. RAMANAND &amp; ASSOCIATES, Chartered Accountants 6/C, Ostwal Park, Building No. 4 CHSL, Near Jesal Park, Jain Temple, Bhayander (East), Thane - 401105 Tel : +91-22-2817 1199 Telefax: +91-22-2817 1199 E-mail: <a href="mailto:rg@ramanandassociates.com">rg@ramanandassociates.com</a></p>

<b>Firm Registration No. 018591C</b>	<b>Firm Registration No.-117776W</b> <b>Contact Person: Mr. Ramanand Gupta</b>
<b><u>LEAD MANAGER</u></b>  <b>NAVIGANT CORPORATE ADVISORS LIMITED</b> 423, A Wing, Bonanza, Sahar Plaza Complex, J B Nagar, Andheri Kurla Road, Andheri East, Mumbai-400 059 <b>Tel No. +91-22-41204837/49735078</b> <b>Email Id- <a href="mailto:navigant@navigantcorp.com">navigant@navigantcorp.com</a></b> <b>Investor Grievance Email:<a href="mailto:info@navigantcorp.com">info@navigantcorp.com</a></b> <b>Website:<a href="http://www.navigantcorp.com">www.navigantcorp.com</a></b> <b>SEBI Registration Number: INM000012243</b> <b>Contact Person: Mr. Sarthak Vijlani</b>	<b><u>LEGAL ADVISORS TO THE ISSUE</u></b>  <b>M V KINI, LAW FIRM</b> Kini House, 6/39 Jangpura-B, New Delhi 110 014 <b>Tel: 11 2437 1038/39/40</b> <b>Fax: +91 22 22612530</b> <b>Email: <a href="mailto:raj@mvkini.com">raj@mvkini.com</a></b> <b>Contact person: Mrs. Raj Rani Bhalla</b> <b>Website: <a href="http://www.mvkini.com">www.mvkini.com</a></b>
<b><u>REGISTRAR TO THE ISSUE</u></b>  <b>KARVY COMPUTERSHARE PRIVATE LIMITED</b> Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad 500 032 <b>Tel : +91 40 6716 2222</b> <b>Fax : + 91 40 2343 1551</b> <b>Website: <a href="https://karisma.karvy.com">https://karisma.karvy.com</a></b> <b>E-mail: <a href="mailto:einward.ris@karvy.com">einward.ris@karvy.com</a></b> <b>Investor Grievance E-mail:</b> <b><a href="mailto:wonderfibromats.ipo@karvy.com">wonderfibromats.ipo@karvy.com</a></b> <b>Contact Person : Mr. M Murali Krishna</b> <b>SEBI Registration : INR000000221</b>	<b><u>PUBLIC ISSUER BANKER / BANKER TO THE ISSUE</u></b>  <b>[•]</b>

#### **SELF CERTIFIED SYNDICATE BANKS**

The list of banks that have been notified by SEBI to act as SCSB for the Applications Supported by Blocked Amount (“ASBA”) Process are provided on <http://www.sebi.gov.in/pmd/scsb.pdf>. For details on designated branches of SCSBs collecting the ASBA Application Form, please refer to the above-mentioned SEBI link.

#### **BROKER CENTRES/ DESIGNATED CDP LOCATIONS/ DESIGNATED RTA LOCATIONS**

In accordance with SEBI Circular No. CIR/CFD/14/2012 dated October 4, 2012 and CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015, Applicants can submit Application Forms with the Registered Brokers at the Broker Centres, CDPs at the Designated CDP Locations or the RTAs at the Designated RTA Locations, respective lists of which, including details such as address and telephone number, are available at the websites of the Stock Exchange at [www.nseindia.com](http://www.nseindia.com).

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

#### **CREDIT RATING**

As the Issue is of Equity shares, credit rating is not mandatory.

#### **TRUSTEES**

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

#### **IPO GRADING**

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

#### **BROKERS TO THE ISSUE**

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

#### **APPRAISAL AND MONITORING AGENCY**

As per Regulation 16(1) of the SEBI (ICDR) Regulations, 2009 the requirement of Monitoring Agency is not mandatory if the Issue size is below Rs. 100.00 Crores. Since the Issue size is less than Rs. 100.00 Crores, our Company has not appointed any monitoring agency for this Issue.

However, as per the Regulation 18 (3) read with part C of schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Audit Committee of our Company would be monitoring the utilization of the proceeds of the Issue.

#### **DETAILS OF THE APPRAISING AUTHORITY**

The objects of the Issue and deployment of funds are not appraised by any independent agency/ bank/ financial institution.

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

Since Navigant Corporate Advisors Limited is the sole Lead Manager to this Issue, a statement of inter se allocation responsibilities among Lead Manager's is not required.

#### **EXPERT OPINION**

Except the report of the Peer Review Auditor on the financial statements and statement of tax benefits included in the Draft Prospectus, our Company has not obtained any other expert opinion.

#### **UNDERWRITING AGREEMENT**

This Issue is 100% Underwritten. The Underwriting Agreement is dated [●], Pursuant to the terms of the Underwriting Agreement; the obligations of the Underwriters are several and are subject to certain conditions specified therein.

The Underwriters have indicated their intention to underwrite the following number of specified securities being offered through this Issue:

Name, address, telephone number and e-mail address of the Underwriters	Number of Equity Shares Underwritten	Amount Underwritten (Rupees In Lacs)	% of Total Amount Underwritten (Rupees In Lacs)
<b>NAVIGANT CORPORATE ADVISORS LIMITED</b> 423, A Wing, Bonanza, Sahar Plaza Complex, J B Nagar, Andheri Kurla Road, Andheri East, Mumbai-400 059 Tel No. +91-22-41204837/49735078 Email Id- <a href="mailto:navigant@navigantcorp.com">navigant@navigantcorp.com</a> Investor Grievance Email: <a href="mailto:info@navigantcorp.com">info@navigantcorp.com</a> Website: <a href="http://www.navigantcorp.com">www.navigantcorp.com</a> SEBI Registration Number: INM000012243 Contact Person: Mr. Sarthak Vijlani	[•]	[•]	[•]
<b>Total</b>	[•]	[•]	[•]

The above mentioned is indicative underwriting and will be finalized after determination of the Issue Price and actual allocation subject to the provisions of the SEBI Regulations.

#### DETAILS OF THE MARKET MAKING ARRANGEMENT FOR THIS ISSUE

Our Company has entered into an agreement dated [•] with the Lead Manager and Market Maker to fulfill the obligations of Market Making.

#### NAME AND ADDRESS OF THE MARKET MAKER

<b>Name</b>	[•]
<b>Correspondence Address:</b>	[•]
<b>Tel No.:</b>	[•]
<b>Fax No.:</b>	[•]
<b>Email:</b>	[•]
<b>Website:</b>	[•]
<b>Contact Person:</b>	[•]
<b>SEBI Registration No.:</b>	[•]
<b>NSE Code</b>	[•]

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

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

1. The Market Maker(s) (individually or jointly) shall be required to provide a 2-way quote for 75% of the time in a day. The same shall be monitored by the Stock Exchange. Further, the Market Maker(s) shall inform the exchange in advance for each and every black out period when the quotes are not being offered by the Market Maker(s).



2. The minimum depth of the quote shall be Rs. 1,00,000/- . However, the investors with holdings of value less than Rs.1,00,000/- shall be allowed to offer their holding to the Market Maker(s) (individually or jointly) in that scrip provided that he sells his entire holding in that scrip in one lot along with a declaration to the effect to the selling broker.
3. Execution of the order at the quoted price and quantity must be guaranteed by the Market Maker(s), for the quotes given by him.
4. There would not be more than five Market Makers for a script at any point of time and the Market Makers may compete with other Market Makers for better quotes to the investors.
5. The shares of the company will be traded in continuous trading session from the time and day the company gets listed on NSE Emerge and market maker will remain present as per the guidelines mentioned under NSE and SEBI circulars.
6. There will be special circumstances under which the Market Maker may be allowed to withdraw temporarily/fully from the market - for instance due to system problems, any other problems. All controllable reasons require prior approval from the Exchange, while force-majeure will be applicable for non controllable reasons. The decision of the Exchange for deciding controllable and non-controllable reasons would be final.
7. The Market Maker(s) shall have the right to terminate said arrangement by giving a three months notice or on mutually acceptable terms to the Lead Manager, who shall then be responsible to appoint a replacement Market Maker(s).

In case of termination of the above mentioned Market Making agreement prior to the completion of the compulsory Market Making period, it shall be the responsibility of the Lead Manager to arrange for another Market Maker in replacement during the term of the notice period being served by the Market Maker but prior to the date of releasing the existing Market Maker from its duties in order to ensure compliance with the requirements of regulation 106V of the SEBI (ICDR) Regulations, 2009. Further our Company and the Lead Manager reserve the right to appoint other Market Makers either as a replacement of the current Market Maker or as an additional Market Maker subject to the total number of Designated Market Makers does not exceed five or as specified by the relevant laws and regulations applicable at that particulars point of time. The Market Making Agreement is available for inspection at our registered office from 11.00 a.m. to 5.00 p.m. on working days.

8. **Risk containment measures and monitoring for Market Makers:** NSE will have all margins, which are applicable on the NSE Main Board viz., Mark-to-Market, Value-At-Risk (VAR) Margin, Extreme Loss Margin, Special Margins and Base Minimum Capital etc. NSE can impose any other margins as deemed necessary from time-to-time.
9. **Price Band and Spreads:** SEBI Circular bearing reference no: CIR/MRD/DP/02/2012 dated January 20, 2012 has laid down that for issue size upto Rs. 250 crore, the applicable price bands for the first day shall be:
  - i. In case equilibrium price is discovered in the call auction, the price band in the normal trading session be 5% of the equilibrium price.
  - ii. In case equilibrium price is not discovered in the call auction, the price band in the normal trading session shall be 5% of the Issue size.

Additionally, the trading shall take place in TFT segment for first 10 days from commencement of trading.

The price band shall be 20% and the market maker spread (difference between the sell and the buy quote) shall be within 10% or as intimated by exchange from time to time. The call auction is not applicable of those companies, which are listed at SME Plateform.

10. Punitive Action in case of default by Market Makers: NSE will monitor the obligations on a real time basis and punitive action will be initiated for any exceptions and/or non-compliances. Penalties / fines may be imposed by the Exchange on the Market Maker, in case he is not able to provide the desired liquidity in a particular security as per the specified guidelines. These penalties / fines will be set by the Exchange from time to time. The Exchange will impose a penalty on the Market Maker in case he is not present in the market (offering two way quotes) for at least 75% of the time. The nature of the penalty will be monetary as well as suspension in market making activities / trading membership. The Department of Surveillance and Supervision of the Exchange would decide and publish the penalties / fines / suspension for any type of misconduct/ manipulation/ other irregularities by the Market Maker from time to time.
11. Pursuant to SEBI Circular number CIR/MRD/DSA/31/2012 dated November 27, 2012, limits on the upper side for market makers during market making process has been made applicable, based on the issue size and as follows:

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

12. In case of termination of the above mentioned Market Making agreement prior to the completion of the compulsory Market Making period, it shall be the responsibility of the Lead Manager to arrange for another Market Maker in replacement during the term of the notice period being served by the Market Maker but prior to the date of releasing the existing Market Maker from its duties in order to ensure compliance with the requirements of regulation 106V of the SEBI (ICDR) Regulations, 2009. Further our Company and the Lead Manager reserve the right to appoint other Market Makers either as a replacement of the current Market Maker or as an additional Market Maker subject to the total number of Designated Market Makers does not exceed five or as specified by the relevant laws and regulations applicable at that particulars point of time. The Market Making Agreement is available for inspection at our registered office from 11.00 a.m. to 5.00 p.m. on working days.
13. All the above mentioned conditions and systems regarding the Market Making Arrangement are subject to change based on changes or additional regulations and guidelines from SEBI and Stock Exchange from time to time.

## CAPITAL STRUCTURE

The Share Capital of the Company as at the date of this Draft Prospectus, before and after the Issue, is set forth below.

(Rs. in Lacs, except share data)

Sr. No	Particulars	Aggregate value at face value	Aggregate value at Issue Price
<b>A.</b>	<b>Authorized Share Capital</b>		
	1,00,00,000 Equity Shares of face value of Rs.10 each	1000.00	1000.00
<b>B.</b>	<b>Issued, subscribed and paid-up Equity Share Capital before the Issue</b>		
	61,51,500 Equity Shares of face value of Rs. 10 each	615.15	-
<b>C.</b>	<b>Present Issue in terms of the Draft Prospectus</b>		
	Issue of upto 22,51,200 Equity Shares of Rs. 10 each at a price of Rs. [●] per Equity Share.	225.12	[●]
	<b>Which comprises</b>		
	Reservation for Market Maker of upto 1,12,800 Equity Shares of Rs. 10/- each at a price of Rs. [●] per Equity Share	11.28	[●]
	Net Issue to Public of upto 21,38,400 Equity Shares of Rs. 10/- each at a price of Rs. [●] per Equity Share to the Public	213.84	[●]
	<b>Of the Net issue to the public</b>		
	Not less than 10,69,200 Equity Shares of Rs.10/- each at a price of Rs. [●] per Equity Share will be available for allocation for Investors of up to Rs. 2.00 Lacs	106.92	[●]
	Upto 10,69,200 Equity Shares of Rs. 10/- each at a price of Rs. [●] per Equity Share will be available for allocation for Investors of above Rs. 2.00 Lacs	106.92	[●]
<b>D.</b>	<b>Equity Capital after the Issue</b>		
	Upto 84,02,700 Equity Shares of Rs. 10 each	840.27	---
<b>E.</b>	<b>Securities Premium Account</b>		
	Before the Issue		Nil
	After the Issue		[●]

*\*This Issue has been authorized by the Board of Directors pursuant to a board resolution dated August 06, 2018 and by the shareholders of our Company pursuant to a special resolution dated August 31, 2018 passed at the EGM of shareholders under section 62 (1)(c) of the Companies Act, 2013.*

*Our Company has no outstanding convertible instruments as on the date of the Draft Prospectus.*

### CHANGES IN THE AUTHORIZED SHARE CAPITAL OF OUR COMPANY:

Sr. No.	Particulars of Change		Date of Shareholders' Meeting	Meeting AGM/EGM
	From	To		
1	-	50,00,000 Equity Shares of Rs. 10 each	-	Incorporation
2	50,00,000 Equity Shares of Rs. 10 each	1,00,00,000 Equity Shares of Rs. 10 each	30.07.2018	EGM

## NOTES FORMING PART OF CAPITAL STRUCTURE

### 1. Equity Share Capital history of our Company

Date of/ issue allotment of Shares	No. of Equity Shares Issued	Face value (Rs.)	Issue price (Rs.)	Consideration (cash, bonus, consideration other than cash)	Nature of allotment (Bonus, swap etc.)	Cumulative no. of Equity Shares	Cumulative paid-up share capital (Rs.)	Cumulative share premium (Rs.)
13.10.2009	10,500	10	10	Cash	Subscription to MOA (A)	10,500	10,500	Nil
28.11.2013	7,50,000	10	10	Cash	Further Allotment (B)	7,60,500	76,05,000	Nil
05.12.2014	3,00,000	10	10	Cash	Right Issue (C)	10,60,500	1,06,05,000	Nil
18.05.2015	9,90,000	10	10	Cash	Right Issue (D)	20,50,500	2,05,05,000	Nil
10.08.2018	41,01,000	10	NA	Other than cash	Bonus Issue in the ratio of 2:1 (E)	61,51,500	6,15,15,000	Nil

- A. Initial Subscribers to Memorandum of Association subscribed 10,500 Equity Shares of face value of Rs. 10 each as per the details given below:-

S.No.	Name of the Allottees	Number of Equity Shares
1	Mr. Brij Mohan Bindal	1,500
2	Mr. Anand Kumar Agarwalla	1,500
3	Mr. Pramod Kumar Shah	1,500
4	Mrs. Kavita Kataruka	1,500
5	Mr. Harsh Kataruka	1,500
6	Mrs. Pragya Aggarwal	1,500
7	Mr. Kunal Bindal	1,500
	<b>Total</b>	<b>10,500</b>

- B. Further Allotment of 7,50,000 Equity Shares of face value of Rs. 10 each as per the details given below:-

S.No.	Name of the Allottees	Number of Equity Shares
1	Mr. Yogesh Anand	2,50,000
2	Mr. Yogesh Sahn	2,50,000
3	Mr. Harsh Kumar Anand	2,50,000
	<b>Total</b>	<b>7,50,000</b>

**C. Right Issue of 3,00,000 Equity Shares of face value of Rs. 10 each as per the details given below:-**

S.No.	Name of the Allottees	Number of Equity Shares
1	Mr. Yogesh Anand	1,00,000
2	Mr. Yogesh Sahni	1,00,000
3	Mr. Harsh Kumar Anand	1,00,000
	<b>Total</b>	<b>3,00,000</b>

**D. Right Issue of 9,90,000 Equity Shares of face value of Rs. 10 each as per the details given below:-**

S.No.	Name of the Allottees	Number of Equity Shares
1	Mr. Yogesh Anand	3,30,000
2	Mr. Yogesh Sahni	3,30,000
3	Mr. Harsh Kumar Anand	3,30,000
	<b>Total</b>	<b>9,90,000</b>

**E. Bonus Issue of 41,01,000 Equity Shares of face value of Rs. 10 each in the ratio of 2 (two) equity shares for every 1 (one) equity share held as per the details given below:-**

S.No.	Name of the Allottees	Number of Equity Shares
1	Mr. Yogesh Anand	6,58,200
2	Mr. Yogesh Sahni	3,92,200
3	Mr. Harsh Kumar Anand	6,52,200
4	Mr. Jatin Anand	6,80,000
5	Mr. Siddhant Sahni	4,10,000
6	Ms. Neerja Sahni	3,28,000
7	Mr. Samarth Sahni	2,05,000
8	Mr. Karan Anand	3,41,500
9	Mr. Rohit Anand	3,41,500
10	M/s Mediment Global Tour and Travels LLP	92,400
	<b>Total</b>	<b>41,01,000</b>

2. We have not issued any Equity Shares for consideration other than Cash except bonus issue as per details given below.

Date of Allotment	Number of Equity Shares	Name of the Allottees	Relationship with the Promoters	Reasons for the Allotment	Face Value (in Rs.)	Issue Price (in Rs.)
10.08.2018	41,01,000	Please refer list of allottees as per NOTE A mentioned below	Promoter, Promoter Group and Non Promoters	Captisation of Reserve to broad base the capital of the Company	10	NA

**NOTE A:**

- A. Bonus Issue of 41,01,000 Equity Shares of face value of Rs. 10 each in the ratio of 2 (two) equity shares for every 1 (one) equity share held as per the details given below:-

S.No.	Name of the Allottees	Number of Equity Shares
1	Mr. Yogesh Anand	6,58,200
2	Mr. Yogesh Sahni	3,92,200
3	Mr. Harsh Kumar Anand	6,52,200
4	Mr. Jatin Anand	6,80,000
5	Mr. Siddhant Sahni	4,10,000
6	Ms. Neerja Sahni	3,28,000
7	Mr. Samarth Sahni	2,05,000
8	Mr. Karan Anand	3,41,500
9	Mr. Rohit Anand	3,41,500
10	M/s Mediment Global Tour and Travels LLP	92,400
	<b>Total</b>	<b>41,01,000</b>

3. We have not issued any Equity Shares out of revaluation reserves or in terms of any scheme approved under Sections 391- 394 of the Companies Act, 1956 or Sections 230- 233 of the Companies Act, 2013.
4. Issue of Equity Shares in the last two (2) year preceding the date of Draft Prospectus:

Date of Allotment	Number of Equity Shares	Name of the Allottees	Relationship with the Promoters	Reasons for the Allotment	Face Value (in Rs.)	Issue Price (in Rs.)
10.08.2018	41,01,000	Please refer list of allottees as per NOTE A mentioned below	Promoter, Promoter Group and Non Promoters	Captisation of Reserve to broad base the capital of the Company	10	NA

**NOTE A:**

- A. Bonus Issue of 41,01,000 Equity Shares of face value of Rs. 10 each in the ratio of 2 (two) equity shares for every 1 (one) equity share held as per the details given below:-

S.No.	Name of the Allottees	Number of Equity Shares
1	Mr. Yogesh Anand	6,58,200
2	Mr. Yogesh Sahni	3,92,200
3	Mr. Harsh Kumar Anand	6,52,200
4	Mr. Jatin Anand	6,80,000
5	Mr. Siddhant Sahni	4,10,000
6	Ms. Neerja Sahni	3,28,000
7	Mr. Samarth Sahni	2,05,000
8	Mr. Karan Anand	3,41,500
9	Mr. Rohit Anand	3,41,500



S.No.	Name of the Allottees	Number of Equity Shares
10	M/s Mediment Global Tour and Travels LLP	92,400
	<b>Total</b>	<b>41,01,000</b>

5. We have not issued any shares at price below issue price within last one year from the date of this Draft Prospectus except as mentioned below:

Date of Allotment	Number of Equity Shares	Name of the Allottees	Relationship with the Promoters	Reasons for the Allotment	Face Value (in Rs.)	Issue Price (in Rs.)
10.08.2018	41,01,000	Please refer list of allottees as per NOTE A mentioned below	Promoter, Promoter Group and Non Promoters	Captisation of Reserve to broad base the capital of the Company	10	NA

**NOTE A:**

- A. Bonus Issue of 41,01,000 Equity Shares of face value of Rs. 10 each in the ratio of 2 (two) equity shares for every 1 (one) equity share held as per the details given below:-

S.No.	Name of the Allottees	Number of Equity Shares
1	Mr. Yogesh Anand	6,58,200
2	Mr. Yogesh Sahni	3,92,200
3	Mr. Harsh Kumar Anand	6,52,200
4	Mr. Jatin Anand	6,80,000
5	Mr. Siddhant Sahni	4,10,000
6	Ms. Neerja Sahni	3,28,000
7	Mr. Samarth Sahni	2,05,000
8	Mr. Karan Anand	3,41,500
9	Mr. Rohit Anand	3,41,500
10	M/s Mediment Global Tour and Travels LLP	92,400
	<b>Total</b>	<b>41,01,000</b>

**6. Shareholding of our Promoters:**

Set forth below are the details of the build-up of shareholding of our Promoters.

<b>MR. YOGESH ANAND</b>									
Date of Allotment / Transfer	Consideration	No. of Equity Shares	Face value per Share (Rs.)	Issue / Acquisition/Transfer price (Rs.)	Nature of Transactions	Source of Funds	Pledge	Pre-issue share holding %	Post-issue share holding %
28.06.2013	Cash	4,500	10	10	Acquisition through Transfer	Owned	No		

MR. YOGESH ANAND									
Date of Allotment / Transfer	Consideration	No. of Equity Shares	Face value per Share (Rs.)	Issue / Acquisition/Transfer price (Rs.)	Nature of Transactions	Source of Funds	Pledge	Pre-issue share holding %	Post-issue share holding %
28.11.2013	Cash	2,50,000	10	10	Allotment	Owned	No		
05.12.2014	Cash	1,00,000	10	10	Allotment	Owned	No		
18.05.2015	Cash	3,30,000	10	10	Allotment	NA	No		
01.02.2018	NA	(3,40,000)	10	Nil	Transfer by way of Gift	NA	No		
01.02.2018	Cash	(15,400)	10	40	Transfer by way of sale	NA	No		
10.08.2018	Other than cash	6,58,200	10	NA	Bonus Issue	NA	No		
<b>Total</b>		<b>9,87,300</b>						<b>16.05</b>	<b>[•]</b>

MR. YOGESH SAHNI									
Date of Allotment / Transfer	Consideration	No. of Equity Shares	Face value per Share (Rs.)	Issue / Acquisition/Transfer price (Rs.)	Nature of Transactions	Source of Funds	Pledge	Pre-issue share holding %	Post-issue share holding %
28.06.2013	Cash	3,000	10	10	Acquisition through Transfer	Owned	No		
28.11.2013	Cash	2,50,000	10	10	Allotment	Owned	No		
05.12.2014	Cash	1,00,000	10	10	Allotment	Owned	No		
18.05.2015	Cash	3,30,000	10	10	Allotment	NA	No		
01.02.2018	NA	(2,05,000)	10	Nil	Transfer by way of Gift	NA	No		
01.02.2018	NA	(1,64,000)	10	Nil	Transfer by way of Gift	NA	No		
01.02.2018	NA	(1,02,500)	10	Nil	Transfer by way of Gift	NA	No		
01.02.2018	Cash	(15,400)	10	40	Transfer by way of sale	NA	No		
10.08.2018	Other than cash	3,92,200	10	NA	Bonus Issue	NA	No		
<b>Total</b>		<b>5,88,300</b>						<b>9.56</b>	<b>[•]</b>

MR. HARSH KUMAR ANAND									
Date of Allotment / Transfer	Consideration	No. of Equity Shares	Face value per Share (Rs.)	Issue / Acquisition/Transfer price (Rs.)	Nature of Transactions	Source of Funds	Pledge	Pre-issue share holding %	Post-issue share holding %
28.06.2013	Cash	3,000	10	10	Acquisition through Transfer	Owned	No		
28.11.2013	Cash	2,50,000	10	10	Allotment	Owned	No		

MR. HARSH KUMAR ANAND									
Date of Allotment / Transfer	Consideration	No. of Equity Shares	Face value per Share (Rs.)	Issue / Acquisition/Transfer price (Rs.)	Nature of Transactions	Source of Funds	Pledge	Pre-issue share holding %	Post-issue share holding %
05.12.2014	Cash	1,00,000	10	10	Allotment	Owned	No		
18.05.2015	Cash	3,30,000	10	10	Allotment	NA	No		
01.02.2018	NA	(1,70,750)	10	Nil	Transfer by way of Gift	NA	No		
01.02.2018	NA	(1,70,750)	10	Nil	Transfer by way of Gift	NA	No		
01.02.2018	Cash	(15,400)	10	40	Transfer by way of sale	NA	No		
10.08.2018	Other than cash	6,52,200	10	NA	Bonus Issue	NA	No		
<b>Total</b>		<b>9,78,300</b>						<b>15.90</b>	<b>[•]</b>

#### Details of Promoters' contribution locked in for three years:

Pursuant to Regulation 32 and 36 of SEBI (ICDR) Regulations aggregate of 20% of the post-Issue capital held by our Promoters shall be considered as promoters' contribution ("**Promoters Contribution**") and locked-in for a period of three years from the date of Allotment. The lock-in of the Promoters Contribution would be created as per applicable law and procedure and details of the same shall also be provided to the Stock Exchange before listing of the Equity Shares.

Our Promoters have granted consent to include such number of Equity Shares held by them as may constitute 20% of the post-Issue Equity Share capital of our Company as Promoters Contribution and have agreed not to sell or transfer or pledge or otherwise dispose of in any manner, the Promoters Contribution from the date of filing of this Draft Prospectus until the commencement of the lock-in period specified above.

Name	No. of shares locked in	Date of Allotment/ Acquisition/Transfer	Issue Price / Purchase Price /Transfer Price(Rs. per share)	Source of Funds	% of Pre-Issue Paid up Equity capital	% of Post Issue Paid up Equity capital
Mr. Yogesh Anand	6,58,200	10.08.2018	NA	NA		
Mr. Yogesh Sahni	3,92,200	10.08.2018	NA	NA		
Mr. Harsh Kumar Anand	6,52,200	10.08.2018	NA	NA		
<b>Total</b>	<b>17,02,600</b>				<b>27.68</b>	<b>[•]</b>

We further confirm that the minimum Promoter Contribution of 20% which is subject to lock-in for three years does not consist of:

- Equity Shares acquired during the preceding three years for consideration other than cash and out of revaluation of assets or capitalization of intangible assets or bonus shares out of revaluation reserves or reserves without accrual of cash resources.

- Equity Shares acquired by the Promoters during the preceding one year, at a price lower than the price at which Equity Shares are being offered to public in the Issue.
- Private placement made by solicitation of subscription from unrelated persons either directly or through any intermediary.
- The Equity Shares held by the Promoters and offered for minimum 20% Promoters' Contribution are not subject to any pledge.
- Equity Shares for which specific written consent has not been obtained from the shareholders for inclusion of their subscription in the minimum Promoters' Contribution subject to lock-in.
- Equity shares issued to our Promoters on conversion of partnership firms into limited companies.

Specific written consent has been obtained from the Promoters for inclusion of the Equity Shares for ensuring lock-in of three years to the extent of minimum 20% of post -Issue paid-up Equity Share Capital from the date of allotment in the proposed public Issue. Promoters' Contribution does not consist of any private placement made by solicitation of subscription from unrelated persons either directly or through any intermediary.

The minimum Promoters' Contribution has been brought to the extent of not less than the specified minimum lot and from the persons defined as Promoters under the SEBI (ICDR) Regulations, 2009. The Promoters' Contribution constituting 20% of the post-Issue capital shall be locked-in for a period of three years from the date of Allotment of the Equity Shares in the Issue.

All Equity Shares, which are to be locked-in, are eligible for computation of Promoters' Contribution, in accordance with the SEBI (ICDR) Regulations, 2009. Accordingly we confirm that the Equity Shares proposed to be included as part of the Promoters' Contribution:

- a) have not been subject to pledge or any other form of encumbrance; or
- b) have not been acquired, during preceding three years, for consideration other than cash and revaluation of assets or capitalization of intangible assets is not involved in such transaction;
- c) is not resulting from a bonus issue by utilization of revaluation reserves or unrealized profits of the Issuer or from bonus issue against Equity Shares which are ineligible for minimum Promoters' Contribution;
- d) have not been acquired by the Promoters during the period of one year immediately preceding the date of filing of this Draft Prospectus at a price lower than the Issue Price.

#### **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.

#### **7. Details of share capital locked in for one year:**

In addition to 20% of the post-Issue shareholding of our Company held by the Promoters (locked in for three years as specified above), in accordance with regulation 36 of SEBI (ICDR) Regulations, 2009, the entire pre-Issue share capital of our Company (including the Equity Shares held by our Promoters) shall be locked in for a period of one year from the date of Allotment in this Issue.

The Equity Shares held by persons other than our Promoters and locked-in for a period of one year from the date of Allotment, in accordance with regulation 37 of SEBI (ICDR) Regulations, 2009, in the Issue may be transferred to any other person holding Equity Shares which are locked-in, subject to the continuation of the lock-in in the hands of transferees for the remaining period and compliance with the Takeover Code.

## 8. Shareholding pattern of our Company:

The table below presents the current shareholding pattern of our Company as on the date of this Draft Prospectus.

**Table I - Summary of Shareholding Pattern**

Category (I)	Category of shareholder (II)	Nos. of shareholders (III)	No. of fully paid up equity shares held (IV)	No. of Partly paid-up equity shares held No. of Partly paid-up equity shares held (V)	No. of shares underlying Depository Receipts (VI)	Total nos. shares held (VII) = (IV)+(V)+(VI)	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities* (IX)			No. of Shares Underlying Outstanding convertible securities (including Warrants) (X)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)= (VII)+(X) As a % of (A+B+C2)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form (XIV)
								No of Voting Rights		Total as a % of (A+B+C)			No. (a)	As a % of total Shares held (b)	No. (a)	As a % of total Shares held (b)	
								Class X	Class Y	Total							
(A)	Promoter and Promoter Group	9	6012900	-	-	6012900	97.75	6012900	-	6012900	97.75	-	97.75	-	-	-	-
(B)	Public	1	138600	-	-	138600	2.25	138600	-	138600	2.25	-	2.25	-	-	-	-
(C-)	Non Promoter Non Public	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C-1)	Shares Underlying DRs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C-2)	Shares held by Employee Trusts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	<b>Total</b>	<b>10</b>	<b>6151500</b>	<b>-</b>	<b>-</b>	<b>6151500</b>	<b>100</b>	<b>6151500</b>	<b>-</b>	<b>6151500</b>	<b>100</b>	<b>-</b>	<b>100.00</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>



**Table II - Statement showing Shareholding Pattern of the Promoter and Promoter Group**

Sr. No.	Category & Name of the Shareholders (I)	PAN (II)	No. of shareholder (III)	No. of fully paid up equity shares held (IV)	Partly paid-up equity shares held (V)	Nos. of shares underlying Depository Receipts (VI)	Total nos. shares held (VII = IV+V+VI)	Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C 2) (VIII)	Number of Voting Rights held in each class of securities (IX)			No. of Shares Underlying Outstanding convertible securities (including Warrants) (X)	Total shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form (XIV)
		(Not to be Disclosed)							No of Voting Rights		Total as a % of Total Voting Rights			No. (a)	As a % of total Shares held (b)	No. (a)	As a % of total Shares held (b)	
									Class X	Class Y	Total							
(1)	Indian																	
(a)	Individual / Hindu Undivided Family																	
	Mr. Yogesh Anand	-	1	987300	-	-	987300	16.05	987300	-	987300	16.05	-	16.05	-	-	-	-
	Mr. Yogesh Sahni	-	1	588300	-	-	588300	9.56	588300	-	588300	9.56	-	9.56	-	-	-	-
	Mr. Harsh Kumar Anand	-	1	978300	-	-	978300	15.90	978300	-	978300	15.90	-	15.90	-	-	-	-
	Mr. Jatin Anand	-	1	1020000	-	-	1020000	16.58	1020000	-	1020000	16.58	-	16.58	-	-	-	-
	Mr. Siddhant Sahni	-	1	615000	-	-	615000	10.00	615000	-	615000	10.00	-	10.00	-	-	-	-
	Ms. Neerja Sahni	-	1	492000	-	-	492000	8.00	492000	-	492000	8.00	-	8.00	-	-	-	-

Sr. No.	Category & Name of the Shareholders (I)	PAN (II)	No. of shareholder (III)	No. of fully paid up equity shares held (IV)	Partly paid-up equity shares held (V)	Nos. of shares underlying Depository Receipts (VI)	Total nos. shares held (VII = IV+V+VI)	Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C 2) (VIII)	Number of Voting Rights held in each class of securities (IX)			No. of Shares Underlying Outstanding convertible securities (including Warrants) (X)	Total shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form (XIV)
		(Not to be Disclosed)							No of Voting Rights		Total as a % of Total Voting Rights			No. (a)	As a % of total Shares held (b)	No. (a)	As a % of total Shares held (b)	
									Class X	Class Y	Total							
	Mr. Samarth Sahni	-	1	307500	-	-	307500	5.00	307500	-	307500	5.00	-	5.00	-	-	-	-
	Mr. Karan Anand	-	1	512250	-	-	512250	8.33	512250	-	512250	8.33	-	8.33	-	-	-	-
	Mr. Rohit Anand	-	1	512250	-	-	512250	8.33	512250	-	512250	8.33	-	8.33	-	-	-	-
(b)	Central Government/ State Government(s)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(c.)	Financial Institutions/ Banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(d)	Any Other (Body Corporate)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	<b>Sub Total (A-1)</b>	-	<b>9</b>	<b>6012900</b>	-	-	<b>6012900</b>	<b>97.75</b>	<b>6012900</b>	-	<b>6012900</b>	<b>97.75</b>	-	<b>97.75</b>	-	-	-	-
(2)	<b>Foreign</b>																	

Sr. No.	Category & Name of the Shareholders (I)	PAN (II)	No. of shareholder (III)	No. of fully paid up equity shares held (IV)	Partly paid-up equity shares held (V)	Nos. of shares underlying Depository Receipts (VI)	Total nos. shares held (VII = IV+V+VI)	Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2) (VIII)	Number of Voting Rights held in each class of securities (IX)			No. of Shares Underlying Outstanding convertible securities (including Warrants) (X)	Total shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form (XIV)
		(Not to be Disclosed)							No of Voting Rights		Total as a % of Total Voting Rights			No. (a)	As a % of total Shares held (b)	No. (a)	As a % of total Shares held (b)	
									Class X	Class Y	Total							
(a)	Individuals (Non-Resident Individuals/ Foreign Individuals)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(b)	Government	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(c.)	Institutions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(d)	Foreign Portfolio Investor	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(e)	Any Other (specify)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	<b>Sub Total (A-2)</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Sr. No.	Category & Name of the Shareholders (I)	PAN (II)	No. of shareholder (III)	No. of fully paid up equity shares held (IV)	Partly paid-up equity shares held (V)	Nos. of shares underlying Depository Receipts (VI)	Total nos. shares held (VII = IV+V+VI)	Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2) (VIII)	Number of Voting Rights held in each class of securities (IX)			No. of Shares Underlying Outstanding convertible securities (including Warrants) (X)	Total shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form (XIV)
		(Not to be Disclosed)							No of Voting Rights		Total as a % of Total Voting Rights			No. (a)	As a % of total Shares held (b)	No. (a)	As a % of total Shares held (b)	
									Class X	Class Y	Total							
	Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)		9	6012900	-	-	6012900	97.75	6012900	-	6012900	97.75	-	97.75	-	-	-	-

**Table III - Statement showing Shareholding Pattern of the Public shareholder**

Sr. No.	Category & Name of the Shareholders (I)	PAN (II)	No. of shareholder (III)	No. of fully paid up equity shares held (IV)	Partly paid-up equity shares held (V)	Nos. of shares underlying Depository Receipts (VI)	Total nos. shares held (VII = IV+V+VI)	Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C 2) (VIII)	Number of Voting Rights held in each class of securities (IX)			No. of Shares Underlying Outstanding convertible securities (including Warrants) (X)	Total shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form (XIV)
									No of Voting Rights	Class X	Class Y	Total		No. (a)	As a % of total Shares held (b)	No. (a)	As a % of total Shares held (b)	
		(Not to be Disclosed)																
(1)	<b>Institutions</b>																	
(a)	Mutual Funds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(b)	Venture Capital Funds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(c.)	Alternate Investment Funds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(d)	Foreign Venture Capital Investors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(e)	Foreign Portfolio Investors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(f)	Financial Institutions/	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Sr. No.	Category & Name of the Shareholders (I)	PAN (II)	No. of shareholder (III)	No. of fully paid up equity shares held (IV)	Partly paid-up equity shares held (V)	Nos. of shares underlying Depository Receipts (VI)	Total nos. shares held (VII = IV+V+VI)	Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C 2) (VIII)	Number of Voting Rights held in each class of securities (IX)			No. of Shares Underlying Outstanding convertible securities (including Warrants) (X)	Total shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form (XIV)
		(Not to be Disclosed)							No of Voting Rights			Total as a % of Total Voting Rights		No. (a)	As a % of total Shares held (b)	No. (a)	As a % of total Shares held (b)	
									Class X	Class Y	Total							
	Banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(g)	Insurance Companies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(h)	Provident Funds/ Pension Funds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(i)	Any Other (Specify)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	<b>Sub-Total (B)(1)</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(2)	Central Government/ State Government(s)/ President of India	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-



Sr. No.	Category & Name of the Shareholders (I)	PAN (II)	No. of shareholder (III)	No. of fully paid up equity shares held (IV)	Partly paid-up equity shares held (V)	Nos. of shares underlying Depository Receipts (VI)	Total nos. shares held (VII = IV+V+VI)	Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C 2) (VIII)	Number of Voting Rights held in each class of securities (IX)			No. of Shares Underlying Outstanding convertible securities (including Warrants) (X)	Total shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form (XIV)	
		(Not to be Disclosed)							No of Voting Rights			Total as a % of Total Voting Rights		No. (a)	As a % of total Shares held (b)	No. (a)	As a % of total Shares held (b)		
									Class X	Class Y	Total								
	<b>Sub-Total (B)(2)</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(3)	<b>Non-institutions</b>																		
(a)	i. Individual shareholders holding nominal share capital up to Rs. 2 lacs.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	ii. Individual shareholders holding nominal share capital in excess of Rs. 2 lacs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(b)	NBFCs registered	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Sr. No.	Category & Name of the Shareholders (I)	PAN (II)	No. of shareholder (III)	No. of fully paid up equity shares held (IV)	Partly paid-up equity shares held (V)	Nos. of shares underlying Depository Receipts (VI)	Total nos. shares held (VII = IV+V+VI)	Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C 2) (VIII)	Number of Voting Rights held in each class of securities (IX)			No. of Shares Underlying Outstanding convertible securities (including Warrants) (X)	Total shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form (XIV)
		(Not to be Disclosed)							No of Voting Rights			Total as a % of Total Voting Rights		No. (a)	As a % of total Shares held (b)	No. (a)	As a % of total Shares held (b)	
									Class X	Class Y	Total							
	with RBI																	
(c.)	Employee Trusts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(d)	Overseas Depositories (holding DRs) (balancing figure)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(e)	Any Other - Body Corporate	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	M/s Mediment Global Tour and Travels LLP	-	1	138600	-	-	138600	2.25	138600	-	138600	2.25	-	2.25	-	-	-	-
	<b>Sub-Total (B)(3)</b>	-	<b>1</b>	<b>138600</b>	-	-	<b>138600</b>	<b>2.25</b>	<b>138600</b>	-	<b>138600</b>	<b>2.25</b>	-	<b>2.25</b>	-	-	-	-
	<b>Total Public</b>	-	<b>1</b>	<b>138600</b>	-	-	<b>138600</b>	<b>2.25</b>	<b>138600</b>	-	<b>138600</b>	<b>2.25</b>	-	<b>2.25</b>	-	-	-	-

Sr. No.	Category & Name of the Shareholders (I)	PAN (II)	No. of shareholder (III)	No. of fully paid up equity shares held (IV)	Partly paid-up equity shares held (V)	Nos. of shares underlying Depository Receipts (VI)	Total nos. shares held (VII = IV+V+VI)	Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2) (VIII)	Number of Voting Rights held in each class of securities (IX)			No. of Shares Underlying Outstanding convertible securities (including Warrants) (X)	Total shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form (XIV)
									No of Voting Rights		Total as a % of Total Voting Rights			No. (a)	As a % of total Shares held (b)	No. (a)	As a % of total Shares held (b)	
		(Not to be Disclosed)							Class X	Class Y	Total							
	Shareholding (B)= (B)(1)+(B)(2)+(B)(3)								600		00							

**Table IV - Statement showing Shareholding Pattern of the Non Promoter- Non Public shareholder**

Sr. No.	Category & Name of the Shareholders (I)	PAN (II)	No. of share holder (III)	No. of fully paid up equity shares held (IV)	Partly paid-up equity shares held (V)	Nos. of shares underlying Depository Receipts (VI)	Total nos. shares held (VII = IV+V+VI)	Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2) (VIII)	Number of Voting Rights held in each class of securities (IX)			No. of Shares Underlying Outstanding convertible securities (including Warrants) (X)	Total shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form (XIV)
									No of Voting Rights	Total as a % of Total Voting Rights				No. (a)	As a % of total Shares held (b)	No. (a)	As a % of total Shares held (b)	
		(Not to be Disclosed)							Class X	Class Y	Total							
(1)	Custodian/DR Holder																	
(a)	Name of DR Holder (if available)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	<b>Sub total (C)(1)</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(2)	Employee Benefit Trust (under SEBI (Share based	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Sr. No.	Category & Name of the Shareholders (I)	PAN (II)	No. of share holder (III)	No. of fully paid up equity shares held (IV)	Partly paid-up equity shares held (V)	Nos. of shares underlying Depository Receipts (VI)	Total nos. shares held (VII = IV+V+VI)	Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2) (VIII)	Number of Voting Rights held in each class of securities (IX)			No. of Shares Underlying Outstanding convertible securities (including Warrants) (X)	Total shareholding , as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form (XIV)
		(Not to be Disclosed)							No of Voting Rights			Total as a % of Total Voting Rights		No. (a)	As a % of total Shares held (b)	No. (a)	As a % of total Shares held (b)	
									Class X	Class Y	Total							
	Employee Benefit) Regulations, 2014)																	
	Total Non-Promoter- Non Public Shareholding (C)= (C)(1)+(C)(2)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Our Company will file the shareholding pattern of our Company, in the form prescribed under Regulation 31 of the Securities and Exchange Board of India (Listing obligations and disclosures Requirement) Regulation, 2015, one day prior to the listing of the Equity shares. The Shareholding pattern will be uploaded on the website of NSE before commencement of trading of such Equity Shares.

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

Name of the Promoters	No. of Shares held	Average cost of Acquisition (in Rs.)
Mr. Yogesh Anand	9,87,300	5.10
Mr. Yogesh Sahni	5,88,300	6.35
Mr. Harsh Kumar Anand	9,78,300	5.12

10. None of our Directors or Key Managerial Personnel hold Equity Shares in our Company, other than as follows:

S.No.	Name of the Allottees	Number of Equity Shares	Pre-Issue percentage Shareholding
1	Mr. Yogesh Anand	9,87,300	16.05
2	Mr. Yogesh Sahni	5,88,300	9.56
3	Mr. Harsh Kumar Anand	9,78,300	15.90
4	Mr. Jatin Anand	10,20,000	16.58
5	Mr. Siddhant Sahni	6,15,000	10.00
6	Mr. Karan Anand	5,12,250	8.33
7	Mr. Rohit Anand	5,12,250	8.33
	<b>Total</b>	<b>52,13,400</b>	<b>84.75</b>

#### 11. Pre-Issue and Post Issue Shareholding of our Promoter and Promoter's Group

Set forth is the shareholding of our Promoter and Promoter Group before and after the proposed issue:

Particulars	Pre Issue		Post Issue	
	No. of Shares	%	No. of Shares	%
<b>Promoter:</b>				
Mr. Yogesh Anand	9,87,300	16.05	9,87,300	[●]
Mr. Yogesh Sahni	5,88,300	9.56	5,88,300	[●]
Mr. Harsh Kumar Anand	9,78,300	15.90	9,78,300	[●]
<b>Promoter Group</b>				
Mr. Jatin Anand	10,20,000	16.58	10,20,000	[●]
Mr. Siddhant Sahni	6,15,000	10.00	6,15,000	[●]
Ms. Neerja Sahni	4,92,000	8.00	4,92,000	[●]
Mr. Samarth Sahni	3,07,500	5.00	3,07,500	[●]
Mr. Karan Anand	5,12,250	8.33	5,12,250	[●]
Mr. Rohit Anand	5,12,250	8.33	5,12,250	[●]
<b>TOTAL</b>	<b>60,12,900</b>	<b>97.75</b>	<b>60,12,900</b>	<b>[●]</b>

## 12. Equity Shares held by top ten shareholders

(a) Our top ten shareholders and the number of Equity Shares held by them as on date of the Draft Prospectus are as under:

Sr. No.	Name of the Shareholders	No. of Shares	% age of Pre-Issue Capital
1	Mr. Jatin Anand	10,20,000	16.58
2	Mr. Yogesh Anand	9,87,300	16.05
3	Mr. Harsh Kumar Anand	9,78,300	15.9
4	Mr. Siddhant Sahni	6,15,000	10.00
5	Mr. Yogesh Sahni	5,88,300	9.56
6	Mr. Karan Anand	5,12,250	8.33
7	Mr. Rohit Anand	5,12,250	8.33
8	Ms. Neerja Sahni	4,92,000	8.00
9	Mr. Samarth Sahni	3,07,500	5.00
10	M/s Mediment Global Tour and Travels LLP	1,38,600	2.25
	<b>Total</b>	<b>61,51,500</b>	<b>100.00</b>

(b) Our top ten shareholders and the number of Equity Shares held by them ten days prior to the date of the Draft Prospectus are as under:

Sr. No.	Name of the Shareholders	No. of Shares	% age of Pre-Issue Capital
1	Mr. Jatin Anand	10,20,000	16.58
2	Mr. Yogesh Anand	9,87,300	16.05
3	Mr. Harsh Kumar Anand	9,78,300	15.9
4	Mr. Siddhant Sahni	6,15,000	10.00
5	Mr. Yogesh Sahni	5,88,300	9.56
6	Mr. Karan Anand	5,12,250	8.33
7	Mr. Rohit Anand	5,12,250	8.33
8	Ms. Neerja Sahni	4,92,000	8.00
9	Mr. Samarth Sahni	3,07,500	5.00
10	M/s Mediment Global Tour and Travels LLP	1,38,600	2.25
	<b>Total</b>	<b>61,51,500</b>	<b>100.00</b>

(c) Our top ten shareholders and the number of Equity Shares held by them two years prior to date of the Draft Prospectus are as under:

Sr. No.	Name of the Shareholders	No. of Shares	% age of then Capital
1	Mr. Yogesh Anand	6,84,500	33.38
2	Mr. Yogesh Sahni	6,83,000	33.31
3	Mr. Harsh Kumar Anand	6,83,000	33.31
	<b>TOTAL</b>	<b>20,50,500</b>	<b>100.00</b>

13. There is no "Buyback", "Standby", or similar arrangement for the purchase of Equity Shares by our Company/Promoters/Directors/Lead Manager for purchase of Equity Shares offered through the Draft Prospectus.



14. None of the persons belonging to the category Public are holding more than 1% of the total number of shares as on the date of this Draft Prospectus except as given below:

Sr. No.	Name of the Shareholders	No. of Shares	% age of Pre-Issue Capital
1	M/s Mediment Global Tour and Travels LLP	1,38,600	2.25
	<b>Total</b>	<b>1,38,600</b>	<b>2.25</b>

15. There have been no purchase or sell of Equity Shares by the Promoters, Promoter Group and the Directors during a period of six months preceding the date on which the Draft Prospectus is filed with NSE - Emerge except as given below:

Date of Transaction	Nature of Transaction	No. of Shares	Face Value per Share (Rs.)	Acquisition/ Transfer Price per share (Rs.)
01.02.2018	Transfer of Shares by Mr. Yogesh Anand to Mr. Jatin Anand as gift	3,40,000	10	Nil
01.02.2018	Transfer of Shares by Mr. Yogesh Anand to M/s. Mediment Global Tours & Travels Services LLP	15,400	10	40.00
01.02.2018	Transfer of Shares by Mr. Yogesh Sahni to Mr. Siddhant Sahni as gift	2,05,000	10	Nil
01.02.2018	Transfer of Shares by Mr. Yogesh Sahni to Mrs. Neerja Sahni as gift	1,64,000	10	Nil
01.02.2018	Transfer of Shares by Mr. Yogesh Sahni to Mrs. Samartha Sahni as gift	1,02,500	10	Nil
01.02.2018	Transfer of Shares by Mr. Yogesh Sahni to M/s. Mediment Global Tours & Travels Services LLP	15,400	10	40.00
01.02.2018	Transfer of Shares by Mr. Harsh Kumar Anand to Mr. Karan Anand as gift	1,70,750	10	Nil
01.02.2018	Transfer of Shares by Mr. Harsh Kumar Anand to Mr. Rohit Anand as gift	1,70,750	10	Nil
01.02.2018	Transfer of Shares by Mr. Harsh Kumar Anand to M/s. Mediment Global Tours & Travels Services LLP	15,400	10	40.00

16. Our Company has not raised any bridge loans against the proceeds of this Issue.
17. Investors may note that in case of over-subscription, allotment will be on proportionate basis as detailed in paragraph on "Basis of Allotment" on page 292 of this Draft Prospectus.
18. An over-subscription to the extent of 10% of the Issue can be retained for the purpose of rounding off while finalizing the basis of allotment to the nearest integer during finalizing the allotment, subject to minimum allotment lot.

Consequently, the actual allotment may go up by a maximum of 10% of the Issue, as a result of which, the post issue paid up capital after the Issue would also increase by the excess amount of allotment so made. In such an event, the Equity Shares held by the Promoters and subject to lock-in shall be suitably increased to ensure that 20% of the post issue paid-up capital is locked-in.

19. As on date of filing of this Draft Prospectus, the entire issued share capital of our Company is fully paid-up. The Equity Shares offered through this Public Issue will be fully paid up.
20. On the date of filing the Draft Prospectus, there are no outstanding financial instruments or any other rights that would entitle the existing Promoters or shareholders or any other person any option to receive Equity Shares after the Issue.
21. Our Company has not issued any Equity Shares out of revaluation reserves and not issued any bonus shares out of capitalization of revaluation reserves.
22. Lead Manager to the Issue viz. Navigant Corporate Advisors Limited does not hold any Equity Shares of our Company.
23. Our Company has not revalued its assets since incorporation.
24. Our Company has not made any public issue since incorporation.
25. There will be only one denomination of the Equity Shares of our Company unless otherwise permitted by law, our Company shall comply with such disclosure, and accounting norms as may be specified by SEBI from time to time.
26. There will be no further issue of capital whether by way of issue of bonus shares, preferential allotment, and rights issue or in any other manner during the period commencing from submission of this Draft Prospectus until the Equity Shares to be issued pursuant to the Issue have been listed.
27. Except as disclosed in the Draft Prospectus, our Company presently does not have any intention or proposal to alter its capital structure for a period of six (6) months from the date of opening of the Issue, by way of spilt/consolidation of the denomination of Equity Shares or further issue of Equity Shares (including issue of securities convertible into Equity Shares) whether preferential or otherwise. However, during such period or a later date, it may issue Equity Shares or securities linked to Equity Shares to finance an acquisition, merger or joint venture or for regulatory compliance or such other scheme of arrangement if an opportunity of such nature is determined by its Board of Directors to be in the interest of our Company.
28. At any given point of time, there shall be only one denomination for a class of Equity Shares of our Company.
29. Our Company does not have any ESOS/ESPS scheme for our employees and we do not intend to allot any shares to our employees under ESOS/ESPS scheme from the proposed Issue. As and when, options are granted to our employees under the ESOP scheme, our Company shall comply with the SEBI (Employee Stock Option Scheme and Employees Stock Purchase Plan) Guidelines 1999.
30. An investor cannot make an application for more than the number of Equity Shares offered in this Issue, subject to the maximum limit of investment prescribed under relevant laws applicable to each category of investor.

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31. No payment, direct, indirect in the nature of discount, commission, and allowance, or otherwise shall be made either by us or by our Promoters to the persons who receive allotments, if any, in this Issue.
32. Our Company has Ten (10) members as on the date of filing of this Draft Prospectus.

## OBJECTS OF THE ISSUE

Our Company proposes to utilize the net proceeds from the Issue towards funding the following objects and achieve the benefits of listing the equity shares on the NSE Emerge. We believe that the listing of Equity shares will enhance our brand name and provide liquidity to the existing shareholders. Listing will also provide a public market for the Equity Shares in India.

### Objects of the Fresh Issue

1. To finance the Expenditure towards Land & Site Development and Other Civil Work;
2. To Acquire the Plant & Machinery;
3. To part finance the requirement of Working Capital;
4. To meet General corporate purposes;
5. To meet the expenses of the Issue.

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

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

### Utilization of Net Proceeds

The details of the proceeds of the Issue are summarized below:

(Rs. In Lacs)

S. No.	Particulars	Amounts*
1)	Gross Proceeds	[•]*
2)	(Less) Issue related expenses*	[•]*
3)	<b>Net Proceeds</b>	[•]*

\* To be finalized on determination of Issue Price.

### FUND REQUIREMENTS

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

Rs. In lacs

S. No.	Particulars	Amounts	% of gross proceeds	% of Net proceeds
1.	To finance the Expenditure towards Land & Site Development and Other Civil Work.	[•]*	[•]*	[•]*
2.	To Acquire the Plant & Machinery	[•]*	[•]*	[•]*
3.	To part finance the requirement of Working Capital	[•]*	[•]*	[•]*
4.	To meet General corporate purposes	[•]*	[•]*	[•]*
5.	To meet the expenses of the Issue	[•]*	[•]*	[•]*
	<b>Total</b>	[•]*	[•]*	[•]*

\* To be finalized on determination of Issue Price.

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.

The fund requirement and deployment is based on internal management estimates and our Company's current business plan and is subject to change in light of changes in external circumstances or costs, other financial conditions, business or strategy. These estimates have not been appraised by any bank or financial institution.

Any amount, deployed by our Company out of internal accruals towards the aforementioned objects till the date of receipt of Issue Proceeds shall be recouped by our Company from the Issue Proceeds of the Issue. In case of delays in raising funds from the Issue, our company may deploy certain amounts towards any of the above mentioned Objects through a combination of Internal Accruals or Loans (Bridge Financing) and in such case the Funds raised shall be utilized towards repayment of such Loans or recouping of Internal Accruals. However, we confirm that no bridge financing has been availed as on date, which is subject to being repaid from the Issue Proceeds.

As we operate in competitive environment, we may have to revise our expenditure and fund requirements as a result of variations in cost estimates, exchange rate fluctuations and external factors which may not be within the control of our management. This may entail rescheduling and revising the planned expenditures and fund requirements and increasing or decreasing expenditures for a particular purpose at the discretion of our management, within the objects.

For further details on the risks involved in our business plans and executing our business strategies, please see the section titled "Risk Factors" beginning on page 15 of this Draft Prospectus.

#### **Schedule of implementation/ Utilization of Issue Proceeds**

Our Company proposes to deploy the Net Proceeds in the aforesaid objects as follows:

*(Rs. In lacs)*

Sr. No.	Particulars	Project Cost to be incurred	Amount Proposed to be Deployed from IPO Proceeds	Estimated Schedule of Deployment of Net Proceeds	
				FY 2018-19	FY 2019-20
1.	To finance the Expenditure towards Land & Site Development and Other Civil Work.	[●]*	[●]*	[●]*	[●]*
2.	To Acquire the Plant & Machinery.	[●]*	[●]*	[●]*	[●]*
3.	To part finance the requirement of Working Capital	[●]*	[●]*	[●]*	[●]*
4.	To meet General corporate purposes	[●]*	[●]*	[●]*	[●]*
5.	To meet the expenses of the Issue	[●]*	[●]*	[●]*	[●]*
	<b>Total</b>	[●]*	[●]*	[●]*	[●]*

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

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

#### MEANS OF FINANCE:

Sr. No.	Objects of the offer	Amount In lacs	
		Amount Required	IPO Proceeds
1.	To finance the Expenditure towards Land & Site Development and Other Civil Work.	[•]*	[•]*
2.	To Acquire the Plant & Machinery.	[•]*	[•]*
3.	To part finance the requirement of Working Capital.	[•]*	[•]*
4.	To meet General corporate purposes.	[•]*	[•]*
5.	To meet the expenses of the Issue.	[•]*	[•]*
	<b>Total</b>	[•]*	[•]*

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

#### DETAILS OF THE OBJECTS

The details of the objects of the Issue are set out below:

##### 1. TO FINANCE EXPENDITURE TOWARDS LAND & SITE DEVELOPMENT AND OTHER CIVIL WORK

Our Company is engaged in the manufacturing of ceiling fans, exhaust, pedestal and BLDC (brushless DC) fans. We manufacture and supply a wide range of ceiling, exhaust pedestal and BLDC fans in various attractive designs and patterns, which are known for their high performance and low power consumption in the market. Our range of fans is available in different designs, colours and has superior gloss finishes that add grace to the decor of the surroundings. We also manufacture these fans as per specification of our clients which include 6-7 leading brands in India. Our fans are manufactured in accordance with the strict industrial standards and these extra durable ceiling, exhaust, Pedestal and BLDC fans are known for their features such as superior strength, fine finish, and make us the one of the best fans manufacturer in India.

We have state-of-the-art manufacturing facility which is strategically located in Roorkee, Uttarakhand meeting all the quality requirements of our customers. Our manufacturing facility has been accredited with quality management system and environmental management system, certificate for compliance with ISO 9001:2015 & ISO 14001:2015 requirements respectively.

##### Details of New Manufacturing Facilities

**Estimated Production Capacity:** Presuming 300 operating days in a year and single Shift (12 Hours)-working basis the installed production capacity of the unit would be manufacturing of 36,00,000 fans per annum, which would likely to be increased in the subsequent years. Actual utilization is expected to be 50% in 1st year, 70 % in 2nd year, 85 % in 3rd year and approx 95% and above in further years.

## Raw Material

The Raw Material compatible for our product are available in the domestic market and the required raw material for manufacturing of an electric ceiling & exhaust fans all indigenous and consist the following:

- C.I./Aluminum castings;
- CRC Sheets
- Laminations;
- Copper wire;
- Insulation material;
- Shafts, condensers, ball bearings, regulators, canopies, down rod, sheet metal components, corrugated boxes

## **Commencement of Production:**

Plant will become operational in the beginning of year 2020.

Brief details of the Products to be manufactured at the New Plant are as follows:

Category/Type of Product	Description of product (Unit per year in Lakhs)
Ceiling Fans	30.00
Exhaust Fans	3.00
Pedestal Fans	1.20
BLDC Fans	1.80

The detailed break up of the above mentioned object is as under:

Sr. No.	Particulars	Amount in Lacs
1	Purchase of Land and incidental expenses	[•]
2	Construction of factory building and wall	[•]
	<b>Total</b>	<b>[•]</b>
	<b>To be financed from IPO Proceeds</b>	<b>[•]</b>

### **i) Purchase of land and incidental expenses**

We are in the process of identifying an Industrial Land of approx 12000 sq mtr at Hyderabad for setting up the manufacturing plant. Cost of land has been estimated as Rs. [•] Lacs excluding registration and other statutory costs has been estimated to Rs. [•] Lacs.

### **ii) Construction of Factory Building and wall**

The details of the construction of factory building and wall are as follows:

Sr. No.	Particulars	Amount (In Lacs)
a.	Construction of Boundary wall	[•]
b.	Construction of Factory Building	[•]
	<b>Total</b>	<b>[•]</b>

The details of the Factory buildings are as follows:



Sr. No.	Particulars	Amount (In Lacs)
a.	Construction of Factory Shed, Internal CC Road, Compound Wall, Labour Quarter, Construction of Borewall, Underground water tank	[•]
	<b>Total</b>	<b>[•]</b>

The Cost of Construction of Factory Building and wall is based on estimate given by [•] vide its letter dated [•]

## 2. TO ACQUIRE THE PLANT & MACHINERY

The detailed breakup of the above mentioned object is as under:

Sr. No.	Particulars	Amount (in Lacs)
1	Purchase of Plant & Machinery	[•]
2	Preliminary and Pre Operative Expenses	[•]
3	Provision for Contingencies	[•]
	<b>Total</b>	<b>[•]</b>
	<b>To be financed from IPO Proceeds</b>	<b>[•]</b>

Our Company proposes to acquire plant & Machinery aggregating to Rs. [•] Lacs.

*We do not propose to purchase any second hand Machinery in the proposed project.*

### **Preliminary and Pre-Operative Expenses**

*Pre-operative and preliminary expenses mainly consist of start up and trial run expenses, establishment and project management expenses, engineering and consultancy fees, upfront fees, etc. The pre operative and preliminary expenses as estimated by the management would be Rs. [•] Lacs.*

### **Provision for Contingencies**

*In the event of any cost overruns due to any changes in quoted prices of plant & machinery for which orders have not yet been placed, or on account of time variation, transportation cost, insurance, unexpected price rise due to factors beyond our control, contingencies have been provided to cover any such eventuality which may occur. Contingencies of Rs. [•] Lacs have been estimated, which is approximately [•] % of the cost of plant & machinery.*

## 3. TO PART FINANCE WORKING CAPITAL REQUIREMENTS OF THE COMPANY.

Our Business is a working capital intensive industry. The increasing operations of our company will in turn lead to the increase in the requirement of working capital. The lead time for procuring the products is high and also in order to ensure readily available customized product along with a low lead time for our clients, we enjoy a lower credit period. Further, we are required to provide sufficient credit period to our clients resulting in high receivables and we enjoy minimum credit from our suppliers through against the same. We intend to increase our turnover over the years for which we would be required to provide extended credit period to our customers, but

the credit period that we avail from our suppliers shall not increase substantially. This would require us to have adequate working capital to ensure a smooth and uninterrupted flow of our business operations. Accordingly, we expect a further increase in the working capital requirements in view of current and potential business operations that we may undertake. Accordingly, we have proposed to use Rs. [●] lacs out of the issue proceeds to meet the increase in long term working capital requirements.

(Rs. In lacs)

Sr. No.	Particulars	31.03.2017	31.03.2018	31.03.2019
		Audited	Audited	Projected
<b>A.</b>	<b>Current Assets</b>			
	Inventories	957.97	1,394.47	[●]
	Trade receivables	4,110.34	8,964.38	[●]
	Other current assets	200.39	644.85	[●]
	<b>Total Current Assets</b>	<b>5,268.70</b>	<b>11,003.70</b>	[●]
<b>B.</b>	<b>Current Liabilities</b>			[●]
	Trade payable	3,760.27	7,300.27	[●]
	Other current liabilities& Provisions	240.51	556.93	[●]
	<b>Total Current Liabilities</b>	<b>4,000.78</b>	<b>7,857.20</b>	[●]
				[●]
<b>C.</b>	<b>Working Capital Gap (A-B)</b>	<b>1,267.92</b>	<b>3,146.50</b>	[●]
<b>D.</b>	<b>Owned Funds/Internal Accruals available for working capital</b>	-	-	[●]
<b>E.</b>	<b>Working Capital funding through IPO Proceeds</b>	-	-	[●]

As per our estimates we would require Rs. [●] lacs out of the issue proceeds to meet the working capital requirements.

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

#### Justification of Holding Level

<b>Inventories</b>	We have Inventories holding period of 25 days in financial year 2017-18 against which is slightly higher than previous year's holding period as we are expecting increase in our revenues from the sale of goods and therefore, expect to hold more inventories. we are confident enough that inspite of increased capacity and sales, we will be able to maintain our inventory at same level of days consumption.
<b>Trade Receivables</b>	We have assumed Trade Receivable holding period level of 3.64 months in financial year 2017-18 which is slightly higher than previous financial year's holding period levels as we are expecting to allow more lenient credit period to our clients. Our Company has estimated the holding level for Trade Receivable as 60 days of revenue from operations for the Financial Year 2018-19, considering normal credit period.
<b>Trade Payables</b>	In financial year 2017-18, Our payable's credit period was 3.73 months as as our company will strive to adhere to stricter credit policy to achieve better and favourable pricing terms and to ensure continued relations with the existing suppliers. By making early payments to the suppliers (i.e. availing lower credit periods), the company shall be able to get competitive prices for its raw materials which would result in a reduction in the raw material cost as

a percentage of sales thereby increasing the profitability of the Company. Thus the Company has estimated lower credit period of 60 days in a FY 2018-19 which would in turn help in reducing the cost of sales and improve profitability margins.

## ISSUE RELATED EXPENSES

The expenses for this Issue include issue management fees, underwriting fees, registrar fees, legal advisor fees, printing and distribution expenses, advertisement expenses, depository charges and listing fees to the Stock Exchange, among others. The total expenses for this Issue are estimated not to exceed Rs. [●] Lacs.

Particulars	Amount (Rs. in Lacs)	% of Total Issue Expenses	% of Total Issue Size
Issue management fees, Underwriting Fees selling commissions, brokerages, Payment to other intermediaries such as Legal Advisors, Registrars etc.	[●]*	[●]*	[●]*
Market Making Fees for three years	[●]*	[●]*	[●]*
Printing & Stationery, Distribution, Postage, etc.	[●]*	[●]*	[●]*
Advertisement & Marketing Expenses	[●]*	[●]*	[●]*
Regulatory & other expenses	[●]*	[●]*	[●]*
Miscellaneous Expenses	[●]*	[●]*	[●]*
<b>Total</b>	[●]*	[●]*	[●]*

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

## Details of funds already deployed till date and sources of funds deployed

The funds deployed up to 31<sup>st</sup> August, 2018 pursuant to the object of this Issue as certified by the Auditors of our Company, viz. M/s. AYK & Associates, Chartered Accountants pursuant to their certificate dated 10<sup>th</sup> September, 2018 is given below:

Deployment of funds	Amount (Rs. In Lacs)
Issue Related Expenses	5.00
<b>Total</b>	<b>5.00</b>

Sources of funds	Amount (Rs. In Lacs)
Internal Accruals	5.00
Bank Finance	-
<b>Total</b>	<b>5.00</b>

## BRIDGE FINANCING

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

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

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

#### **INTERIM USE OF FUNDS**

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

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

#### **MONITORING UTILIZATION OF FUNDS**

As the size of the Issue does not exceed Rs. 10,000 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. Our Board and Audit Committee shall monitor the utilization of the Net Proceeds.

Pursuant to Regulation 32 of the Listing Regulations, our Company shall on a half yearly basis disclose to the Audit Committee the uses and application of the Issue Proceeds. Until such time as any part of the Issue Proceeds remains unutilized, our Company will disclose the utilization of the Issue Proceeds under separate heads in our Company's balance sheet(s) clearly specifying the amount of and purpose for which Issue Proceeds have been utilized so far, and details of amounts out of the Issue Proceeds that have not been utilized so far, also indicating interim investments, if any, of such unutilized Issue Proceeds. In the event that our Company is unable to utilize the entire amount that we have currently estimated for use out of the Issue Proceeds in a Fiscal Year, we will utilize such unutilized amount in the next financial year. Further, in accordance with Regulation 32(1) (a) of the Listing Regulations our Company shall furnish to the Stock Exchanges on a half yearly basis, a statement indicating material deviations, if any, in the utilization of the Issue Proceeds for the objects stated in this Draft Prospectus.

#### **CONFIRMATION REGARDING PURCHASE OF SECOND-HAND EQUIPMENT AND MACHINERY**

No second-hand equipment and machinery is proposed to be purchased by our Company from the Net Proceeds.

#### **OTHER CONFIRMATIONS**

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

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## **VARIATION IN OBJECTS**

In accordance with Section 13(8) and Section 27 of the Companies Act, 2013 and applicable rules, our Company shall not vary the objects of the Issue without our Company being authorised to do so by the Shareholders by way of a special resolution through postal ballot. In addition, the notice issued to the Shareholders in relation to the passing of such special resolution (the Postal Ballot Notice) shall specify the prescribed details as required under the Companies Act and applicable rules. The Postal Ballot Notice shall simultaneously be published in the newspapers, one in English and one in the vernacular language of the jurisdiction where the Registered Office is situated. Our Promoters or controlling Shareholders will be required to provide an exit opportunity to such Shareholders who do not agree to the proposal to vary the objects, at such price, and in such manner, as may be prescribed by SEBI, in this regard.

## BASIC TERMS OF THE ISSUE

The Equity Shares, now being issued, are subject to the terms and conditions of this Draft Prospectus, Application form, Confirmation of Allocation Note (CAN), the Memorandum and Articles of Association of our Company, the guidelines for listing of securities issued by the Government of India and SEBI (ICDR) Regulations, 2009, the Depositories Act, Stock Exchanges, RBI, ROC and/or other authorities as in force on the date of the Issue and to the extent applicable. In addition, the Equity Shares shall also be subject to such other conditions as may be incorporated in the Share Certificates, as per the SEBI (ICDR) Regulations, 2009 notifications and other regulations for the issue of capital and listing of securities laid down from time to time by the Government of India and/or other authorities and other documents that may be executed in respect of the Equity Shares.

This Issue has been authorized by the Board of Directors pursuant to a board resolution dated 6<sup>th</sup> August, 2018 and by the shareholders of our Company pursuant to a special resolution dated 31<sup>st</sup> August, 2018 passed at the EGM of shareholders under section 62 (1)(c) of the Companies Act, 2013.

<b>Face Value</b>	Each Equity Share shall have the face value of Rs.10/- each.
<b>Issue Price</b>	Each Equity Share is being issued at a price of Rs. [●] each and is one time or at par of the Face Value.
<b>Market and Trading Lot</b>	The Market lot and Trading lot for the Equity Share is [●] ([●]) and the multiple of [●] subject to a minimum allotment of [●] Equity Shares to the successful applicants.
<b>Terms of Payment</b>	100% of the Issue price of Rs. 10/- shall be payable on Application. For more details please refer to Issue Procedure on page 280 of this Draft Prospectus.
<b>Ranking of the Equity Shares</b>	The Equity Shares shall be subject to the Memorandum and Articles of Association of our Company and shall rank pari passu in all respects including dividends with the existing Equity Shares of our Company.

## MINIMUM SUBSCRIPTION

This Issue is not restricted to any minimum subscription level.

This Issue is 100% underwritten. If the Issuer does not receive the subscription of 100% of the Issue through this offer document including devolvement of Underwriters within sixty days from the date of closure of the Issue, the Issuer shall forthwith refund the entire subscription amount received. If there is a delay beyond eight days after the Issuer becomes liable to pay the amount, the Issuer shall pay interest prescribed under section 40 of the Companies Act, 2013.

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## **BASIS FOR ISSUE PRICE**

The Issue Price has been determined by our Company in consultation with the Lead Manager on the basis of the following qualitative and quantitative factors. The face value of the Equity Shares is Rs.10/- and Issue Price is Rs. [●]/- per Equity Shares i.e. [●] times the face value.

Investors should read the following summary with the “Risk Factors” beginning from page 15 of this Draft Prospectus, section titled “Our Business” beginning from page 134 and “Financial Information” beginning from page 202 of this Draft Prospectus. The trading price of the Equity Shares of our Company could decline due to these risk factors and you may lose all or part of your investments.

### **QUALITATIVE FACTORS**

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

#### **Strong relationships with a diverse top-tier customer base**

We have established and will continue to focus on strengthening our long-standing relationships with well-known customers across product verticals. We view these customers as our partners and seek to provide them with quality end-to-end product solutions. We believe that our customers are long term reputed players in the industry. Our relationships with them have enabled us to continuously develop, diversify and improve our product portfolio, plan our production in anticipation of demand from retail customers and ensure continuous focus on quality. Such long-term business relationships stem from our commitment to quality products and timely delivery of customers’ orders under tight delivery schedules and short production lead time.

Our major customers include well known companies of fans & home appliances which are selling the products under their own brands in India. All our customers are well respected players in one or more product categories offered by us.

Over the years, while maintaining and strengthening our relationships with our existing customers, we have successfully expanded and diversified our customer mix. In addition to targeting large and global players, we also cater to various leading local and small players across product verticals. We believe that by broadening our customer portfolio, we are able to reduce our reliance on just a few customers for our revenue streams.

We believe, our strong customer base has not only been instrumental in our success to date, but also will be a strong driver of our future growth and help expand our market share, develop new products and enter newer markets. Our ability to maintain and grow these customer relationships stems from our history of continuously creating value for our customers.

#### **Experienced Promoters and seasoned management team**

Our Promoters have almost 3 decades of experience in the fan manufacturing industry.

Our Key Managerial Personnel have an average experience of over 15 years, comprise of experienced professionals with extensive experience in their domains, helping us develop new products through in-house R&D capabilities, thereby quickly adapting to changing client requirements across varying product mix.

Additionally, our senior management also possesses extensive industry and management experience which we believe has given us a specialized understanding of the complexities involved in the fan manufacturing industry in India and its processes. We believe that our business growth is attributable to our strong management culture



fostered by an entrepreneurial spirit, each product vertical being managed by experienced and hands-on vertical heads having in-depth knowledge of our industry. Our experienced management team has successfully led our operations, increased our capacity, revenues and profits since our inception and is passionate and dedicated to our business and innovation.

We believe that our highly experienced and dedicated management team enables us to capture market opportunities, formulate and execute business strategies, manage client expectations as well as proactively manage changes in market conditions.

### **Quality Assurance and Standards**

We believe in providing our customers the best possible quality products. Since our Company is dedicated towards quality products, processes and inputs we get regular orders from our customers, as we are capable of meeting their quality standards.

### **End to end solutions provider with dedicated research and development capabilities**

Since inception, we have expanded our customer base and gained technological expertise in designing and manufacturing of fans. We place a high emphasis on integrating our services to continue to serve as an end-to-end product solutions provider and maintain an edge over our competitors. We believe that our dedication to design, manufacturing and our service infrastructure ensure customer satisfaction, foster customer loyalty and generate repeat business. Our capabilities which enable us to provide end-to-end solutions are:

### **Research and development**

Our product superiority is founded on firm commitment to fan technology through continuous research and development.

Our manufacturing team produces high quality fans and all fans are tested in a well-equipped, in-house laboratory. All manufactured products are tested as per the standards laid down by Bureau of Indian Standards.

All our equipment is backed by not only highly skilled production staff but also by a strong and very experienced engineering and management team. We have in-house processes for machining, fabrication, stator winding, buffing, powder coating, painting, assembling, testing and packaging which includes moving semi-finished parts/products through conveyor belts.

Our R&D center which is located at our manufacturing facility in Roorkee has access to latest equipment such as CNC M/C for covers and rotors, drill, tapping, lathe, lacquer booth, drying oven, powder coating system (ITW GEMA), powder coating line, power presses and shearing machines for blade fabrication, belt conveyor, bearing pressing, coil winding, varnishing, liquid painting, sanding, auto strapping, dynamic balancing etc. The R&D team has the capabilities to verify and develop conceptual designs received from customers and convert such designs into deliverable products by improving the designs, recommending suitable raw materials and testing of trial products. The R&D team also aims to provide solutions to improve manufacturing efficiency on the existing products, reduce production costs and also assists our customers in designing consumer durable and lighting products by providing design and engineering support.

Driven by core values of manufacturing and producing top-quality, authentic fans of the highest standards, the Company has rapidly developed a reputation for exceptional quality fans that offers top value for money.

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## **Sourcing**

With an increase in the scale of our operations over the years, we have access to and have established continuous relationships with domestic and some international suppliers and gained expertise in procurement of components which meet strict quality standards and adhere to the time schedules laid down by our customers, on competitive rates. The benefits of placing large orders with our suppliers allow us to source at competitive prices thereby improving our margins and ability to win further business.

## **Backward integration**

We have successfully achieved backward integration of our services by setting up in-house manufacturing of wound components, blades & packing as well as other processes like machining, buffing, powder coating, painting etc. Backward integration provides us the benefit of greater control on the manufacturing process, quality and the corresponding benefits of cost efficiencies thereby improving our margins. As a result, we are able to fulfil our customers' diverse needs in a timely manner and enhance our ability to offer cost-competitive 'one-stop-shop' solutions.

## **Flexible and cost-effective manufacturing capabilities**

We have a proven track record of serving product requirements of our customers and we continue to pursue greater efficiencies of cost, time, quality and scale in our manufacturing processes. We maintain the flexibility of our manufacturing facilities by measures such as multiple-function training and standardization of equipment.

Due to the large scale of our operations, extensive experience in manufacturing, backward integrated manufacturing facilities, sourcing, processes and availability of skilled and unskilled manpower at our manufacturing facilities, we are able to offer cost effective solutions to our customers while maintaining our margins.

We attribute our ability to deliver quality products because of our control on manufacturing processes, robust engineering and quality assurance systems. The quality control team is tasked with thorough pre-manufacturing checks and balances. This prevents or, where necessary, uncovers defects which ensures that time and resources are not wasted in the production of defective products. Our manufacturing facility has been certified ISO 9001:2000 in accordance with international quality standards.

## **Strong Financial Performance and stable cash flows**

We have a track record of sustained growth in revenue and profitability. For the last three fiscals ended March 31, 2018, we achieved a CAGR of 59.97% in Total revenue of the Company of Rs. 29,486.85 Lacs and in fiscal ended March 31, 2017, CAGR of 51.65% in Total revenue of the Company of Rs. 16564.89 Lacs. Similarly, we have achieved CAGR of 90.78% in Total revenue of the Company of Rs. 13741.19 Lacs in fiscal 2016.

We believe that our robust financial position illustrates not only the growth of our operations over the years, but also the effectiveness of allocation of our capital and strong working capital management across our business. Further, during the fiscals 2018, 2017 and 2016, we reported RONW of 58.51%, 90.53% and 298.83%, respectively. Among other things, our strong financial position has enabled us to increase our production capacities and diversify into newer products and offerings through internal accruals without increasing our external borrowings.

Our financial stability and positive cash flow from operations enable us to meet the present and future requirement of our customers. Our strong balance sheet gives our customers the confidence that we will be able

to support them in terms of both capabilities and capacities. This also helps strengthen trust and engagement with our customers, thereby increasing customer stickiness.

## QUANTITATIVE FACTORS

The information presented below relating to the Company is based on the restated financial statements of the Company for Financial Year 2016, 2017, 2018 prepared in accordance with Indian GAAP. Some of the quantitative factors, which form the basis for computing the price, are as follows:

### I. Basic Earnings per Share (EPS) (on Face value of Rs. 10 per share) as per Accounting Standard 20

Year ended	EPS (Rs.)	Weight
March 31, 2016	8.51	1
March 31, 2017	24.83	2
March 31, 2018	38.88	3
<b>Weighted average</b>	<b>29.14</b>	

- EPS Calculations have been done in accordance with Accounting Standard 20-“Earning per Share” issued by the Institute of Chartered Accountants of India.
- Basic earnings per share are calculated by dividing the net profit after tax by the weighted average number of Equity Shares outstanding during the period. Weighted Average number of Equity Shares is the number of Equity Shares outstanding at the beginning of the year/period adjusted by the number of Equity Shares issued during year/period multiplied by the time weighting factor. The time weighting factor is the number of days for which the specific shares are outstanding as a proportion of total number of days during the year.

### II. Price to Earnings (P/E) ratio in relation to Issue Price of Rs. [●] per Equity Share of Rs. 10 each fully paid up.

- Based on fiscal year as on 31<sup>st</sup> March, 2018; at EPS of Rs. 38.88 as per Restated Financial Statements, the P/E ratio is [●].
- Based on fiscal year as on 31<sup>st</sup> March, 2017; at EPS of Rs. 24.83 as per Restated Financial Statements, the P/E ratio is [●].
- Based on fiscal year as on 31<sup>st</sup> March, 2016; at EPS of Rs. 8.51 as per Restated Financial Statements, the P/E ratio is [●].
- Based on weighted average EPS of Rs. 29.14 as per Restated Financial Statements, the P/E ratio is [●].
- Industry PE\*:

Particulars	P/E Ratio
Lowest	[●]
Highest	[●]
Average	[●]

\*Source: [●]

### III. Return on Net worth (RoNW)

Year Ended	RoNW (%)	Weight
March 31, 2016	298.83	1

Year Ended	RoNW (%)	Weight
March 31, 2017	90.53	2
March 31, 2018	58.51	3
<b>Weighted Average</b>	<b>109.24</b>	

- Note:** The RoNW has been computed by dividing net profit after tax as restated, by Net Worth as at the end of the year excluding miscellaneous expenditure to the extent not written off.

**IV. Minimum Return on Total Net Worth post issue needed to maintain Pre Issue EPS for the year ended March 31, 2018 is [•] % on restated financial Statements.**

**V. Net Asset Value per Equity Shares (NAV)**

Particulars	Amount (In Rs.) On the basis of Financial Statements
Net Asset Value per Equity Share as of March 31, 2018	66.46
Net Asset Value per Equity Share as of March 31, 2017	27.43
Net Asset Value per Equity Share as of March 31, 2016	2.85
Net Asset Value per Equity Share after the Issue	[•]
Issue Price per equity share	[•]

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

**VI. Comparison with other listed companies**

There are listed companies in India in the Manufacturing of Fans with one or more business segments common to ours and these are as given below:

Companies	EPS#	PE Ratio	Market Price	RoNW %	NAV (Per Share)	Face Value (Rs. Per share)	Total Income (Rs. In Lacs)	PAT (Profit for the year) (Rs. in lacs)
Wonder Fibromats Limited	38.88	[•]	[•]	58.51	66.46	10.00	29,486.85	797.30
<b>Peer Group*</b>								
Bajaj Electricals Ltd (Standalone)	8.19	64.49	528.15	9.28	92.49	2.00	4,76,958.37	8,770.31
Crompton Greaves Consumer Electricals Ltd. (Standalone)	5.15	42.16	217.13	41.01	12.60	2.00	4,13,587.00	32,379.00

(1. Based on March 31, 2018 restated financial statements)

**Source:** [www.bseindia.com](http://www.bseindia.com) and Annual Report for the year ended March 31, 2018 and for calculating PE ratio, closing market price as on 12<sup>th</sup> September, 2018 or latest trading date prior to 12<sup>th</sup> September, 2018 is considered.

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The Company in consultation with the Lead Managers and after considering various valuation fundamentals including Book Value and other relevant factors, believes that Issue price of Rs. [●] per Equity Share for the Public Issue is justified in view of the above parameters.

For further details refer to the section titled “**Risk Factors**” beginning on page 15 and the financials of the Company including profitability and return ratios, as set out in the section titled “**Financial Information**” beginning on page 202 of this Draft Prospectus for a more informed view.

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## STATEMENT OF TAX BENEFITS

To,  
The Board of Directors,  
Wonder Fibromats Limited  
45, Okhla Industrial Estate, Phase-III,  
New Delhi 110020

**Sub: Statement of Possible Special Tax Benefits Available to the Company and its shareholders prepared in accordance with the requirements under Schedule VIII-Clause (VII) (L) of the SEBI (ICDR) Regulations, 2009, as amended (the "Regulations")**

We hereby report that the enclosed annexure prepared by Wonder Fibromats Limited, states the possible special tax benefits available to Wonder Fibromats Limited ("the Company") and the shareholders of the Company under the Income Tax Act, 1961 ("Act"), presently in force in India. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the Act. Hence, the ability of the Company or its shareholders to derive the special tax benefits is dependent upon fulfilling such conditions, which based on the business imperatives, the Company may or may not choose to fulfil. The benefits discussed in the enclosed Annexure cover only special tax benefits available to the Company and shareholders do not cover any general tax benefits available to the Company. Further, the preparation of enclosed statement and the contents stated therein is the responsibility of the Company's management. We are informed that, this Statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the proposed initial public offering of equity shares ("the Offer") by the Company.

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

- i. Company or its shareholders will continue to obtain these benefits in future; or
- ii. The conditions prescribed for availing the benefits has been/ would be met with.

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

**For AYK & Associates**  
**Chartered Accountants**  
Sd/-  
**Yogesh Kumar**  
**Partner**  
**Membership No. - 403036**  
**FRN: 018591C**  
Place: New Delhi  
Date: 10.09.2018

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## **ANNEXURE TO THE STATEMENT OF TAX BENEFITS:**

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

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

### **A. SPECIAL TAX BENEFITS TO THE COMPANY**

The Company is not entitled to any special tax benefits under the Act.

### **B. SPECIAL TAX BENEFITS TO THE SHAREHOLDER**

The Shareholders of the Company are not entitled to any special tax benefits under the Act

Note:

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

No assurance is given that the revenue authorities/courts will concur with the views expressed herein.

Our views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes. We do not assume responsibility to update the views consequent to such changes. We shall not be liable to any claims, liabilities or expenses relating to this assignment except to the extent of fees relating to this assignment, as finally judicially determined to have resulted primarily from bad faith or intentional misconduct. We will not be liable to any other person in respect of this statement.



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## SECTION IV

### ABOUT OUR COMPANY

#### INDUSTRY OVERVIEW

*(The information in this chapter has been extracted from publicly available documents prepared by various sources etc. This data has not been prepared or independently verified by us or the Lead Manager or any of their or our respective affiliates or advisors. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in the section titled “Risk Factors” on page 15 of this Draft Prospectus. Accordingly, investment decisions should not be based on such information)*

#### INDUSTRY OVERVIEW

##### GLOBAL PROSPECTS AND POLICIES

World growth strengthened in 2017 to 3.8 percent, with a notable rebound in global trade. It was driven by an investment recovery in advanced economies, continued strong growth in emerging Asia, a notable upswing in emerging Europe, and signs of recovery in several commodity exporters. Global growth is expected to tick up to 3.9 percent this year and next, supported by strong momentum, favorable market sentiment, accommodative financial conditions, and the domestic and international repercussions of expansionary fiscal policy in the United States. The partial recovery in commodity prices should allow conditions in commodity exporters to gradually improve.

Over the medium term, global growth is projected to decline to about 3.7 percent. Once the cyclical upswing and US fiscal stimulus have run their course, prospects for advanced economies remain subdued, given their slow potential growth. In emerging market and developing economies, in contrast, growth will remain close to its 2018-19 level as the gradual recovery in commodity exporters and a projected increase in India’s growth provide some offset to China’s gradual slowdown and emerging Europe’s return to its lower-trend growth rate. Nevertheless, 40 emerging market and developing economies are projected to grow more slowly in per capita terms than advanced economies, failing to narrow income gaps vis-à-vis the group of more prosperous countries.

Despite strong aggregate figures in the baseline forecast and buoyant market sentiment, the current momentum is not assured. Upside and downside risks are broadly balanced over the next several quarters, but risks farther down the road are skewed to the downside. With still-easy financial conditions and persistently low inflation that has required protracted monetary policy accommodation, a potential further buildup of financial vulnerabilities could give way to rapid tightening of global financial conditions, denting confidence and growth. The support to growth that comes from procyclical policies, including in the United States, will eventually need to be reversed. Other risks include a shift toward inward-looking policies that harm international trade and a worsening of geopolitical tensions and strife.

The current favorable juncture offers a window to enact policies and reforms that protect the upswing and raise medium-term growth to the benefit of all—strengthening the potential for higher and more inclusive growth, building buffers that will help deal more effectively with the next downturn, improving financial resilience to contain financial market risks, and fostering international cooperation.

(Source: <https://www.imf.org/en/Publications/WEO/Issues/2018/03/20/world-economic-outlook-april-2018#Chapter%201>)

## RECENT DEVELOPMENTS AND PROSPECTS

### An Investment-Led Pickup in Growth

At 3.8 percent, global growth last year was ½ percentage point faster than in 2016 and the strongest since 2011. Two-thirds of countries accounting for about three-fourths of global output experienced faster growth in 2017 than in the previous year (the highest share of countries experiencing a year-over-year growth pickup since 2010). The preliminary outcome for global growth in 2017 was 0.2 percentage point stronger than forecast in the October 2017 World Economic Outlook (WEO), with upside surprises in the second half of 2017 in advanced as well as emerging market and developing economies.

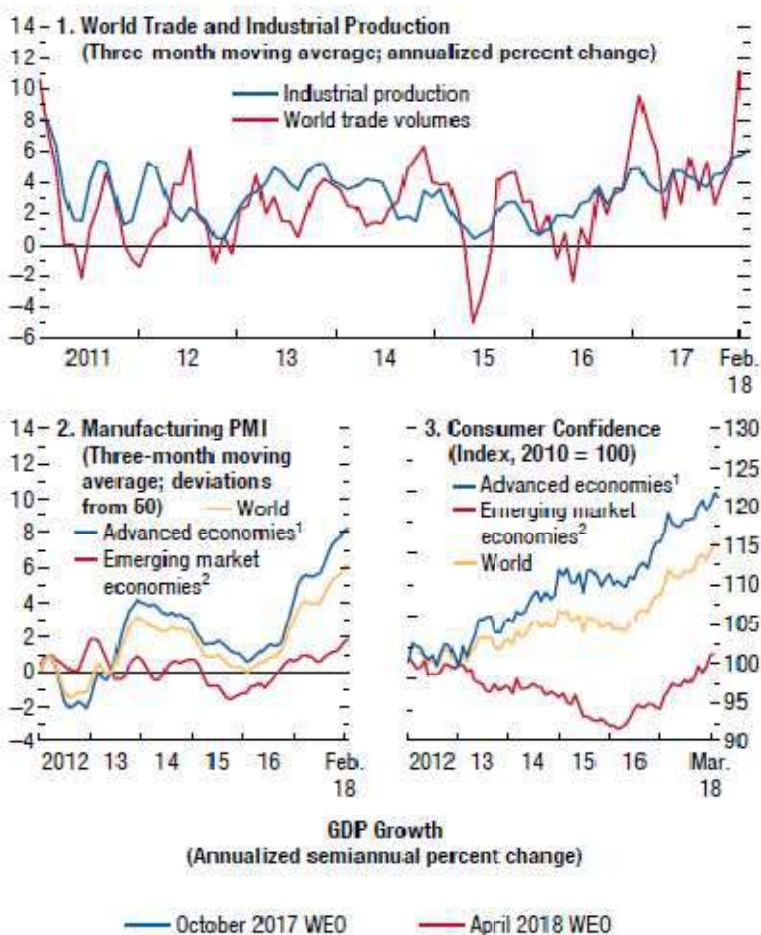
Resurgent investment spending in advanced economies and an end to the investment decline in some commodity-exporting emerging market and developing economies were important drivers of the uptick in global GDP growth and manufacturing activity (Figures 1.1-1.3).

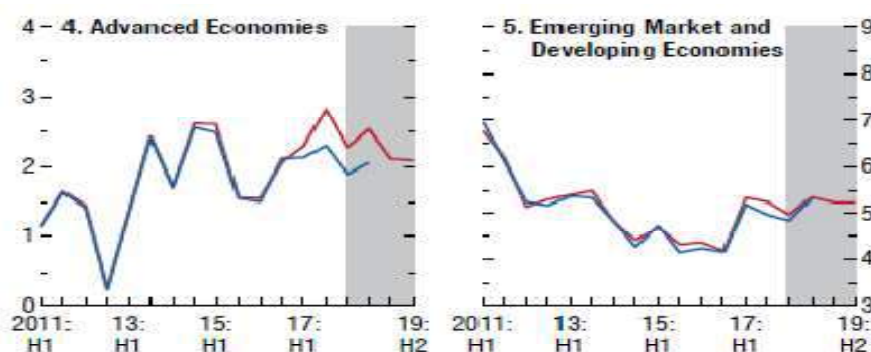
- Across advanced economies, the 0.6 percentage point pickup in 2017 growth relative to 2016 is explained almost entirely by investment spending, which remained weak since the 2008-09 global financial crisis and was particularly subdued in 2016 (Figure 1.2, left column). Both stronger gross fixed capital formation and an acceleration in stock building contributed to the pickup in investment, with accommodative monetary policy, stronger balance sheets, and an improved outlook helping release pent-up demand for capital goods.

- Across emerging market and developing economies, the 0.4 percentage point pickup in 2017 growth came primarily from an acceleration in private consumption (Figure 1.2, right column). But the picture is mixed within the group. Growth in China and India last year was supported by resurgent net exports and strong private consumption, respectively, while investment growth slowed. An end to fixed investment contractions in commodity-exporting countries that were severely affected by the commodity price downturn during 2015-16 (notably Brazil and Russia, but also Angola, Ecuador, and Nigeria) instead played an important role in their growth pickup in 2017. Higher fixed investment growth (2.3 percentage points above its 2016 level) also supported the growth performance of other emerging market and developing economies, alongside stronger private consumption.

**Figure 1.1. Global Activity Indicators**

Global growth surprised on the upside in the second half of 2017 amid strengthening industrial production and trade.





Sources: CPB Netherlands Bureau for Economic Policy Analysis; Haver Analytics; Markit Economics; and IMF staff estimates.

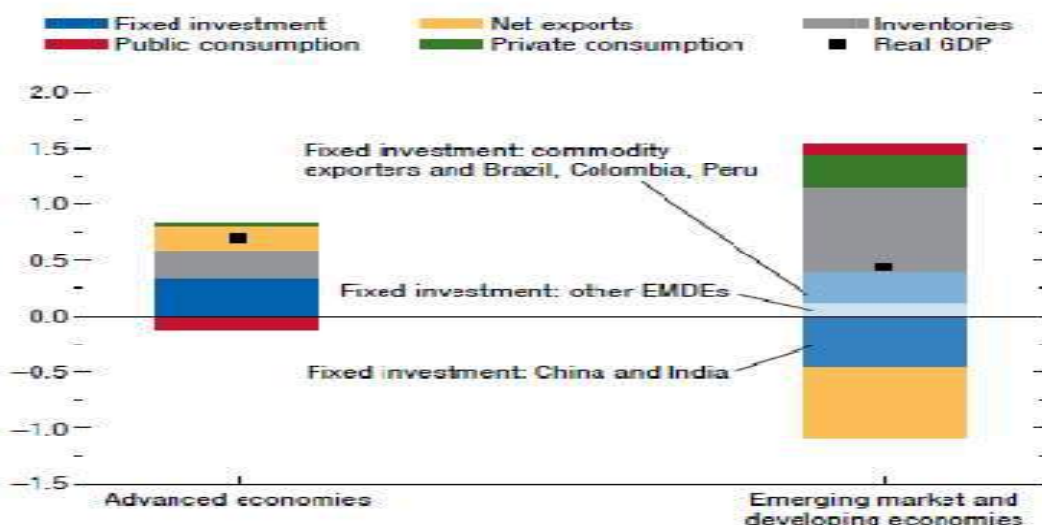
Note: CC = consumer confidence; PMI = purchasing managers' index; WEO = *World Economic Outlook*.

<sup>1</sup>Australia, Canada (PMI only), Czech Republic, Denmark, euro area, Hong Kong SAR (CC only), Israel, Japan, Korea, New Zealand (PMI only), Norway (CC only), Singapore (PMI only), Sweden (CC only), Switzerland, Taiwan Province of China, United Kingdom, United States.

<sup>2</sup>Argentina (CC only), Brazil, China, Colombia (CC only), Hungary, India (PMI only), Indonesia, Latvia (CC only), Malaysia (PMI only), Mexico (PMI only), Philippines (CC only), Poland, Russia, South Africa, Thailand (CC only), Turkey, Ukraine (CC only).

**Figure 1.2. Contributions to the Change in Real GDP Growth, 2016–17**  
(Percentage points)

Stronger investment spending in advanced economies and an end to fixed investment contractions in commodity exporters were important contributors to the pickup in global growth.



Source: IMF staff calculations.

Note: EMDEs = emerging market and developing economies.



## A Cyclical Rebound in Global Trade

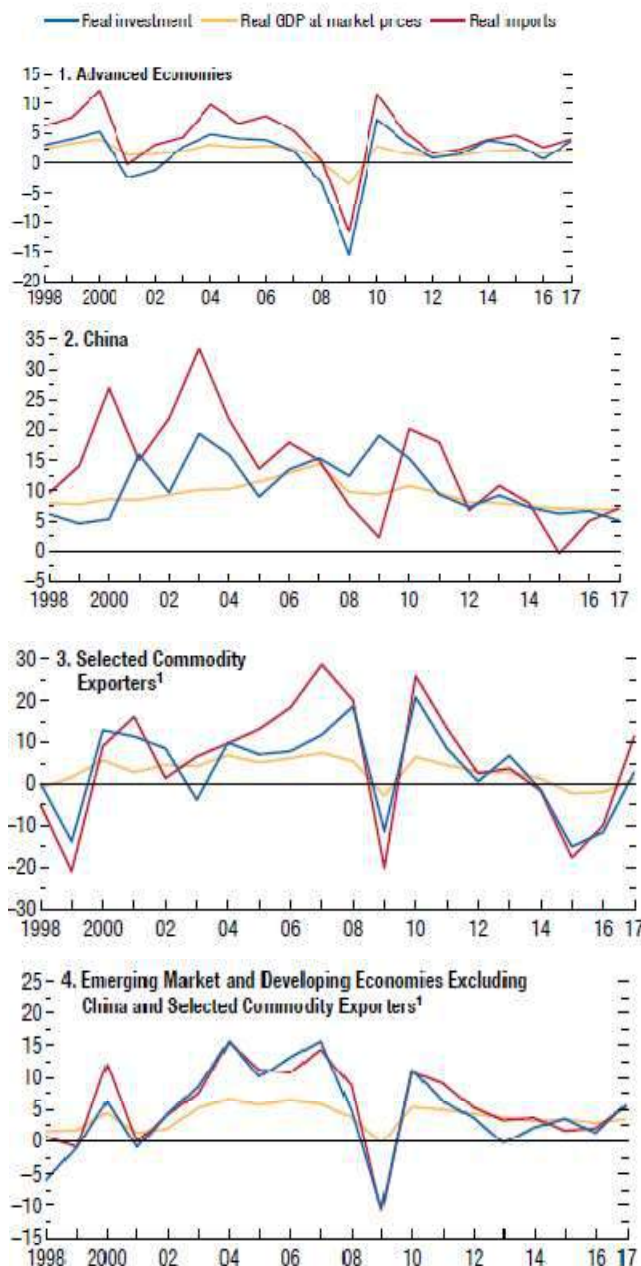
Global trade—which tends to be highly correlated with global investment (see Figure 1.3 and Chapter 2 of the October 2016 WEO)—recovered strongly in 2017 after two years of weakness, to an estimated real growth rate of 4.9 percent. The upsurge was more pronounced in emerging market and developing economies (with trade growth rising from 2.2 percent in 2016 to 6.4 percent in 2017), reflecting improved investment growth rates in formerly stressed commodity exporters as well as the recovery in advanced economy investment and domestic demand more generally.

Among advanced economies, large exporters, such as Germany, Japan, the United Kingdom, and the United States, contributed strongly to the recovery in exports (Figure 1.4, panel 1), while the recovery in imports was broad based, except in the United Kingdom (Figure 1.4, panel 2).

Among emerging market and developing economies, as shown in Figure 1.4, panel 3, the rebound in export growth was particularly strong in emerging Asia, especially China.<sup>1</sup> In contrast, the rebound in imports largely reflects an import recovery among commodity exporters—countries that had earlier experienced sharp investment and import contractions during the 2015–16 commodity price downturn. This is shown in Figure 1.4, panel 4: the blue bars represent commodity exporters that had a particularly pronounced cycle in imports (Angola, Brazil, Ecuador, Nigeria, Russia); the green bars represent remaining commodity exporters, which account for an important part of the import demand cycle among other emerging market and developing economies.

**Figure 1.3. Global Investment and Trade**  
(Percent change)

Global trade recovered strongly in 2017 after two years of weakness as investment spending picked up.

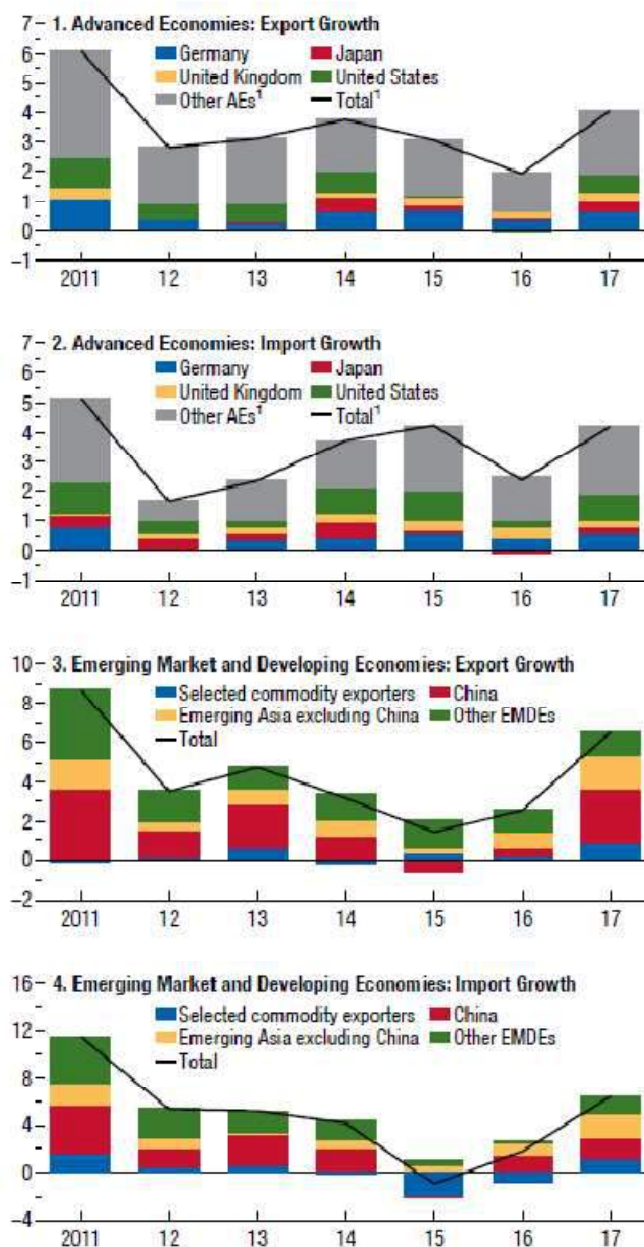


Source: IMF staff calculations.

<sup>1</sup>Selected commodity exporters = Angola, Brazil, Ecuador, Nigeria, Russia.

**Figure 1.4. Contributions to Trade Growth (Percent)**

The trade recovery was particularly pronounced in emerging market and developing economies.



Source: IMF staff calculations.

Note: Trade growth reflects export and import volumes from external sector data. AEs = advanced economies; EMDEs = emerging market and developing economies; selected commodity exporters = Angola, Brazil, Ecuador, Nigeria, Russia.

<sup>1</sup>Excludes Ireland.

## Rising Commodity Prices

The IMF's Primary Commodities Price Index rose 16.9 percent between August 2017 and February 2018—that is, between the reference periods for the October 2017 WEO and the current report (Figure 1.5). As described in the Commodities Special Feature, the increase was driven primarily by rising oil and natural gas prices. Among the other subindices, metals and agricultural commodity prices also rose, although less rapidly than energy prices.

- Oil prices increased to more than \$65 a barrel in January, the highest level since 2015, following unplanned outages on the US Gulf Coast and in Libya, the North Sea, and Venezuela; an extension to the end of 2018 of the Organization of the Petroleum Exporting Countries agreement on production targets; and stronger global economic growth. Prices moderated to \$63 a barrel in February, 27 percent above their August level.

- The natural gas price index—an average for Europe, Japan, and the United States—rose sharply, by 45 percent from August 2017 to February 2018, reflecting seasonal factors. Strong demand for liquefied natural gas (LNG) in China, where the government has restricted the use of coal to mitigate air pollution, helped drive the spot LNG price to its highest level in three years. Higher oil prices also added upward pressure in countries where oil-linked pricing is more common.

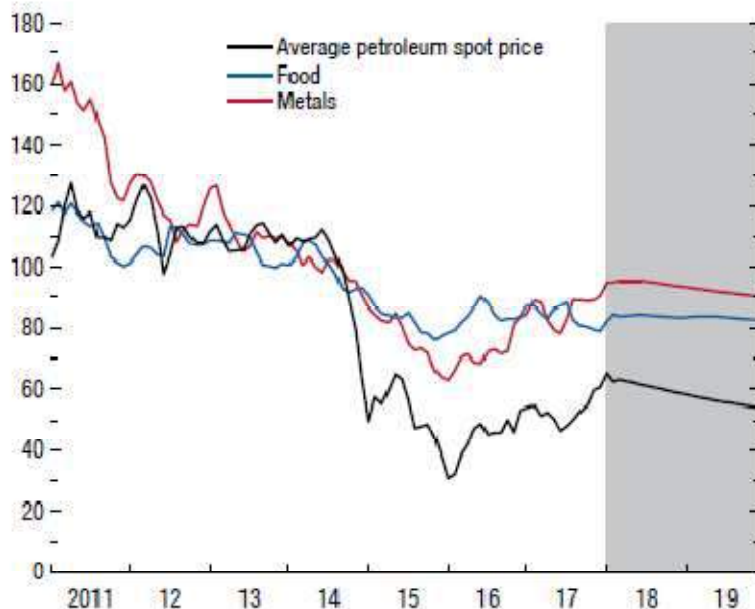
- Metal prices increased 8.3 percent from August to February, in line with stronger growth in all major economies. Demand for base metals—especially aluminum—was strong, while supply was limited in part due to China's production capacity cuts. Iron ore prices rose 4.1 percent from August to February, rallying recently thanks to strong steel prices and

- The IMF's agricultural price index rose 4.1 percent from August 2017 to February 2018, as unfavorable weather conditions in recent months are expected to reduce this year's harvests of many grains and oilseeds. The subindices of food and agricultural raw materials rose 4.1 percent and 6.0 percent, respectively.

**Figure 1.5. Commodity and Oil Prices**

(Deflated using US consumer price index; index, 2014 = 100)

Commodity prices, notably of oil and natural gas, have risen since the fall, but the medium-term outlook remains subdued.



Sources: IMF, Primary Commodity Price System; and IMF staff estimates.

(Source: <https://www.imf.org/en/Publications/WEO/Issues/2018/03/20/world-economic-outlook-april-2018#Chapter%201>)

## Indian Economy Overview

### Introduction

India has emerged as the fastest growing major economy in the world as per the Central Statistics Organisation (CSO) and International Monetary Fund (IMF) and it is expected to be one of the top three economic powers of the world over the next 10-15 years, backed by its strong democracy and partnerships. India's GDP increased 7.1 per cent in 2016-17 and is expected to reach a growth rate of 7 per cent by September 2018.

### Market size

India's gross domestic product (GDP) at constant prices grew by 7.2 per cent in September-December 2017 quarter as per the Central Statistics Organisation (CSO). Corporate earnings in India are expected to grow by 15-20 per cent in FY 2018-19 supported by recovery in capital expenditure, according to JM Financial.

The tax collection figures between April 2017- February 2018 show an increase in net direct taxes by 19.5 per cent year-on-year and an increase in net direct taxes by 22.2 per cent year-on-year.

India has retained its position as the third largest startup base in the world with over 4,750 technology startups, with about 1,400 new start-ups being founded in 2016, according to a report by NASSCOM.

India's labour force is expected to touch 160-170 million by 2020, based on rate of population growth, increased labour force participation, and higher education enrolment, among other factors, according to a study by ASSOCHAM and Thought Arbitrage Research Institute.

India's foreign exchange reserves were US\$ 422.53 billion in the week up to March 23, 2018, according to data from the RBI.

### Government Initiatives

In the Union Budget 2017-18, the Finance Minister, Mr. Arun Jaitley, verified that the major push of the budget proposals is on growth stimulation, providing relief to the middle class, providing affordable housing, curbing black money, digitalisation of the economy, enhancing transparency in political funding and simplifying the tax administration in the country.

India's unemployment rate has declined to 4.8 per cent in February 2017 compared to 9.5 per cent in August 2016, as a result of the Government's increased focus towards rural jobs and the Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) scheme.

The Government of Maharashtra has set a target to double farm income by 2022 through measures like large scale micro irrigation, water conservation, expansion of formal cash credit coverage, crop insurance and agriculture diversification, as per Mr. Vidyasagar Rao, Governor of Maharashtra.

Numerous foreign companies are setting up their facilities in India on account of various government initiatives like Make in India and Digital India. Mr. Narendra Modi, Prime Minister of India, has launched the Make in India initiative with an aim to boost the manufacturing sector of Indian economy, to increase the purchasing power of an average Indian consumer, which would further boost demand, and hence spur development, in addition to benefiting investors. The Government of India, under the Make in India initiative, is trying to give boost to the contribution made by the manufacturing sector and aims to take it up to 25 per cent of the GDP from the current 17 per cent. Besides, the Government has also come up with Digital India initiative, which focuses on three core components: creation of digital infrastructure, delivering services digitally and to increase the digital literacy.

Some of the recent initiatives and developments undertaken by the government are listed below:

- The Government of India has succeeded in providing road connectivity to 85 per cent of the 178,184 eligible rural habitations in the country under its Pradhan Mantri Gram Sadak Yojana (PMGSY) since its launch in 2014.
- A total of 15,183 villages have been electrified in India between April 2015-November 2017 and complete electrification of all villages is expected by May 2018, according to Mr. Raj Kumar Singh, Minister of State (IC) for Power and New & Renewable Energy, Government of India.
- The Government of India has decided to invest Rs 2.11 trillion (US\$ 32.9 billion) to recapitalise public sector banks over the next two years and Rs 7 trillion (US\$ 109.31 billion) for construction of new roads and highways over the next five years.
- The mid-term review of India's Foreign Trade Policy (FTP) 2015-20 has been released by Ministry of Commerce & Industry, Government of India, under which annual incentives for labour intensive MSME sectors have been increased by 2 per cent.



- The India-Japan Act East Forum, under which India and Japan will work on development projects in the North-East Region of India will be a milestone for bilateral relations between the two countries, according to Mr. Kenji Hiramatsu, Ambassador of Japan to India.
- The Government of India will spend around Rs 1 lakh crore (US\$ 15.62 billion) during FY 18-20 to build roads in the country under Pradhan Mantri Gram Sadak Yojana (PMGSY).
- The Government of India plans to facilitate partnerships between gram panchayats, private companies and other social organisations, to push for rural development under its 'Mission Antyodaya' and has already selected 50,000 panchayats across the country for the same.
- The fiscal deficit of the Government of India, which was 4.5 per cent of the gross domestic product (GDP) in 2013-14, has steadily reduced to 3.5 per cent in 2016-17 and is expected to further decrease to 3.2 per cent of the GDP in 2017-18, according to the Reserve Bank of India (RBI).
- The Government of India plans to implement a new scheme, named 'Sasti Bijli Har Ghar Yojana' with an outlay of Rs 17,000 crore (US\$ 2.64 billion), to provide electricity to around 40 million un-electrified households in the country.
- The Government of India and the Government of Portugal have signed 11 bilateral agreements in areas of outer space, double taxation, and nano technology, among others, which will help in strengthening the economic ties between the two countries.
- India's revenue receipts are estimated to touch Rs 28-30 trillion (US\$ 436- 467 billion) by 2019, owing to Government of India's measures to strengthen infrastructure and reforms like demonetisation and Goods and Services Tax (GST).

## Road Ahead

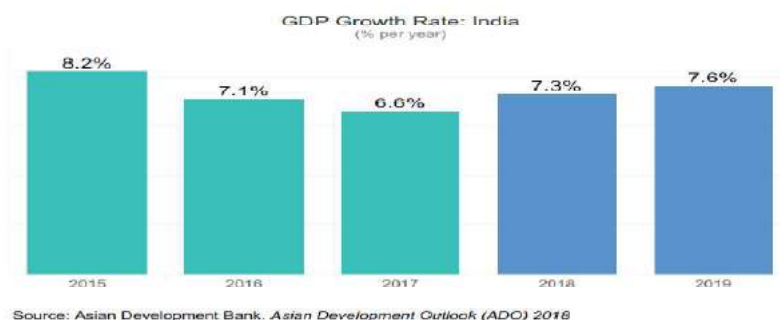
India's gross domestic product (GDP) is expected to reach US\$ 6 trillion by FY27 and achieve upper-middle income status on the back of digitisation, globalisation, favourable demographics, and reforms.

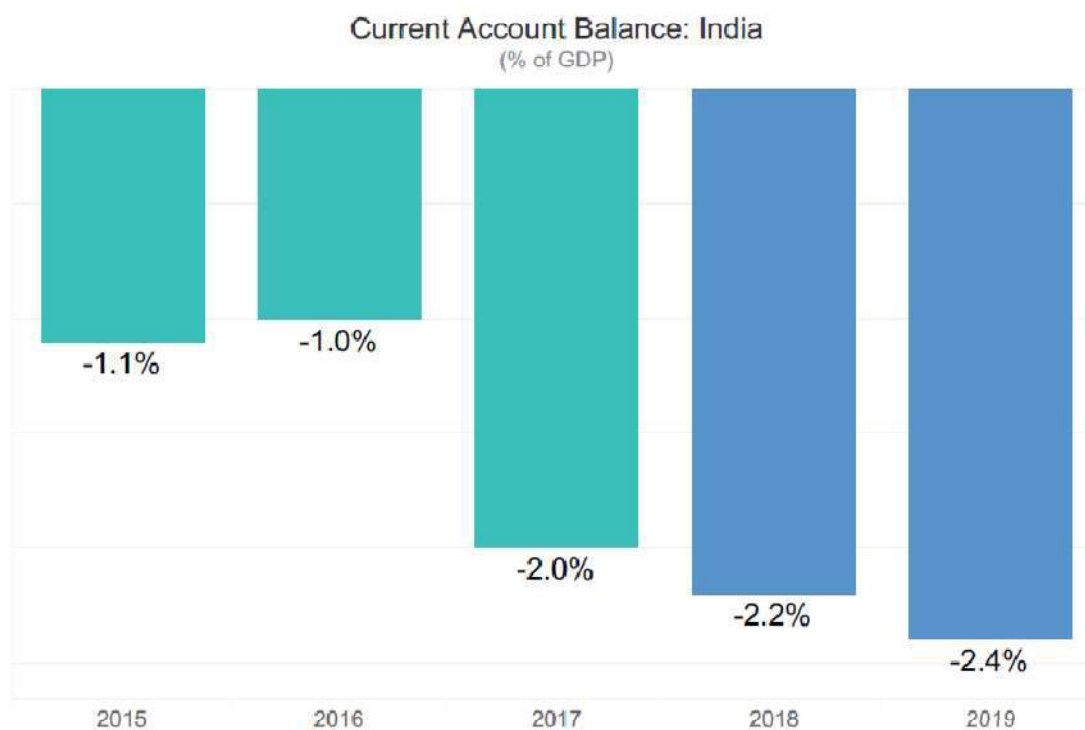
India is also focusing on renewable sources to generate energy. It is planning to achieve 40 per cent of its energy from non-fossil sources by 2030 which is currently 30 per cent and also have plans to increase its renewable energy capacity from 57 GW to 175 GW by 2022.

India is expected to be the third largest consumer economy as its consumption may triple to US\$ 4 trillion by 2025, owing to shift in consumer behaviour and expenditure pattern, according to a Boston Consulting Group (BCG) report; and is estimated to surpass USA to become the second largest economy in terms of purchasing power parity (PPP) by the year 2040, according to a report by PricewaterhouseCoopers.

(Source: <https://www.ibef.org/economy/indian-economy-overview>)

## Economic indicators for India





Source: Asian Development Bank. *Asian Development Outlook (ADO) 2018*

(Source: <https://www.adb.org/countries/india/economy#tabs-0-3>)

## MANUFACTURING SECTOR IN INDIA

### Introduction

Manufacturing has emerged as one of the high growth sectors in India. Prime Minister of India, Mr. Narendra Modi, had launched the 'Make in India' program to place India on the world map as a manufacturing hub and give global recognition to the Indian economy. India is expected to become the fifth largest manufacturing country in the world by the end of year 2020\*.

### Market Size

The Gross Value Added (GVA) at basic current prices from the manufacturing sector in India grew at a CAGR of 4.34 per cent during FY12 and FY18 as per the second advance estimates of annual national income published by the Government of India. Quarterly GVA at basic prices from manufacturing sector grew by 10.92 per cent in the third quarter of FY18. Under the Make in India initiative, the Government of India aims to increase the share of the manufacturing sector to the gross domestic product (GDP) to 25 per cent by 2022, from 16 per cent, and to create 100 million new jobs by 2022. Business conditions in the Indian manufacturing sector continue to remain positive.

## Investments

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

Cumulative Foreign Direct Investment (FDI) in India's manufacturing sector reached US\$ 73.70 billion during April 2000-December 2017.

India has become one of the most attractive destinations for investments in the manufacturing sector. Some of the major investments and developments in this sector in the recent past are:

- Mahindra and Mahindra is planning to start operating a fleet of electric cabs and supplying parts to Electric Vehicle (EV) manufacturers.
- Grasim Industries has received clearance for expansion of its plant at Vilayat. The expansion will entail an investment of Rs 2,560 crore (US\$ 396.8 million)
- Over 350 mobile charger factories are expected to be set up in India by 2025, on the back of the government's push to encourage production of battery chargers. Setting up of these factories is expected to lead to production of 1.46 billion chargers and generation of 0.8 million jobs.
- Government of India is planning to invite bids for setting up of 20 Gigawatts (GW) of solar power capacity with the objective of boosting domestic manufacturing of solar power equipment.
- JSW Energy has signed a memorandum of understanding (MoU) with the Government of Gujarat, for setting up an electric vehicle (EV) manufacturing unit in Gujarat at an estimated cost of Rs 4,000 crore (US\$ 608.88 million).
- With an aim to increase its presence in India, Denmark-based heating ventilation and air-conditioning (HVAC) giant, Danfoss, is planning to take its manufacturing localisation to 50 per cent as well as double its supplier base in India by 2020.

## Government Initiatives

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

- As of March 2018, Government of India is in the process of coming up with a new industrial policy which envisions development of a globally competitive Indian industry.
- The government has introduced two new World Bank assisted projects viz. SANKALP scheme and STRIVE scheme for skill development in the country.
- In Union Budget 2018-19, the Government of India reduced the income tax rate to 25 per cent for all companies having a turnover of up to Rs 250 crore (US\$ 38.75 million).
- Under the Mid-Term Review of Foreign Trade Policy (2015-20), the Government of India increased export incentives available to labour intensive MSME sectors by 2 per cent.
- The Ministry of Electronics and Information Technology is in the process of formulation of a new electronics manufacturing policy. The aim of the new policy will be to create an ecosystem of manufacturing in the country, enable India to become a significant global player in some of these categories.
- Ministry of Home Affairs liberalised Arms Rules to boost 'Make in India' manufacturing policy of the government. The liberalisation of the policy is expected to encourage investment in the manufacturing of arms and ammunition and weapon systems and promote employment generation.

- The Government of India has launched a phased manufacturing programme (PMP) aimed at adding more smartphone components under the Make in India initiative thereby giving a push to the domestic manufacturing of mobile handsets.
- The Government of India is in talks with stakeholders to further ease foreign direct investment (FDI) in defence under the automatic route to 51 per cent from the current 49 per cent, in order to give a boost to the Make in India initiative and to generate employment.
- The Ministry of Defence, Government of India, approved the “Strategic Partnership” model which will enable private companies to tie up with foreign players for manufacturing submarines, fighter jets, helicopters and armoured vehicles.
- The Union Cabinet has approved the Modified Special Incentive Package Scheme (M-SIPS) in which, proposals will be accepted till December 2018 or up to an incentive commitment limit of Rs 10,000 crore (US\$ 1.5 billion).

### Road Ahead

India is an attractive hub for foreign investments in the manufacturing sector. Several mobile phone, luxury and automobile brands, among others, have set up or are looking to establish their manufacturing bases in the country.

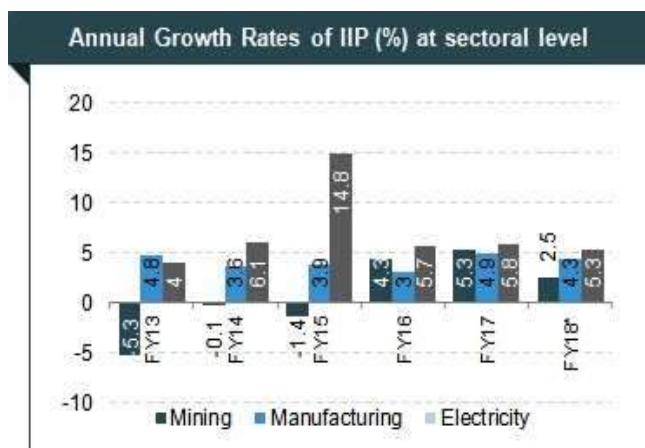
The manufacturing sector of India has the potential to reach US\$ 1 trillion by 2025 and India is expected to rank amongst the top three growth economies and manufacturing destination of the world by the year 2020. The implementation of the Goods and Services Tax (GST) will make India a common market with a GDP of US\$ 2.5 trillion along with a population of 1.32 billion people, which will be a big draw for investors.

With impetus on developing industrial corridors and smart cities, the government aims to ensure holistic development of the nation. The corridors would further assist in integrating, monitoring and developing a conducive environment for the industrial development and will promote advance practices in manufacturing.



- The Index of Industrial Production (IIP) is prepared by the Central Statistics Office to measure the activity happening in three industrial sectors namely Mining, Manufacturing, and Electricity.
- It is the benchmark index and serves as a proxy to gauge the growth of manufacturing in India since manufacturing alone has a weight of 77.63 per cent in the index.
- The manufacturing component of the IIP recorded 4.4 per cent growth in FY17 and 8.7 per cent in January 2018.

- The production levels are expected to pick up growth again as the Goods and Services Tax (GST) has finally been implemented.

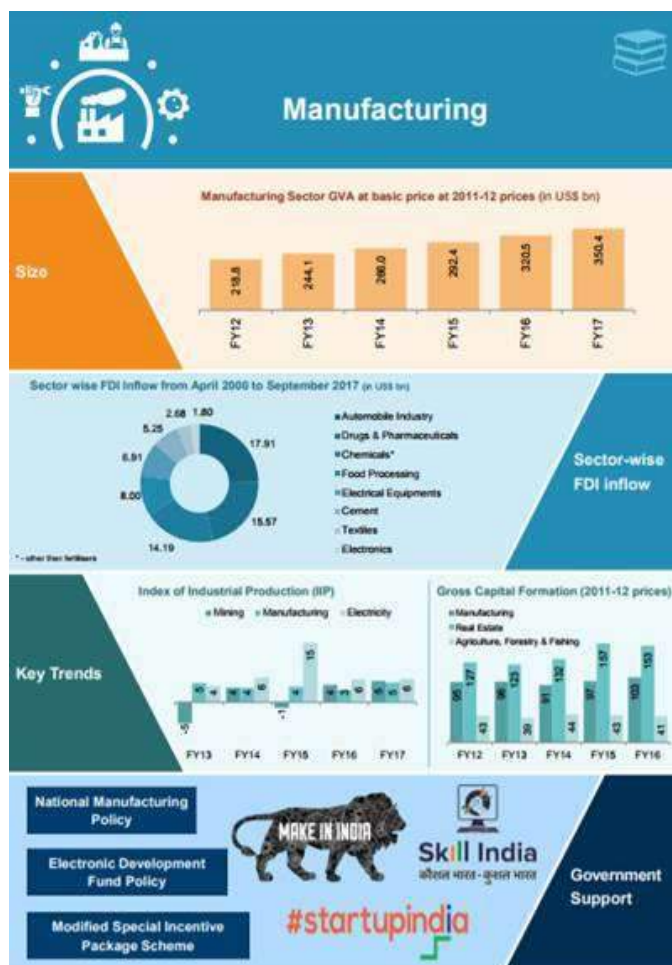


The Gross Value Added (GVA) from the manufacturing sector is estimated at US\$ 326.3 billion in FY18. The sector's contribution to the country's GDP stood at 16.51 per cent in 2016. Quarterly GVA at basic prices from manufacturing sector grew by 10.92 per cent in the third quarter of FY18. India has been ranked at 30th position on a global manufacturing index\*, ahead of BRICS peers, Brazil, South Africa and Russia.

During 2017-18, Index of Industrial Production for manufacturing sector grew 4.50 per cent. India's Index of Eight Core Industries advanced 4.2 per cent year-on-year during 2017-2018. Manufacturing sector PMI of India stood at 51.60 in April 2018 indicating an expansion in the manufacturing sector.

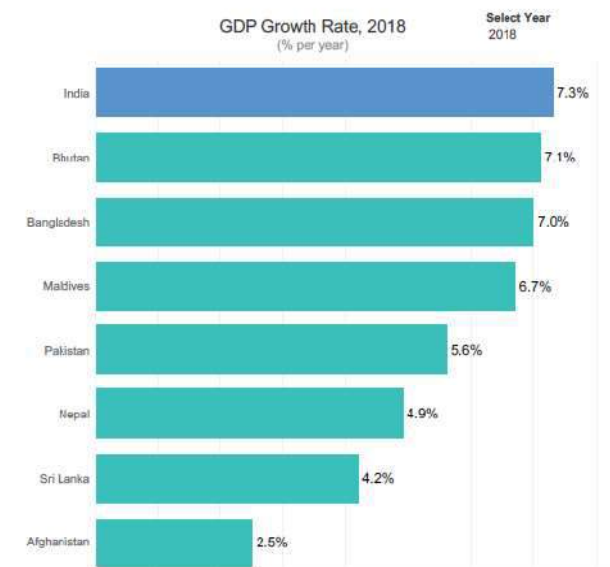
The electronic goods industry is one of the fastest growing industries and is expected to be worth US\$ 400 billion by 2020. Government is working on an export-oriented policy for Electronic products. The idea behind this policy is to promote greater exports of electronics and drive larger investments by setting up port-based electronic manufacturing clusters. Also, as of November 2017, Ministry of Electronics and Information Technology is going to come up with a new electronics manufacturing policy and is in process of setting up industry-specific groups.

The Government of India has been supportive towards this growth. It set up Electronic Hardware Technology Parks (EHTPs), Special Economic Zones (SEZs) and brought about a favourable climate for Foreign Direct Investment (FDI). The government has also increased liberalisation and relaxed tariffs to promote growth in the sector. In addition, it has given the nod to Modified Special Incentive Package Scheme (MSIPS) under which the central government will be offering up to US\$ 1.7 billion in benefits to the electronics sector in next five years.

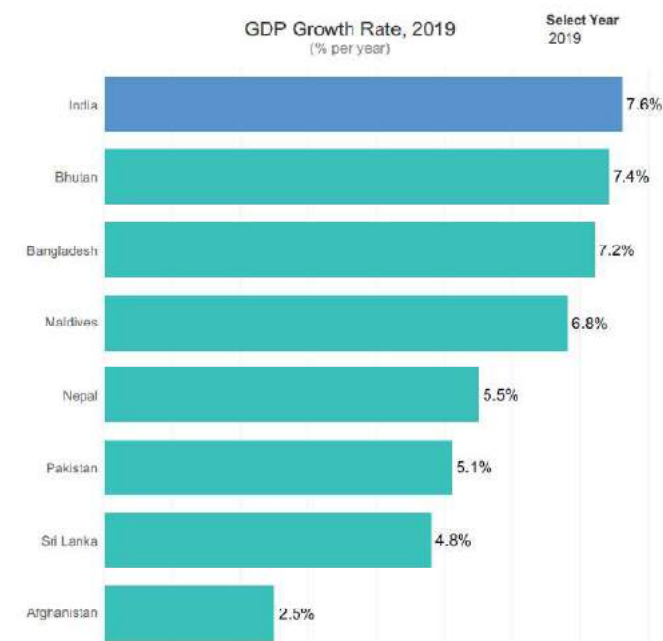


The growing customer base and the increased penetration in consumer durables segment have provided enough scope for the growth of the Indian electronics sector. Also, digitisation of cable could lead to increased broadband penetration in the country and open up new avenues for companies in the electronics industry.

### Comparative economic forecasts for South Asian countries



Source: Asian Development Bank. *Asian Development Outlook (ADO) 2018*



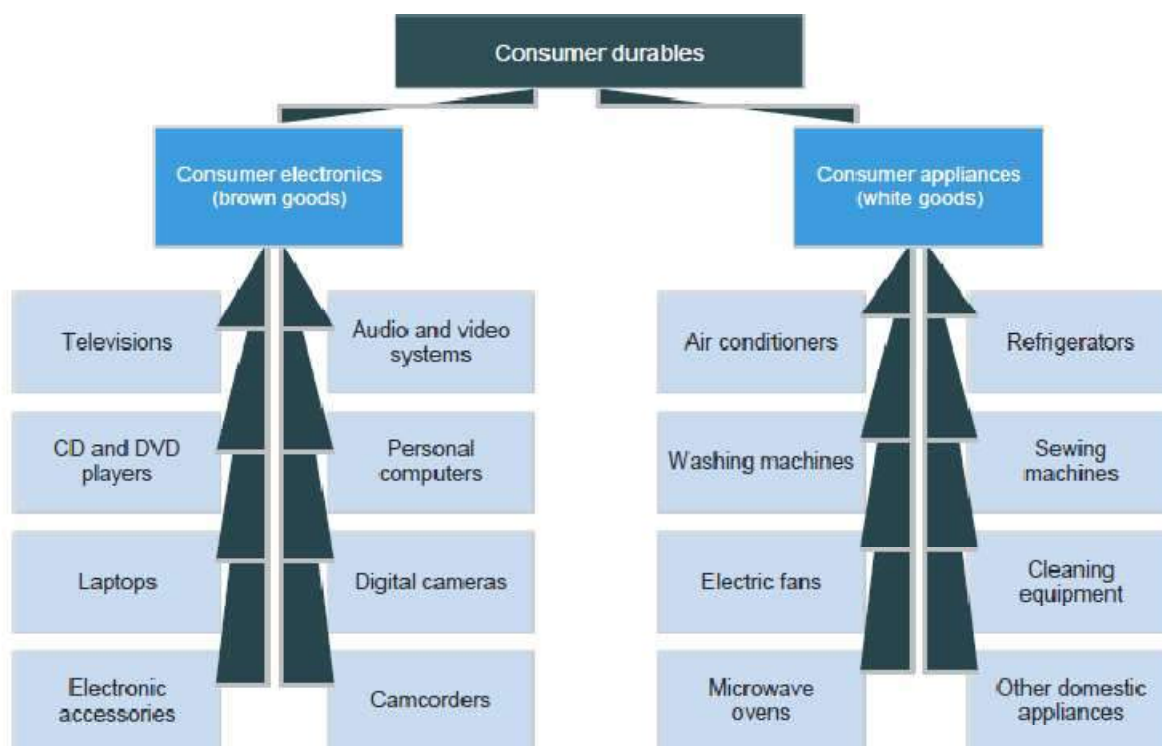
Source: Asian Development Bank. *Asian Development Outlook (ADO) 2018*

(Source: <https://www.adb.org/countries/india/economy#tabs-0-3>)



## CONSUMER DURABLES MARKET

THE CONSUMER DURABLES MARKET IS SPLIT INTO TWO KEY SEGMENTS



*Source: Electronic Industries Association of India, Aranca Research*

## CONSUMER DURABLES REVENUES HAVE BEEN GROWING AT A HEALTHY PACE

Electric fans	<ul style="list-style-type: none"> <li>Domestic electric fan market in India increased at 13 per cent CAGR between FY08-17 to reach Rs 70 billion (US\$ 1.1 billion). 22.6 million fans were produced in the country in 2017-18*</li> <li>Penetration of electric fans in rural areas is expected to reach 76-78 per cent in 2019-20 from 65 per cent in 2017.</li> </ul>
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## OUR BUSINESS

*Some of the information contained in the following discussion, including information with respect to our plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should read the section titled “Forward-Looking Statements” on page 14 for a discussion of the risks and uncertainties related to those statements and also the sections titled “Risk Factors” on page 15, “Financial Statements” on page 202 and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” on page 230 for a discussion on certain factors that may affect our business, financial condition or results of operations. Our actual results may differ materially from those expressed in or implied by these forward-looking statements. Our financial year ends on March 31 of each year, so all references to a particular financial year/ Fiscal are to the twelve-month period ended March 31 of that year.*

### Overview

Ceiling and exhaust fans are important electro mechanic devices used in every household and commercial space adding value to the living interiors in terms of looks and air comfort. Fans have today become a necessity and not just a luxury.

We are a fully integrated end-to-end product and solution suite to the original sellers of the fans wherein we provide start to end solutions for fan sellers including sourcing, manufacturing, quality testing and packaging. We manufacture and supply fans to many well-known companies in India, which in turn distribute these products under their own brands.

Our Company was originally incorporated at Delhi as “Wonder Fibromats Private Limited” on 13<sup>th</sup> October, 2009 under the provisions of the Companies Act, 1956 vide Certificate of Incorporation issued by the Registrar of Companies, NCT of Delhi & Haryana. Consequent upon the conversion of our Company into public limited company, the name of our Company was changed to “Wonder Fibromats Limited” vide fresh Certificate of Incorporation dated July 5, 2018 issued by the Registrar of Companies, Delhi.

Our Company is engaged in the manufacturing of ceiling fans, exhaust, pedestal and brushless DC (BLDC) fans. All the parts & components of the fans are tested stringently at our in-house quality management lab to ensure their flawless performance. Moreover, various R&D activities are conducted by our professionals to remain abreast of the latest market requirements and competition. Apart from this, we have also set up a client-satisfaction cell which is supervised by our quality check (QC) department that reviews the complaints regarding our products directly from clients.

At Wonder Fibromats Limited, we manufacture and supply a wide range of ceiling, exhaust, pedestal and BLDC fans in various attractive designs and patterns, which are known for their high performance and low power consumption in the market. Our range of fans is available in different designs, colours and has superior gloss finishes that add grace to the decor of the surroundings. We also manufacture these fans as per specification of our clients which include well-known companies which are selling under their own brands in India.

Our fans are manufactured in accordance with the strict industrial standards and these extra durable ceiling, exhaust, pedestal and BLDC fans are known for their features such as superior strength, fine finish, and make us the one of the established fans manufacturers in India.

We believe that we have continuously diversified our product portfolio to keep pace with changing consumer trends and development in technology.

The table below sets out our sales volume across our key product portfolio for the period indicated:

Sr. No.	Product/Vertical	Installed Capacity P.A (in Units)	Sales for the period ended 31 <sup>st</sup> March 2018] (in Units)	% sale of the Installed Capacity
1.	Ceiling Fans	42.00 Lacs	35.95 Lacs	85.60%
2.	Exhaust Fans	3.00 Lacs	2.35 Lacs	78.33%
3.	Pedestal Fans	3.00 Lacs	0.05 Lacs	1.67%
4.	BLDC Fans	1.20 Lacs	0.09 Lacs	7.5%

In line with our focus to provide end to end product solutions, we have done backward integration of our major manufacturing processes by developing in-house capabilities for blade fabrication, cover & rotor machining on automatic CNC machines, copper winding of stators, sanding, buffing, pre-treatment using nano technology, powder coating on a fully conveyORIZED & automatic paint-shop using robotic arm reciprocators, liquid painting for high end metallic finishes on a fully conveyORIZED, semi-automatic paint-shop and assembly. We believe that this improves our cost efficiency, reduces dependency on third party suppliers and gives better control on production time and quality of critical components used in manufacturing of the products.

Our in-house R&D team, apart from undertaking aesthetic, electrical and mechanical design and component engineering, also assists our customers in cost reduction through value engineering. This enables us to address consumer requirements across geographies, introduce new and unique products in the market and enhance existing products with emerging technologies.

Our R&D Facilities include the following:

1. Computer Aided designing tools like AutoCAD, ProE etc.;
2. Fully functional Lab for testing & validation of design;
3. Semi-Automatic Air Delivery Chamber with Imported Anemometer;
4. Access to all in-house processes like CNC Machining, Automatic Winding Shop, Press Shop for Blade Fabrication, Paint-Shops etc.

We have state-of-the-art manufacturing facility which is strategically located at Khasra No. 105-106, Raipur Industrial Area, Bhagwanpur, Roorkee-247667, meeting all the quality requirements of our customers. Our manufacturing facility has been accredited with quality management system and environmental management system, certificate for compliance with ISO 9001:2015 & ISO 14001:2015 requirements respectively. Further, few of our products are also compliant with quality standards issued by the Bureau of Indian Standards and our facility is BIS approved for using ISI mark on qualifying products. For further details, refer to the sub-section titled “*Our Manufacturing Facilities*” on page 59 of the Draft Prospectus. We are also in the process of setting up a new manufacturing facility in Hyderabad for an estimated production capacity of manufacturing 36,00,000 fans per annum presuming 300 operating days in a year and single Shift (12 Hours)-working basis. For more details, please refer the chapter titled “*Objects of the Issue*” on page 102 of the Draft Prospectus.

As on March 31, 2018, we had 494 (Four Hundred Ninety Four) permanent employees.

Our revenue from operations (Net), EBITDA and Profit after Tax, as restated, from all the segments, for the periods indicated are provided in the table below:

Rs. in Lacs					
Particulars	31.03.18	31.03.17	31.03.16	31.03.15	31.03.14
Revenue from operations (net)	29,371.22	16,562.95	13,739.78	7,202.28	-

Particulars	31.03.18	31.03.17	31.03.16	31.03.15	31.03.14
EBITDA	1,280.22	1,046.47	592.27	151.73	-
EBITDA (%)	4.36%	6.32%	4.31%	2.17%	-
Profit after tax	797.30	509.16	163.73	(227.48)	-
Profit after tax (%)	2.71%	3.07%	1.19%	(3.16)%	-

The following table sets out the vertical-wise revenue proportion of our major products during the last five years:

*(Qty and Values in Lacs)*

PRODUCTS	2017-18		2016-17		2015-16		2014-15		2013-14	
	Qty	Value	Qty	Value	Qty	Value	Qty	Value	Qty	Value
Ceiling fans	36.47	25,616.28	18.67	13,295.12	16.58	11,606.19	7.57	5,639.50	-	-
Exhaust fans	1.63	2,725.30	1.55	2,613.03	1.12	1,732.83	0.87	1,324.48	-	-

### **Our Strengths:**

We believe that our experience in manufacturing, successful backward integration and design capabilities, strong relationships with our suppliers and anchor customers has resulted in us achieving leading position in our key verticals. We believe our established position helps us in buying critical components at competitive prices, achieve operational efficiencies, helps us in continuing to expand our customer base and further strengthens our relationship with anchor customers. It further enhances our ability to diversify into related products and enter new geographies.

### **Strong relationships with a diverse top-tier customer base**

We have established and will continue to focus on strengthening our long-standing relationships with well-known customers across product verticals. We view these customers as our partners and seek to provide them with quality end-to-end product solutions. We believe that our customers are long term reputed players in the industry. Our relationships with them have enabled us to continuously develop, diversify and improve our product portfolio, plan our production in anticipation of demand from retail customers and ensure continuous focus on quality. Such long-term business relationships stem from our commitment to quality products and timely delivery of customers' orders under tight delivery schedules and short production lead time.

Our major customers include well known companies of fans & home appliances which are selling the products under their own brands in India. All our customers are well respected players in one or more product categories offered by us.

Over the years, while maintaining and strengthening our relationships with our existing customers, we have successfully expanded and diversified our customer mix. In addition to targeting large and global players, we also cater to various leading local and small players across product verticals. We believe that by broadening our customer portfolio, we are able to reduce our reliance on just a few customers for our revenue streams.

We believe, our strong customer base has not only been instrumental in our success to date, but also will be a strong driver of our future growth and help expand our market share, develop new products and enter newer markets. Our ability to maintain and grow these customer relationships stems from our history of continuously creating value for our customers.

### **Experienced Promoters and seasoned management team**

Our Promoters have almost 3 decades of experience in the fan manufacturing industry.

Our Key Managerial Personnel have an average experience of over 15 years, comprise of experienced professionals with extensive experience in their domains, helping us develop new products through in-house R&D capabilities, thereby quickly adapting to changing client requirements across varying product mix.

Additionally, our senior management also possesses extensive industry and management experience which we believe has given us a specialized understanding of the complexities involved in the fan manufacturing industry in India and its processes. We believe that our business growth is attributable to our strong management culture fostered by an entrepreneurial spirit, each product vertical being managed by experienced and hands-on vertical heads having in-depth knowledge of our industry. Our experienced management team has successfully led our operations, increased our capacity, revenues and profits since our inception and is passionate and dedicated to our business and innovation.

We believe that our highly experienced and dedicated management team enables us to capture market opportunities, formulate and execute business strategies, manage client expectations as well as proactively manage changes in market conditions.

#### **Quality Assurance and Standards**

We believe in providing our customers the best possible quality products. Since our Company is dedicated towards quality products, processes and inputs we get regular orders from our customers, as we are capable of meeting their quality standards.

#### **End to end solutions provider with dedicated research and development capabilities**

Since inception, we have expanded our customer base and gained technological expertise in designing and manufacturing of fans. We place a high emphasis on integrating our services to continue to serve as an end-to-end product solutions provider and maintain an edge over our competitors. We believe that our dedication to design, manufacturing and our service infrastructure ensure customer satisfaction, foster customer loyalty and generate repeat business. Our capabilities which enable us to provide end-to-end solutions are:

#### **Research and development**

Our product superiority is founded on firm commitment to fan technology through continuous research and development.

Our manufacturing team produces high quality fans and all fans are tested in a well-equipped, in-house laboratory. All manufactured products are tested as per the standards laid down by Bureau of Indian Standards.

All our equipment is backed by not only highly skilled production staff but also by a strong and very experienced engineering and management team. We have in-house processes for machining, fabrication, stator winding, buffing, powder coating, painting, assembling, testing and packaging which includes moving semi-finished parts/products through conveyor belts.

Our R&D center which is located at our manufacturing facility in Roorkee has access to latest equipment such as CNC M/C for covers and rotors, drill, tapping, lathe, lacquer booth, drying oven, powder coating system (ITW GEMA), powder coating line, power presses and shearing machines for blade fabrication, belt conveyor, bearing pressing, coil winding, varnishing, liquid painting, sanding, auto strapping, dynamic balancing etc. The R&D team has the capabilities to verify and develop conceptual designs received from customers and convert such designs

into deliverable products by improving the designs, recommending suitable raw materials and testing of trial products. The R&D team also aims to provide solutions to improve manufacturing efficiency on the existing products, reduce production costs and also assists our customers in designing consumer durable and lighting products by providing design and engineering support.

Driven by core values of manufacturing and producing top-quality, authentic fans of the highest standards, the Company has rapidly developed a reputation for exceptional quality fans that offers top value for money.

### **Sourcing**

With an increase in the scale of our operations over the years, we have access to and have established continuous relationships with domestic and some international suppliers and gained expertise in procurement of components which meet strict quality standards and adhere to the time schedules laid down by our customers, on competitive rates. The benefits of placing large orders with our suppliers allow us to source at competitive prices thereby improving our margins and ability to win further business.

### **Backward integration**

We have successfully achieved backward integration of our services by setting up in-house manufacturing of wound components, blades & packing as well as other processes like machining, buffing, powder coating, painting etc. Backward integration provides us the benefit of greater control on the manufacturing process, quality and the corresponding benefits of cost efficiencies thereby improving our margins. As a result, we are able to fulfil our customers' diverse needs in a timely manner and enhance our ability to offer cost-competitive 'one-stop-shop' solutions.

### **Flexible and cost-effective manufacturing capabilities**

We have a proven track record of serving product requirements of our customers and we continue to pursue greater efficiencies of cost, time, quality and scale in our manufacturing processes. We maintain the flexibility of our manufacturing facilities by measures such as multiple-function training and standardization of equipment.

Due to the large scale of our operations, extensive experience in manufacturing, backward integrated manufacturing facilities, sourcing, processes and availability of skilled and unskilled manpower at our manufacturing facilities, we are able to offer cost effective solutions to our customers while maintaining our margins.

We attribute our ability to deliver quality products because of our control on manufacturing processes, robust engineering and quality assurance systems. The quality control team is tasked with thorough pre-manufacturing checks and balances. This prevents or, where necessary, uncovers defects which ensures that time and resources are not wasted in the production of defective products. Our manufacturing facility has been certified ISO 9001:2000 in accordance with international quality standards.

### **Strong Financial Performance and stable cash flows**

We have a track record of sustained growth in revenue and profitability. For the last three fiscals ended March 31, 2018, we achieved a CAGR of 59.97% in Total revenue of the Company of Rs. 29,486.85 Lacs and in fiscal ended March 31, 2017, CAGR of 51.65% in Total revenue of the Company of Rs. 16564.89 Lacs. Similarly, we have achieved CAGR of 90.78% in Total revenue of the Company of Rs. 13741.19 Lacs in fiscal 2016.

We believe that our robust financial position illustrates not only the growth of our operations over the years, but also the effectiveness of allocation of our capital and strong working capital management across our business. Further, during the fiscals 2018, 2017 and 2016, we reported RONW of 58.51%, 90.53% and 298.83%, respectively. Among other things, our strong financial position has enabled us to increase our production capacities and diversify into newer products and offerings through internal accruals without increasing our external borrowings.

Our financial stability and positive cash flow from operations enable us to meet the present and future requirement of our customers. Our strong balance sheet gives our customers the confidence that we will be able to support them in terms of both capabilities and capacities. This also helps strengthen trust and engagement with our customers, thereby increasing customer stickiness.

### **Our Strategies**

We intend to build on our existing strengths of product design, manufacturing and service to enhance our position as the fan manufacturer. Key elements of our business strategy are described below:

#### ***Continue to focus on Original Design Manufacturer (“ODM”) model***

While Original Equipment Manufacturer (“OEM”) sales continue to be a major source of our revenue, we plan to gradually expand our share of the ODM model of manufacturing. As an ODM, we control the entire manufacturing cycle of a product from the initial stage of designing and are responsible for all the aspects of manufacturing, including planning and sourcing of raw materials and components. Under ODM, we sell our products to companies which in turn, distribute these products under their own brand to end users. However, warranties with respect to defects in raw materials and workmanship affecting normal use of products are provided by us. The ODM model of business requires additional investment in R&D as well as working capital but provides higher margins as compared to the OEM model.

We have in the past three years expanded our presence as an OEM in fan manufacturing vertical. The contribution of OEM sales, by vertical, to our revenue from such vertical for the periods indicated is as below:

S. No.	Vertical	% of revenue from vertical in the period ending		
		March 31, 2016	March 31, 2017	March 31, 2018
1.	Ceiling Fan	84.47%	80.27%	87.90%
2.	Exhaust Fan	12.61%	15.78%	11.12%
3.	Pedestal Fan	-	-	00.27%
4.	BLDC Fans	-	-	00.72%

Our strategy to move towards the ODM model is to service all major customer requirements across the industry. This also helps us in improving our overall profitability as we are able to control all aspects of the manufacturing cycle. Gradually, we believe there is a trend in certain product verticals wherein regional and private labels have been gaining market share and the ODM model allows us to service this market as well.

#### ***Continue to strengthen our existing product portfolio and diversify into products with attractive growth and profitability prospects***

Currently, our product offerings include ceiling fans, exhaust fans, pedestal fans & BLDC fans which accounted for 87.90%, 11.12%, 0.27% and 0.72% respectively, of our revenue from operations (net) in the fiscal ended March 31, 2018 and our ceiling fan and exhaust fan accounted 80.27% and 15.78%, of our revenue from operations (net) in Fiscal ended March 31, 2017. We plan to continue to increase offerings in our current product verticals as well as

diversify into new verticals by tapping into segments which in the view of our management have attractive growth prospects and higher return ratios where we have distinctive competence and compelling value propositions.

***Expand existing relationships with customers into other product verticals***

We plan to continue to focus on customers with whom we have long-standing relationships in order to develop and supply more sophisticated, higher margin products. For example, from manufacturing of 17,77,180 fans in year 2015-16, we have expanded our productions to 38,23,150 fans as on March 31, 2018. Our experienced R&D team enables us to bring innovations to our existing customers that translate into new opportunities. Our R&D team has the ability to add new features to existing fan models and develop new product lines.

***Continue to strive for cost leadership***

We intend to continue to be the most cost-efficient player in each of the product verticals we will enter. This cost leadership will be achieved through initiatives like having large manufacturing capacities, backward integration and being a sizeable player in the industry. Economies of scale will also enable us to continuously improve our operational efficiencies.

**SWOT ANALYSIS**

**STRENGTHS:**

- Effective leadership;
- Technical Manpower;
- Prestigious Client Base;
- Continued Research and Development;
- Experienced Promoters.

**WEAKNESSES:**

- Critical Manufacturing Cycle;
- Dependence on Key Customers;
- No owned brand.

**OPPOURTUNITIES:**

- Growth in durable goods industry;
- Fast paced development in electrical fans;
- Expanding Geographical Markets;
- Continuous growth of end users.

**THREATS:**

- Technology disruptions;
- Entry of Global Players.



## OUR MANUFACTURING FACILITIES

We currently have one manufacturing facility at Khasra No. 105-106, Raipur Industrial Area, Bhagwanpur, Roorkee, Uttarakhand, details of which are set out below:

Sr. No.	Name of the Facility	Area in (in Sq. m)	Leased/Owned	Year of commencing operations	Product Manufactured / Services	Key Machinery/Equipment
1.	Factory	9554	Owned	2014	Manufacturing of Fans	CNC M/C for covers and rotors, drill, tapping, lath, laque booth motor, blower motor, drying oven, powder coating system (ITW GEMA), powder coating line, power press for blade fabrication, shearing, belt conveyor, bearing pressing, coil winding, varnishing, liquid paint, sanding, auto strapping, dynamic balancing.

The details of our consolidated installed capacity and capacity utilised in the last three years are set out below:

PLANT CAPACITY UTILIZATION (NO OF UNITS CAPACITY AND PRODUCTION) FOR PAST 3 YEARS AND YEAR TO DATE (FOR ALL THE UNITS)		
Year	Capacity	Production
2017-18	42,00,000	38,23,150
2016-17	26,04,000	21,69,450
2015-16	19,44,000	17,77,180

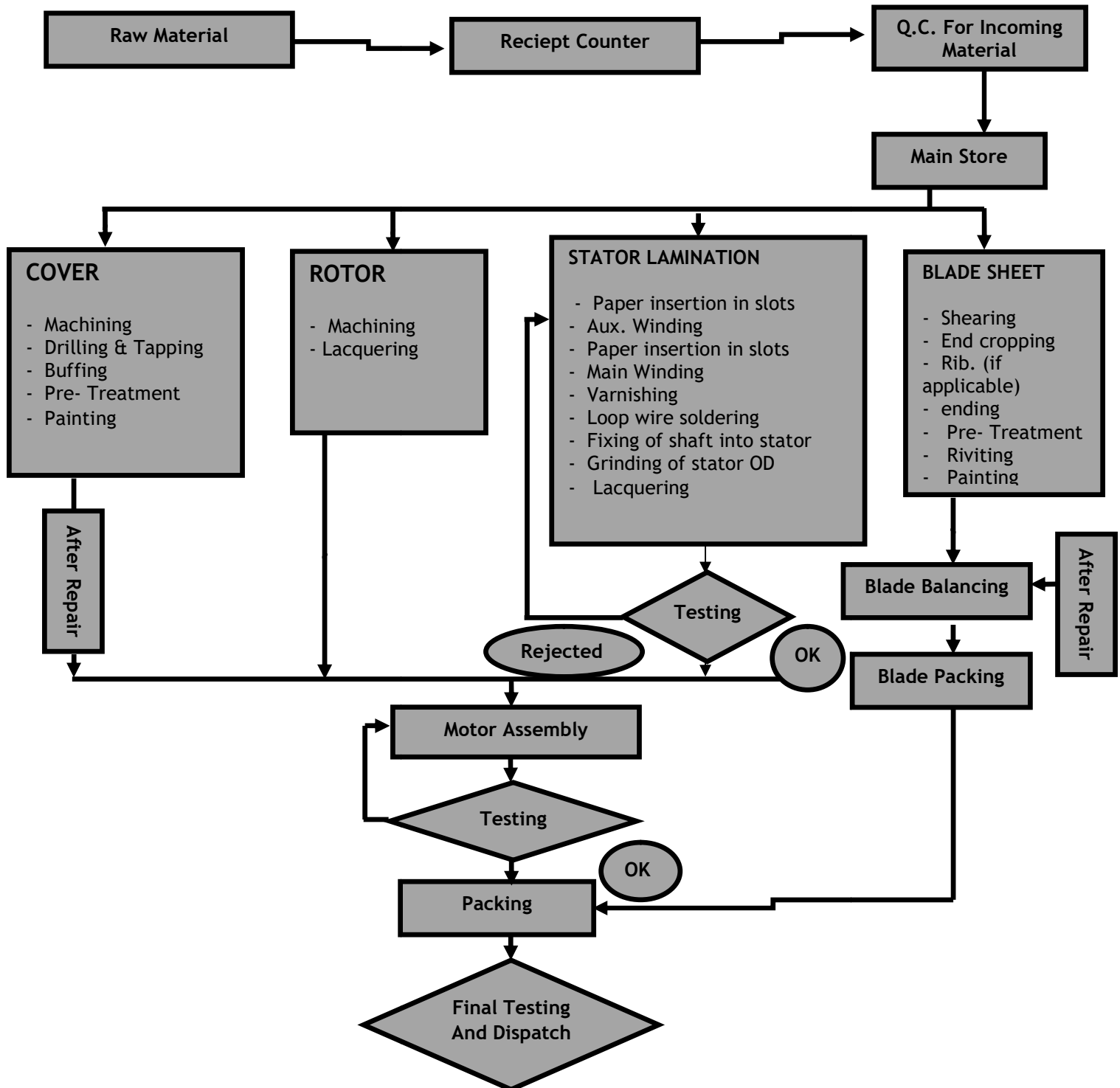
## OUR BUSINESS MODEL

Our principal business is providing one-stop-shop solutions to companies in the fan manufacturing industry in India. We offer integrated design and manufacturing solutions for local and internationally recognized consumer durables fan brands.

We offer end to end product solutions under two business models, i.e., the OEM and ODM. Under the OEM model, we provide services ranging from sourcing, manufacturing, quality testing and packaging to logistics to customers across our product verticals. Under the ODM model, we develop and design products in-house at our R&D centre and then undertake manufacture and supply of these products to companies in India who in turn distribute these products under their own brands.

The key steps involved in the OEM business are as follows:

## PROCESS FLOW CHART OF ELECTRIC CEILING TYPE FANS



## Contractual arrangements with our customers

### Original Equipment Manufacturer (OEM)

We enter into agreements with our customers as OEM which are renewed on a regular basis if both the parties so decide. These agreements include general terms of sale, specification requirements and pricing policy, but such agreements do not obligate our customers to place an order with us. Based on these agreements, our customers provide us with forecasts of the expected demand for certain months and eventually place orders with firm purchase commitments. The precise terms for each shipment, such as pricing and quantities, are also confirmed at the time each order is placed. For a detailed discussion on the risks involved in our business due to the nature of agreements entered into with our customers, refer to the section titled “Risk Factors” on page 15.

Marketing & Development team reviews product profile of our customers and based on their needs, products to be developed are identified. A proposal is discussed with customers and aligned as per their requirement & agreement arrived at for development of same.

R&D team together with Quality, Production & Procurement teams works on new design and develop a product keeping in view needs of customers with regard to specification, quality & price.

Developed product is tested & qualified by Quality & Development team. Once in-house quality test is done, it is sent to third party lab for testing, if needed and once the developed product passes all the stages, it is offered to customer for testing & approval.

On receiving customer approval, the sales team works on requirement with customer and hand over projection to procurement team. New Product Introduction (NPI) team at this stage takes help from procurement team to produce a trial lot which in turn is sent for field test as well as tested for its production worthiness. If any fine tuning is required, same is done at this stage.

Based on projections from customer, the Material Team plans for material & production team plans production.

### Original Design Manufacturer (ODM)

We conceptualize, design and manufacture the products in-house, which are then marketed to prospective customers. We enter into agreements with some of our ODM customers while some customers directly place orders for our ODM products, which include details like quantity and pricing.

## OUR PRODUCTS AND SERVICES

Our business can be divided into four verticals: (i) Ceiling Fans (ii) Exhaust Fans (iii) Pedestal Fans (iv) BLDC Fans

The following table sets forth a breakdown of our total revenue from operations by vertical, each expressed as an amount and as a percentage of our revenue from operations (net), for the periods indicated:

Vertical	For the financial years ending					
	March 31, 2016		March 31, 2017		March 31, 2018	
	₹ In lacs	%age	₹ In lacs	%age	₹ In lacs	%age
Ceiling Fans	1160.62	84.47%	1329.43	80.27%	2634.49	87.90%
Exhaust Fans	173.26	12.61%	261.35	15.78%	336.74	11.12%

Vertical	For the financial years ending					
Pedestal Fan					7.94	0.27%
BLDC Fans					21.18	0.72%

## CEILING FANS

Our Company started manufacturing Ceiling Fans in the year 2014. However, the Promoter(s) of the Company are in the fan manufacturing industry from the year 1988. With the changes in technology over the years and introduction of new products in the industry, we are currently manufacturing 36 Lacs fans per annum for various customers including some well known brands in this industry.

The key steps involved in the manufacturing of Ceiling Fans are set out below-

1. Machining of covers & rotors
2. Blade fabrication
3. Copper winding of stators
4. Buffing of covers
5. Lacquer of rotors
6. Varnishing, grinding & shaft pressing of stators
7. Pre-treatment of covers & blades
8. Powder coating or liquid painting of covers & blades
9. Assembly
10. Testing
11. Packaging

The principal raw materials used in the manufacture of Ceiling Fans include CRC or aluminium sheet, sheet metal or aluminum casted covers, stator stamping, rotor casting, enamelled copper wire, ball bearings, shaft and packaging material etc.

Our strategy in the Ceiling Fans segment is to further expand our presence and product basket including low electricity consumption fans, higher efficiency in low prices, expanding our geographical foot print, focus on ODM segment, expansion of our existing and new product basket for exports to existing and new geographies.

## EXHAUST FANS

Along with manufacture of Ceiling Fans the Company's Promoter(s) have been involved in the manufacture of exhaust fans since early 1980s and also started OEM of exhaust fans in the year 1991. With the incorporation of the Company in the year 2014 the manufacturing of Exhaust Fans started therein.. The Company is currently manufacturing 1.50 Lakhs Exhaust Fans per annum for various customers including some leading brands in this industry.

The range of Exhaust Fans currently manufactured by us include:

1. 12 inch fans in 900 & 1400 rpm
2. 15 inch fans in 900 & 1400 rpm
3. 18 inch fans in 900 & 1400 rpm
4. 24 inch fans in 600 & 900 rpm

The key steps involved in the manufacturing of Exhaust Fans are set out below:

1. Machining of covers & rotors
2. Aluminum casting of body
3. Copper winding of stators
4. Buffing of covers
5. Shaft pressing in rotors
6. Varnishing & painting stator/ body
7. Pre-treatment of covers, blades & accessories
8. Powder coating of covers, blades & accessories
9. Blade balancing
10. Accessory packing
11. Motor assembly
12. Motor testing
13. Motor packaging

The principal raw materials used in the manufacture of Exhaust Fans include casted covers, CRC false covers, enamelled copper wire, stator stamping, rotor casting, shaft, ball bearings, sheet metal accessories like frame, legs, blades etc.

#### Utilities

We source energy and water from local utility companies at our manufacturing facility. We have our Registered Office at 45, Okhla Industrial Estate, Phase-III, New Delhi 110020 and our Manufacturing facility is situated at Khasra No. 105-106, Raipur Industrial Area, Bhagwanpur, Roorkee-247667 which are required for our business operations to function smoothly are well equipped with computer systems, internet connectivity, other communication equipment, security, transport and other facilities.

#### LIST OF PLANT AND MACHINERY

Following are Major Plant and Machinery installed at our Manufacturing Facility:

S.No.	Particulars	Load / M /C	Qty (Nos)	Load in HP
<b>GROUND FLOOR</b>				
<b>M/C SHOP C/F</b>				
1	CNC M/C for Covers & Rotors	19.34 hp	9 Nos.	174.06
2	Drill M/C 5/8"	1 hp	7 Nos.	7.00
3	Tapping M/C (Pitch Control)	0.5 hp	3 Nos.	1.50
4	Lath M/c	3 hp	2 Nos.	6.00
5	Tool Grinder	1 hp	1 Nos.	1.00
6	Drill M/C NAME PLATE	0.5 HP	1 NOS	0.50
7	LAQURE BOOTH MOTOR	3 HP	1 NOS	3.00
	<b>TOTAL</b>			<b>193.06</b>
<b>PAINT SHOFT C/F</b>				
8	Blower Motor	2 hp	1 Nos.	2.00

S.No.	Particulars	Load / M /C	Qty (Nos)	Load in HP
9	Door (Drying oven)	1 hp	1 NOS.	1.00
10	PT PUMP MOTOR	1 HP	1 NOS	1.00
11	TRASPORTER	5 HP	1 NOS	5.00
12		2HP	1 NOS	2.00
13	Powder Coating System (ITW GEMA)	4 hp	1 Nos.	4.00
14	Powder Coating System (ITW GEMA) Blower Motor for filter	20 hp	1 Nos.	20.00
15	Powder Coating Line(Overhead Conveyor)	1.5 hp	1 Nos.	1.50
16	Powder Coating Blower motor	7.5hp	2 Nos.	15.00
17	Belt Conveyor	2 hp	1 Nos.	2.00
	<b>TOTAL</b>			<b>53.50</b>
	<b>Blade Febrication C/F</b>			
18	Power Press for Blade Fabrication 10 Ton	2hp	9 Nos.	18.00
19	Power Press for Blade Fabrication 20 Ton	2hp	3 Nos.	6.00
20	Shearing M/C 60"	3hp	1 Nos.	3.00
21	Shearing M/C 50"	3hp	1 Nos.	3.00
22	Shearing M/C 36"	3 hp	1 Nos.	3.00
23	Buffing M/c	3 hp	1 Nos.	3.00
24		Shp	4 Nos.	20.00
25		7.5hp	2 hp	15.00
26	POWER PRESS 10 TON	3 HP	3 Nos.	9.00
27	Belt Conveyor (BLADE ASSY.)	2HP	1 NOS	2.00
	<b>TOTAL</b>			<b>82.00</b>
	<b>Assembly Line C/F</b>			
28	Straping M/C	1.34 hp	6 Nos.	8.04
29	Automatic BOP Taping M/C	0.5 hp	2 Nos.	1.00
30	Belt Conveyor	1.5 hp	2 Nos.	3.00
31	Fan Testing Conveyor (Overhead)	1.5 hp	2 Nos.	3.00
32	Fan testing on busbar Load (Overhead)	3.35 hp	2 Nos.	6.70
33	TAPING M/C	1 HP	1NOS	1.00
34	BEARING PRSSING M/C	0.25 HP	4 NOS	1.00
	<b>TOTAL</b>			<b>23.74</b>
<b>FIRST FLOOR</b>				

S.No.	Particulars	Load / M /C	Qty (Nos)	Load in HP
	<b>WINDING C/F</b>			
35	Coil Winding M/c Automatic (CNC)	2 hp	25 Nos.	50.00
36	Paper M/C Top Windi.ng	0.5 hp	3 Nos.	1.50
37	Paper M/C Bootom Winding	0.5 hp	3 Nos.	1.50
38	Wedge Inserting M/C Bootom	0.5 hp	3 Nos.	1.50
39	Wedge Inserting M/C Top	0.5 hp	3 Nos.	1.50
40	Hydraulic Press for spindle Pressing	2 hp	3 Nos.	6.00
41	Cylindrical Grinder	5 hp	4 Nos.	20.00
42	Belt Conveyor SURGE TESTING	2 hp	1 Nos.	2.00
43	Winding M/c	1 HP	2 Nos.	2.00
44	belt Conveyor	3 hp	1 nos	3.00
45	Varnishing Plant	7.5 hp	1 Nos.	7.50
46	Varnishing (Overhead Conveyor)	1.5 hp	1 Nos.	1.50
47	VARNISHING OVEN MOTOR	1.5 hp	2 NOS	3.00
	<b>TOTAL</b>			<b>101.00</b>
	<b>LIQUID PAINT SHOP C/F</b>			
48	Liquid Paint Line (Overhead Conveyor)	1.5 hp	1 Nos.	1.50
49	PUMP SET	2 HP	8 NOS	16.00
50	BOTH BLOWER MOTOR	5 HP	8 NOS	40.00
51	OVEN BLOWER MOTOR	7.5 HP	2 NOS	15.00
52	EX.FAN	1 HP	2 NOS	2.00
53	SANDING M/C	2 HP	3 NOS	6.00
54	DIESEL LIFTING PUMP	1 HP	1 NOS	1.00
	<b>TOTAL</b>			<b>81.50</b>
	<b>EXHAUST FAN PAINT SHOP</b>			
55	Paint booth	2hp	4 Nos.	8.00
56	Oven( blower motor)	5hp	2 Nos	10.00
	<b>TOTAL</b>			<b>18.00</b>
	<b>EXHAUST FAN ASSEMBLY</b>			
57	Auto Strapping	1.34 hp	2 Nos.	2.68
58	Hydraulic Press	5 hp	1 Nos.	5.00
59	Tapping m/c	2 hp	1 Nos.	2.00
60	Rammer m/c	2 hp	2 Nos.	4.00
61	Dynamic Balancing m/c	1 hp	2 Nos.	2.00



S.No.	Particulars	Load / M /C	Qty (Nos)	Load in HP
62	Hydraulic Press ROTOR	3 HP	2 Nos.	6.00
63	ROLLERSING M/C	2 HP	1 Nos.	2.00
64	STATOR PANTING BOTH	3 HP	1 Nos.	3.00
65	OVEN MOTOR	1 HP	1 Nos.	1.00
66	HETER	2 KW	12 NOS	33.00
67	<u>BUFFING MOTOR</u>	3 HP	1 Nos.	3.00
	<b>TOTAL</b>			<b>63.68</b>
	<b><u>EXHAUST FAN M/C SHOP</u></b>			
68	exh.winding mc	1.5 hp	3 Nos.	4.50
69	CNC.	19.34 hp	1 Nos.	19.34
70	Tapping M/C (Pitch Control)	2 hp	2 Nos.	4.00
71	Tapping M/c small	0.5 hp	2 Nos.	1.00
72	SPM	5 hp	1 Nos.	5.00
73	Drill M/C	5 hp	1 Nos.	0.50
74	Surface grinder	1 hp	1 Nos.	1.00
75	Drill M/C 5/8"	1 hp	7 Nos.	7.00
76	Lath M/C	3 hp	3 Nos.	9.00
77	Hydraulic Press	3 hp	1 Nos.	3.00
78	Tool Grinder	2 hp	1 Nos.	2.00
	<b>TOTAL</b>			<b>56.34</b>
	<b>P.T. EXH.</b>			
79	HEATER	3KW	6 nos	25.00
80	Burner Motor	2 HP	1 set	2.00
81	Blower Motor & Door Drying Oven	3 HP	1 nos	3.00
82	Hoiest Motor	3 HP	1 nos	3.00
	<b>TOTAL</b>			<b>33.00</b>
	<b>ETP &amp; STP</b>			
83	Air Blower (ETP)	3 HP	4 Nos.	12.00
84	R O High Presser Pump	3 HP	1 Nos	3.00
85	Submersible Pump	1.02 Hp	9 Nos	9.18
86	Sludge Lifting Pump	1 HP	2 nos	1.00
87	Water Lifting Pump	1 HP	1Nos	1.00
88	RO Pump	1 HP	1 Nos	1.00
	<b>TOTAL</b>			<b>27.18</b>

S.No.	Particulars	Load / M /C	Qty (Nos)	Load in HP
	<b>Other Load</b>			
89	Lighting, Ceiling Fan, Exhaust fan etc	-	-	85.00
90	A/c	-	-	35.00
91	Fire Motor	7.5 Hp	1 Nos	7.50
92		15 HP	1 Nos	15.00
93	Loding Conver	1.5 hp	1 Nos	1.50
94	Conver Exh	2 Hp	1 Nos	2.00
95	Submersible Pump	5 HP	1 Nos	5.00
96	Lift	10	2 Nos	20.00
97	Compressor 126 CFM	40.2 HP	1 Nos	40.02
98		30 hp	1 Nos	30.00
99	Air Dryer	1 HP	1 Nos	1.00
100		2 HP	1 Nos	2.00
	<b>TOTAL</b>			<b>244.02</b>

## RESEARCH AND DEVELOPMENT

We have a dedicated R&D team backed up by experienced engineers. Over the years, the responsibilities and functions of our R&D team have evolved from providing design support and verification to our OEM customers to developing in-house capabilities for designing of own products in the consumer electronics, home appliances and lighting product verticals. Our R&D team is regularly involved in developing new features in our existing product basket across these verticals as well as designing of new products.

Our R&D centre is equipped with the technology and instruments to assist our R&D team in effective designing and testing of products.

The key processes involved in development of a product at our R&D centre are set out below:

- Market analysis or customer feedback to identify product specifications based on the current need in the market in terms of product performance, look & feel as well as cost.
- Aesthetic conceptualization using tools like Auto Cad & ProE.
- Aesthetic concepts are sent to internal or customer's marketing team for final selection.
- Once Aesthetic design is shortlisted, internal construction of motor is finalized using tools like Auto Cad & ProE.
- Drawings are sent for tool making of covers, blades & plastic parts.
- Once all tools are ready, trial runs for samples are conducted.
- All new components are verified against the original design and all tools are approved once verification is complete.
- Sample lot of about 50 pcs is produced for technical verification. Specifications with tolerances are also finalised at this stage.
- Product is handed over to production department for customer verification and bulk production.

We also have a dedicated team of professionals focused on enhancing our service portfolio for our reverse logistics vertical. They are involved in preparing and updating technical guidelines for repair and refurbishment of all products serviced by us, which are then followed by the personnel carrying out the repair and/or refurbishment at our service centers and analysis of root cause for field failures.

## **RAW MATERIALS**

Raw materials comprise a major portion of cost for all our products. Our consolidated total cost of raw material for the Fiscal 2018, 2017, Fiscal 2016 and Fiscal 2015 and Fiscal 2014 was Rs. 20,828.37 Lacs, Rs. 12,754.17 Lacs, Rs. 10,749.18 Lacs and Rs. 6,103.28 Lacs respectively which constituted 70.64%, 77.00%, 78.23% and 84.73% respectively of our total revenue for such periods. Our ability to manage relationships with our domestic customers is a key competitive advantage and is critical to maintaining a cost-competitive margin structure. This advantage is largely dependent on the scale of our manufacturing.

## **DISTRIBUTION AND LOGISTICS**

Once the products are finished, the packaging is carried out by us in accordance with the specifications provided by the customers. Even in case of ODM products, the branding and packaging is undertaken in accordance with the requirement of the customers. Most of our orders are on ex-works basis and transportation of products from our facility is the responsibility of the customer.

Under our OEM business model, the raw material specifications are given by the customers and in some cases the suppliers from whom the raw materials are to be purchased are also identified by the customers. Any volatility in prices of such raw materials does not affect our profitability as the contract with the customer states these parameters, on the basis of which the raw material cost is a pass-through item for us. The conversion cost is agreed upon prior to placing of orders as the cost sheet is shared with the customers. Conversion cost is the entire value-add provided by us for converting the raw material into finished goods till the final dispatch to the customer.

Under our ODM business model, raw material procurement is directly carried out by us. We manage the supply chain of raw materials and components by implementation of strategic drivers, business tools and processes which aim to improve the overall effectiveness and efficiency of designing, manufacturing and delivering of products. We monitor raw material price trend in international markets, freight rate and transit time.

We aim to source each major component from more than one supplier to ensure a stable supply of input components at competitive prices, for the raw materials that are to be procured directly by us. We generally maintain relationships with a number of suppliers, so as to retain maximum flexibility and pricing advantages. In selecting suppliers, we consider their capacity and technological capabilities as well as their prices. We have a flexible raw material procurement policy and periodically monitor the quality of our suppliers through vendor surveys, random inspections and monthly reports from our materials quality and control department. In addition, we work closely with many of our key input component suppliers, assisting them in the testing of their new products. We believe that collaborating with suppliers assists us in selecting the best input components for our products and strengthens our relationships with those suppliers. We typically do not enter into long-term contracts with our suppliers for purchase of input components. We do, however, provide to these suppliers, on a monthly basis, one- to three-month rolling, non-binding forecasts of our input component requirements, which are based on forecasts provided to us by our customers. We then submit firm purchase orders for our short-term requirements closer to the time of delivery.

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## **MARKETING AND SALES**

Our marketing team consists of 7 (seven) members. The marketing team collects data from trends in the international as well as Indian markets and advises the R&D team to develop products based on these trends. The marketing team is also involved in the development of new products, especially to oversee the pricing and technical specifications. Once new products are developed and launched, the marketing and sales team collects a data base of prospective customers and initiates marketing of such products. Our expenditure on marketing of the products developed by us primarily includes the remuneration paid to the marketing team. Our strong relationships with our customers as well as our strategy to cross sell our products to existing customers enable us to market our products with negligible expenditure on marketing.

## **QUALITY CONTROL**

We place strong emphasis on product and process quality control, which we consider to be crucial to our success. We have established strict quality control systems, which are designed to ensure quality product design, production efficiency and high yields at our manufacturing facility. We subject our products to a rigorous multi-stage design and manufacturing process, beginning with component selection, supplier qualification and management, thorough reliability testing, design simulation, reviews, tests and manufacturing. These controls are followed for each vertical and are managed by a team dedicated to quality management. In addition to our quality management system, we have implemented methodologies such as Kaizen, Employee Engagement etc. at our design and manufacturing facility. For customers having their own specifications, we also carry out customer designated tests. Quality checks are undertaken at various stages, including for raw material and components, at packaging and lastly, a quality check is undertaken prior to dispatch of our products.

## **HEALTH, SAFETY AND ENVIRONMENT**

We strive to create and maintain a healthy and safe working environment for our employees. Through strict enforcement of standards of safety and security, we promote our employee's safety awareness. We follow a variety of guidelines including those suggested by our customers relating to safety, health & hygiene, and our customers require us to implement policies and measures to ensure health and work safety for our employees.

Our work safety policies set forth overall principles as well as procedures of internal inspections of work safety related matters. We have implemented measures to address potential risks relating to work safety and health, such as (i) special programs and training to our operators, technicians, engineers, helpers and other staff workers, make fire safety demonstrations at our manufacturing facility to show how to properly handle fire extinguishers, (ii) safety precautions, such as safety jacket, belt, helmet, goggles, dust mask, shoes, ear plugs, etc. (iii) provide medical check-ups to ensure mental and physical fitness where necessary and provide medical benefits for all employees, (iv) conducting continuous training to enhance our employees' awareness of health, hygiene and safety issues; (v) periodically inspecting the safety conditions of our manufacturing facility, specifically the electrical fixtures and access to emergency exits; and (vi) ensuring maintenance of proper cleanliness at the manufacturing facility.

## **COMPETITION**

Since, our main revenue stream is from OEM segment there is not much competition but, the brands for which we manufacture compete with each other. However, there may be such instances in the future in which new players may emerge and compete with us as OEM and ODM manufacturers.

To avoid such situations we focus on responding to the rapidly changing market demands and consumer preferences and offering our customers a comprehensive range of products catering to their diverse requirements and needs, at competitive prices.

## HUMAN RESOURCES

As on March 31, 2018 we had 494 permanent employees on the payroll of our Company. The following table sets forth the break-up as of March 31, 2018:

Sr. No	Departments	No. of Employees
1	Sales, service and marketing	7
2	Finance, accounts and administration	36
3	Supply chain management and procurement	9
4	Operations and production	430
5	R&D	5
7	Board of Directors	7
	<b>Total</b>	<b>494</b>

We had not engaged any contract labour as on March 31, 2018.

## COLLABORATIONS:

The Company has so far not entered into any technical or financial collaboration agreement.

## EXPORT POSSIBILITIES & EXPORT OBLIGATION:

We do not have any outstanding export obligations.

## INTELLECTUAL PROPERTY

Our technical knowledge is an independent asset, which may not be adequately protected by intellectual property rights such as patent registration. We do not obtain registration for the designs developed by our R&D team under any intellectual property laws and prefer to consider them as trade secrets. For further details in relation to risks related to intellectual property, please refer to the section titled “Risk Factors” on page 15.

For details of the trademarks applied for by us, refer to the section titled “Government and Other Approvals” on page 255.

## INSURANCE AND WARRANTIES

We maintain a range of insurance policies to cover our assets, risks and liabilities. Our Company and operations are subject to various hazards inherent in the manufacturing industry, such as risk of equipment failure, work accidents, fire, earthquakes, flood and other force majeure event, acts of terrorism and other hazards that may cause personal injury, loss of life, damage to property and equipment and environmental damage. Our Company maintains insurance policies in respect of our business, assets or stocks, machinery, building and equipment. We also maintain insurance against theft and burglary for our stocks in trade.

## OUR PROPERTIES:

**Registered office:** 45, Okhla Industrial Estate, Phase-III, New Delhi 110020.

#### Work/Manufacturing Facility:

1. Factory at Khasra No. 105-106 Raipur Industrial Area, Bhagwanpur, Roorkee 247667

#### **Note 1: Interest in Property by our Promoters and Promoter Group**

Our Promoter and Promoter group do not have any interest in any property, whether leased, owned or occupied.

#### **Note 2: Purchase of Property**

We have not entered into any agreement to buy/sell any property with the promoters or Director or a proposed director who had any interest directly or Indirect during preceeding two years.

#### Details of Property owned/taken on lease/ leave & Licence by Our Company:

S.No.	Details of the Property	Licensor/Vendor	Consideraton	Nature of Occupancy	Use	Used by
1.	45, Okhla Industrial Estate, Phase-III, New Delhi 110020  Area: 3500 Ft.	M/s Aroma Medica, 45 Okhla Industrial Estate, Phase III, New Delhi-110020	Rs. 1,70,000 per month	Lease vide agreement dated 9 <sup>th</sup> May, 2018 for a period of 3 (three) years w.e.f. 18 <sup>th</sup> June, 2018	Registered office	Company
2.	Factory at Khasra No. 105-106 Raipur Industrial Area, Bhagwanpur, Roorkee 247667	NA	NA	Owned	Work/ Manufacturing Facility	Company

#### INFORMATION TECHNOLOGY

We have implemented a company-wide ERP system. This system is used to manage and co-ordinate all resources, information and functions of the business on a real-time basis. The ERP system helps in integration of different functional areas to ensure proper communication, material management, production planning, productivity, quality and efficiency in decision making. It further helps in maintaining optimum inventory levels. We have a dedicated IT team which is responsible for maintaining the ERP system.

## KEY INDUSTRY REGULATIONS AND POLICIES

*The following description is a summary of the relevant regulations and policies as prescribed by the Government of India and other regulatory bodies that are applicable to our business. The information detailed in this Chapter has been obtained from the various legislations, including rules and regulations promulgated by the regulatory bodies and the bye laws of the respective local authorities that are available in the public domain. The regulations and policies set out below may not be exhaustive and are only intended to provide general information to the investors and are neither designed nor intended to be a substitute for professional advice. For details of Government Approvals obtained by the Company in compliance with these regulations, see section titled “Government and Other Approvals” beginning on page 255 of this Draft Prospectus.*

### INDUSTRY SPECIFIC REGULATIONS

#### The Factories Act, 1948

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 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.

The Factories Act provides that the ‘occupier’ of a factory (defined as the person who has ultimate control over the affairs of the factory and in the case of a company, any one of the directors) shall ensure the health, safety and welfare of all workers while they are at work in the factory, especially in respect of safety and proper maintenance of the factory such that it does not pose health risks, the safe use, handling, storage and transport of factory articles and substances, provision of adequate instruction, training and supervision to ensure workers’ health and safety, cleanliness and safe working conditions.

#### Legal Metrology Act, 2009

The Legal Metrology Act, 2009 (“L.M. Act”) governs the standards/units/denominations used for weights and measures as well as for goods which are sold or distributed by weight, measure or number. It also states that any transaction/contract relating to goods/class of goods shall be as per the weight/measurement/numbers prescribed by the L.M. Act. Moreover, the L.M. Act prohibits any person from quoting any price, issuing a price list, cash memo or other document, in relation to goods or things, otherwise than in accordance with the provisions of the L.M. Act. The specifications with respect to the exact denomination of the weight of goods to be considered in transactions are contained in the Rules made by each State. The Act also provides Legal Metrology (General) Rules, 2011, which may be followed for due compliance, if the respective State does not provide for Rules in this regard.

#### Bureau of Indian Standards Act, 2016 (the “BIS Act”)

BIS Act was notified on March 22, 2016 and came into effect from October 12, 2017. The BIS Act establishes the Bureau of Indian Standards (BIS) as the National Standards Body of India. The BIS Act has enabling provisions for the Government to bring under compulsory certification regime any goods or article of any scheduled industry, process, system or service which it considers necessary in the public interest or for the protection of human, animal or plant health, safety of the environment, or prevention of unfair trade practices, or national security. The BIS Act also allows multiple type of simplified conformity assessment schemes including self-declaration of



conformity against a standard which will give simplified options to manufacturers to adhere to the standards and get certificate of conformity. The BIS Act enables the Central Government to appoint any authority/agency, in addition to the BIS, to verify the conformity of products and services to a standard and issue certificate of conformity. Further, there is also a provision for repair or recall, including product liability of the products bearing standard mark but not conforming to the relevant Indian Standard.

### **Electricity Act, 2003**

The Electricity Act, 2003 consolidate the laws relating to generation, transmission, distribution, trading and use of electricity and generally for taking measures conducive to development of electricity industry, promoting competition therein, protecting interest of consumers and supply of electricity to all areas, rationalization of electricity tariff, ensuring transparent policies regarding subsidies, promotion of efficient and environmentally benign policies, constitution of Central Electricity Authority, Regulatory Commissions and establishment of Appellate Tribunal and for matters connected therewith or incidental thereto.

### **National Policy on Electronics, 2012 (“NPE”)**

"National Policy on Electronics" (NPE) for Electronics System Design Manufacturing sector of India. India's National Policy on Electronics is formulated by the government of India to boost its electronics systems and design manufacturing industry and improve its global market share. Its vision is to create a globally competitive electronics design and manufacturing industry to meet the country's need and serve the international market. One of the objectives is to create an institutional mechanism for developing and mandating standards and certification for electronic products and services to strengthen Quality Assessment infrastructure worldwide. It is a holistic, investor friendly and market driven policy towards creating a conducive environment to attract global and domestic companies to invest towards the growing Electronics System Design & Manufacturing (ESDM) sector in India.

### **Electrical Wires, Cables, Appliances and Protection Devices and Accessories (Quality Control) Order, 2003 (“Quality Control Order”)**

The Quality Control Order sets out directions and specified standards for a manufacturer for the manufacture, storage for sale, sale and distribution of electrical wires, cables, appliances, protection devices (including low voltage switchgear and fuses) and accessories. It prohibits those products which do not conform to standards specified and those which do not bear the standard mark issued by the Bureau of Indian Standards (“BIS”), and further requires any sub-standard or defective electrical wires, cables, appliances, protection devices or accessories to be deformed by such manufacturer beyond use and disposed of as scrap. Further, it directs that the commencement of manufacturing of such electrical equipment can only after obtaining a license from the BIS for the use of standard mark. The Quality Control Order is issued by the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India (“DIPP”). The Central Government is authorized to appoint an officer who shall be empowered to inspect any books or documents, search any premises, seize any electric equipment, as well as require any person engaged in the manufacture, storage, sale or distribution of electrical equipment to furnish information and samples, in the case of contravention of the Quality Control Order.

### **National Electrical Code, 2011 (“NEC”)**

The NEC (by the BIS in 1985) serves as a non-mandatory advisory model for adoption of various established codes of practice and promotion of safety on the economic selection, installation and maintenance of electric equipment, including switchgears, protection devices, service lines and meters. The code aims to keep up with international installation practices and provide guidelines on the general and supply characteristics and

parameters of electrical installations. It is applicable to installations in domestic dwellings, commercial and industrial premises, and circuits, but excludes requirements falling under the purview of power utilities and tariff related guidance.

#### **Industrial (Development and Regulation) Act, 1955, as amended (the “I(D&R) Act”)**

The I(D&R) Act has been liberalized under the New Industrial Policy dated July 24, 1991, and all industrial undertakings are exempt from licensing except for certain industries such as distillation and brewing of alcoholic drinks, cigars and cigarettes of tobacco and manufactured tobacco substitutes, all types of electronic aerospace and defense equipment, industrial explosives including detonating fuses, safety fuses, gun powder, nitrocellulose and matches and hazardous chemicals and those reserved for the small scale sector. An industrial undertaking which is exempt from licensing is required to file an Industrial Entrepreneurs Memorandum (“IEM”) with the Secretariat for Industrial Assistance, Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India, and no further approvals are required.

#### **LAWS RELATING TO SPECIFIC STATE WHERE ESTABLISHMENT IS SITUATED**

##### **Delhi Shops and Establishment Act, 1954 (the “Act”)**

Under the provisions of the Act states of in the state of Delhi, establishments are required to be registered. Such law regulates 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.

##### **The Uttarakhand Fire & Emergency Service, Fire Prevention and Fire Safety Act, 2016**

The purpose of the Act is to provide for more effective provisions for the fire prevention and life safety measures in various types of buildings in different areas in the State of Uttarakhand. The Act and the Rules provide that the owner or occupier shall provide for minimum firefighting installations as specified, fire prevention and life safety measures. Further, the owner or the occupier shall maintain the fire prevention and life safety measures in good repair and efficient condition always, in accordance with the provisions of the Act.

#### **ENVIRONMENTAL LAWS**

##### **National Environmental Policy, 2006**

The dominant theme of this policy is that while conservation of environmental resources is necessary to secure livelihoods and well-being of all, the most secure basis for conservation is to ensure that people dependent on particular resources obtain better livelihoods from the fact of conservation, than from degradation of the resource.

##### **Environment (Protection) Act, 1986 as amended (“EPA”)**

EPA provides for the prevention, control and abatement of pollution. Pollution control boards have been constituted in all states in India to exercise the powers and perform the functions provided for under these statutes for the purpose of preventing and controlling pollution. Companies are required to obtain consents of the relevant state pollution control boards for emissions and discharge of effluents into the environment.

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### **Noise Pollution (Regulation & Control) Rules 2000 (“Noise Regulation Rules”)**

Noise Regulation Rules regulate noise levels in industrial, commercial and residential zones. The Noise Regulation Rules also establish zones of silence of not less than 100 meters near schools, courts, hospitals, etc. The rules also assign regulatory authority for these standards to the local district courts. Penalty for non-compliance with the Noise Regulation Rules shall be under the Provisions of the Environment (Protection) Act, 1986.

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

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

### **Water (Prevention and Control of Pollution) Cess Act, 1971**

The Water (Prevention and Control of Pollution) Cess Act, 1971 provides for the levy and collection of a cess on water consumed by persons carrying on certain industries and by local authorities, with a view to augment the resources of the Central Board and the State Boards for the prevention and control of water pollution constituted under the Water (Prevention and Control of Pollution) Act, 1974.

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

With a view to ensuring that the standards for emission of air pollutants are complied with, the State Government shall, in consultation with the State Board, give such instructions as may be deemed necessary to the concerned authority and such authority shall, notwithstanding anything contained in that Act or the rules made thereunder be bound to comply with such instructions.

### **Guidelines for in-use Generator sets (Noise and Emissions)**

Central Pollution Control Board (CPCB) has prescribed guidelines for emission and noise pollution of gensets up to 1000 KVA. The said guidelines are effective from January 15, 2008 for system procedure for compliance with noise limits.

## **LABOUR LAWS**

### **The Employees State Insurance Act, 1948 (“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 employer is also required to register itself under the ESI Act and maintain prescribed records and registers.

### **The Payment of Gratuity Act, 1972 (“Gratuity Act”)**

The “Gratuity Act” establishes a scheme for the payment of gratuity to employees engaged in every factory, mine, oil field, plantation, port and railway company, every shop or establishment in which ten or more persons are employed or were employed on any day of the preceding twelve months and in such other establishments in

which ten or more employees are employed or were employed on any day of the preceding twelve months, as notified by the Central Government from time to time. Penalties are prescribed for non-compliance with statutory provisions.

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, resignation, superannuation, death or disablement due to accident or disease. However, the entitlement to gratuity in the event of death or disablement will not be contingent upon an employee having completed five years of continuous service. The maximum amount of gratuity payable may not exceed Rs. 1 million.

### **The Employees (Provident Fund and Miscellaneous Provisions) Act, 1952 (“EPF Act”)**

The “EPF Act” applies to factories employing over 20 employees and such other establishments and industrial undertakings as notified by the Government of India from time to time. It requires all such establishments to be registered with the State provident fund commissioner and requires such employers and their employees to contribute in equal proportion to the employees’ provident fund the prescribed percentage of basic wages and dearness and other allowances payable to employees. The EPF Act also requires the employer to maintain registers and submit a monthly return to the State provident fund commissioner.

## **TAXATION LAWS**

### **Central Goods and Services Tax Act, 2017 (the “GST Act”)**

The GST Act levies indirect tax throughout India to replace many taxes levied by the Central and State Governments. The GST Act was applicable from July 1, 2017 and combine the Central Excise Duty, Commercial Tax, Value Added Tax (VAT), Food Tax, Central Sales Tax (CST), Introit, Octroi, Entertainment Tax, Entry Tax, Purchase Tax, Luxury Tax, Advertisement Tax, Service Tax, Customs Duty, Surcharges. GST will be levied on all transactions such as sale, transfer, purchase, barter, lease, or import of goods and/or services. India will adopt a dual GST model, meaning that taxation is administered by both the Union and State Governments. Transactions made within a single state will be levied with Central GST (CGST) by the Central Government and State GST (SGST) by the government of that state. For inter-state transactions and imported goods or services, an Integrated GST (IGST) is levied by the Central Government. GST is a consumption-based tax, therefore, taxes are paid to the state where the goods or services are consumed and not the state in which they were produced.

### **Income Tax Act, 1961 (“IT Act”)**

The IT Act is applicable to every company, whether domestic or foreign whose income is taxable under the provisions of the IT Act or Rules made thereunder depending upon its Residential Status and Type of Income involved. The IT Act provides for the taxation of persons resident in India on global income and persons not resident in India on income received, accruing or arising in India or deemed to have been received, accrued or arising in India. Every company assessable to income tax under the IT Act is required to comply with the provisions thereof, including those relating to Tax Deduction at Source, Advance Tax, Minimum Alternative Tax and like. Every such company is also required to file its returns by September 30 of each assessment year.

### **Customs Act, 1962**

The Customs Act governs among other things, the import and export of goods, determination of rate of duty, tariff valuation, the manner of payment to authorities, and loading and unloading of goods. The Customs Act also provides for levy of penalty and/or confiscation of prohibited or dutiable goods. The duties imposed on the import

and export of goods are subject to rates specified under the Customs Tariff Act. Further, pursuant to the Customs Act, the Department of Customs appoints ports or airports as customs ports or customs airports and places as Inland Container Depots (ICDs).

## **FOREIGN EXCHANGE LAWS**

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

Foreign Trade Act empowers the Government of India to, among other things, (a) make provisions for development and regulation of foreign trade; (b) prohibit, restrict or otherwise regulate exports and imports; (c) formulate an EXIM policy; and (d) appoint a Director General of Foreign Trade for the purpose of administering foreign trade and advising the Central Government in formulating EXIM policy and implementing the same. Every importer and exporter is required to obtain an 'Importer Exporter Code' from the Director General of Foreign Trade or from any other duly authorized officer.

### **Foreign Trade Policy**

The Foreign Trade Policy provides that no export or import can be made by a person without an IEC unless such person is specifically exempted. The policy provides for fast track clearance facility for certain units, and permits the sharing of infrastructure facilities, inter unit transfer of goods and services, setting up of warehouses near the port of export and the use of duty free equipment for training purposes.

### **Foreign Exchange Management Act, 1999 ("FEMA") and Regulations framed thereunder.**

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. 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 security to a person resident outside India and Foreign Exchange Management (Export of Goods and Services) Regulations, 2000 for regulation on exports of goods and services.

## **GENERAL LAWS**

### **Micro, Small and Medium Enterprises Development Act, 2006 (the "MSMED Act")**

The MSMED Act seeks to facilitate the development of micro, small and medium enterprises. The MSMED Act provides that where an enterprise is engaged in the manufacturing and production of goods pertaining to any industry specified in the first schedule to the Industries (Development and Regulation) Act, 1951, the classification of an enterprise will be as follows:

- a. where the investment in plant and machinery does not exceed twenty-five lakh rupees shall be regarded as a micro enterprise;
- b. where the investment in plant and machinery is more than twenty-five lakh rupees but does not exceed five crore rupees shall be regarded as a small enterprise.

c. where the investment in plant and machinery is more than five crore rupees but does not exceed ten crore rupees shall be regarded as a medium enterprise.

The MSMED Act provides for the memorandum of micro, small and medium enterprises to be submitted by the relevant enterprises to the prescribed authority.

The MSMED Act also provides for the establishment of the Micro and Small Enterprises Facilitation Council ('Council'). The Council has jurisdiction to act as an arbitrator or conciliator in a dispute between the supplier located within its jurisdiction and a buyer located anywhere in India.

### **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.

### **Competition Act, 2002**

The Competition Act, 2002 prohibits anti-competitive agreements, abuse of dominant positions by enterprises and regulates "combinations" in India. The Competition Act also established the Competition Commission of India (the "CCI") as the authority mandated to implement the Competition Act, 2002. The provisions of the Competition Act relating to combinations were notified on March 4, 2011 and came into effect on June 1, 2011. Combinations which are likely to cause an appreciable adverse effect on competition in a relevant market in India are void under the Competition Act.

### **Negotiable Instruments Act, 1881 ("NI Act")**

The Act provides effective legal provision to restrain people from issuing cheques without having sufficient funds in their account or any stringent provision to punish them in the event of such cheque not being honoured by their bankers and returned unpaid.

### **Consumer Protection Act, 1986 ("COPRA")**

COPRA aims at providing better protection to the interests of consumers and for that purpose makes provisions for the establishment of authorities for the settlement of consumer disputes. The COPRA provides a mechanism for the consumer to file a complaint against a trader or service provider in cases of unfair trade practices, restrictive trade practices, defects in goods, deficiency in services, price charged being unlawful and goods being hazardous to life and safety when used or being offered for sale to the public.

### **Indian Contract Act, 1872**

The Indian Contract Act, 1872 ("Contract Act") codifies the way in which a contract may be entered into, executed, implementation of the provisions of a contract and effects of breach of a contract. A person is free to contract on any terms he chooses. The Contract Act consists of limiting factors subject to which contract may be entered into, executed and the breach enforced. It provides a framework of rules and regulations that govern formation and performance of contract. The contracting parties themselves decide the rights and duties of parties and terms of agreement.

## **OTHER LAWS**

Companies Act, 2013  
Minimum Wages Act, 1948  
Industrial Disputes Act, 1947  
Payment of Bonus Act, 1965  
Child Labour (Prohibition and Regulation) Act, 1986  
Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 “SHWW Act”)  
Equal Remuneration Act, 1976  
Maternity Benefit Act, 1961  
Industrial Employment Standing Orders Act, 1946  
Trademarks Act, 1999  
Designs Act, 2000  
Registration Act, 1908  
Indian Stamp Act, 1899



## OUR HISTORY AND CORPORATE STRUCTURE

### HISTORY & BACKGROUND

Ceiling and exhaust fans are important electro mechanic devices used in every household and commercial space adding value to the living interiors in terms of looks and air comfort. Fans have today become a necessity and not just a luxury.

We are a fully integrated end-to-end product and solution suite to the original sellers of the fans wherein we provide start to end solutions for fan sellers including sourcing, manufacturing, quality testing and packaging. We manufacture and supply fans to many well-known companies in India, which in turn distribute these products under their own brands.

Our Company was originally incorporated at Delhi as “Wonder Fibromats Private Limited” on 13<sup>th</sup> October, 2009 under the provisions of the Companies Act, 1956 vide Certificate of Incorporation issued by the Registrar of Companies, NCT of Delhi & Haryana. Consequent upon the conversion of our Company into public limited company, the name of our Company was changed to “Wonder Fibromats Limited” vide fresh Certificate of Incorporation dated July 5, 2018 issued by the Registrar of Companies, Delhi.

Our Company is engaged in the manufacturing of ceiling fans, exhaust, pedestal and brushless DC (BLDC) fans. All the parts & components of the fans are tested stringently at our in-house quality management lab to ensure their flawless performance. Moreover, various R&D activities are conducted by our professionals to remain abreast of the latest market requirements and competition. Apart from this, we have also set up a client-satisfaction cell which is supervised by our quality check (QC) department that reviews the complaints regarding our products directly from clients.

At Wonder Fibromats Limited, we manufacture and supply a wide range of ceiling, exhaust, pedestal and BLDC fans in various attractive designs and patterns, which are known for their high performance and low power consumption in the market. Our range of fans is available in different designs, colours and has superior gloss finishes that add grace to the decor of the surroundings. We also manufacture these fans as per specification of our clients which include well-known companies which are selling under their own brands in India.

Our fans are manufactured in accordance with the strict industrial standards and these extra durable ceiling, exhaust, pedestal and BLDC fans are known for their features such as superior strength, fine finish, and make us the one of the established fans manufacturers in India.

We believe that we have continuously diversified our product portfolio to keep pace with changing consumer trends and development in technology.

The table below sets out our sales volume across our key product portfolio for the period indicated:

Sr. No.	Product/ Vertical	Installed Capacity P.A (in Units)	Sales for the period ended 31 <sup>st</sup> March 2018] (in Units)	% sale of the Installed Capacity
1.	Ceiling Fans	42.00 Lacs	35.95 Lacs	85.60%
2.	Exhaust Fans	3.00 Lacs	2.35 Lacs	78.33%
3.	Pedestal Fans	3.00 Lacs	0.05 Lacs	1.67%
4.	BLDC Fans	1.20 Lacs	0.09 Lacs	7.5%

In line with our focus to provide end to end product solutions, we have done backward integration of our major manufacturing processes by developing in-house capabilities for blade fabrication, cover & rotor machining on automatic CNC machines, copper winding of stators, sanding, buffing, pre-treatment using nano technology, powder coating on a fully conveyORIZED & automatic paint-shop using robotic arm reciprocators, liquid painting for high end metallic finishes on a fully conveyORIZED, semi-automatic paint-shop and assembly. We believe that this improves our cost efficiency, reduces dependency on third party suppliers and gives better control on production time and quality of critical components used in manufacturing of the products.

Our in-house R&D team, apart from undertaking aesthetic, electrical and mechanical design and component engineering, also assists our customers in cost reduction through value engineering. This enables us to address consumer requirements across geographies, introduce new and unique products in the market and enhance existing products with emerging technologies.

Our R&D Facilities include the following:

1. Computer Aided designing tools like AutoCAD, ProE etc.;
2. Fully functional Lab for testing & validation of design;
3. Semi-Automatic Air Delivery Chamber with Imported Anemometer;
4. Access to all in-house processes like CNC Machining, Automatic Winding Shop, Press Shop for Blade Fabrication, Paint-Shops etc.

We have state-of-the-art manufacturing facility which is strategically located at Khasra No. 105-106, Raipur Industrial Area, Bhagwanpur, Roorkee-247667, meeting all the quality requirements of our customers. Our manufacturing facility has been accredited with quality management system and environmental management system, certificate for compliance with ISO 9001:2015 & ISO 14001:2015 requirements respectively. Further, few of our products are also compliant with quality standards issued by the Bureau of Indian Standards and our facility is BIS approved for using ISI mark on qualifying products. For further details, refer to the sub-section titled “*Our Manufacturing Facilities*” on page 59 of the Draft Prospectus. We are also in the process of setting up a new manufacturing facility in Hyderabad for an estimated production capacity of manufacturing 36,00,000 fans per annum presuming 300 operating days in a year and single Shift (12 Hours)-working basis. For more details, please refer the chapter titled “*Objects of the Issue*” on page 102 of the Draft Prospectus.

As on March 31, 2018, we had 494 (Four Hundred Ninety Four) permanent employees.

Our revenue from operations (Net), EBITDA and Profit after Tax, as restated, from all the segments, for the periods indicated are provided in the table below:

Rs. in Lacs					
Particulars	31.03.18	31.03.17	31.03.16	31.03.15	31.03.14
Revenue from operations (net)	29,371.22	16,562.95	13,739.78	7,202.28	-
EBITDA	1,280.22	1,046.47	592.27	151.73	-
EBITDA (%)	4.36%	6.32%	4.31%	2.17%	-
Profit after tax	797.30	509.16	163.73	(227.48)	-
Profit after tax (%)	2.71%	3.07%	1.19%	(3.16)%	-

The following table sets out the vertical-wise revenue proportion of our major products during the last five years:

(Qty and Values in Lacs)

PRODUCTS	2017-18		2016-17		2015-16		2014-15		2013-14	
	Qty	Value	Qty	Value	Qty	Value	Qty	Value	Qty	Value
Ceiling fans	36.47	25,616.28	18.67	13,295.12	16.58	11,606.19	7.57	5,639.50	-	-
Exhaust fans	1.63	2,725.30	1.55	2,613.03	1.12	1,732.83	0.87	1,324.48	-	-

### **Our Strengths:**

We believe that our experience in manufacturing, successful backward integration and design capabilities, strong relationships with our suppliers and anchor customers has resulted in us achieving leading position in our key verticals. We believe our established position helps us in buying critical components at competitive prices, achieve operational efficiencies, helps us in continuing to expand our customer base and further strengthens our relationship with anchor customers. It further enhances our ability to diversify into related products and enter new geographies.

### **Strong relationships with a diverse top-tier customer base**

We have established and will continue to focus on strengthening our long-standing relationships with well-known customers across product verticals. We view these customers as our partners and seek to provide them with quality end-to-end product solutions. We believe that our customers are long term reputed players in the industry. Our relationships with them have enabled us to continuously develop, diversify and improve our product portfolio, plan our production in anticipation of demand from retail customers and ensure continuous focus on quality. Such long-term business relationships stem from our commitment to quality products and timely delivery of customers' orders under tight delivery schedules and short production lead time.

Our major customers include well known companies of fans & home appliances which are selling the products under their own brands in India. All our customers are well respected players in one or more product categories offered by us.

Over the years, while maintaining and strengthening our relationships with our existing customers, we have successfully expanded and diversified our customer mix. In addition to targeting large and global players, we also cater to various leading local and small players across product verticals. We believe that by broadening our customer portfolio, we are able to reduce our reliance on just a few customers for our revenue streams.

We believe, our strong customer base has not only been instrumental in our success to date, but also will be a strong driver of our future growth and help expand our market share, develop new products and enter newer markets. Our ability to maintain and grow these customer relationships stems from our history of continuously creating value for our customers.

### **Experienced Promoters and seasoned management team**

Our Promoters have almost 3 decades of experience in the fan manufacturing industry.

Our Key Managerial Personnel have an average experience of over 15 years, comprise of experienced professionals with extensive experience in their domains, helping us develop new products through in-house R&D capabilities, thereby quickly adapting to changing client requirements across varying product mix.

Additionally, our senior management also possesses extensive industry and management experience which we believe has given us a specialized understanding of the complexities involved in the fan manufacturing industry in

India and its processes. We believe that our business growth is attributable to our strong management culture fostered by an entrepreneurial spirit, each product vertical being managed by experienced and hands-on vertical heads having in-depth knowledge of our industry. Our experienced management team has successfully led our operations, increased our capacity, revenues and profits since our inception and is passionate and dedicated to our business and innovation.

We believe that our highly experienced and dedicated management team enables us to capture market opportunities, formulate and execute business strategies, manage client expectations as well as proactively manage changes in market conditions.

### **Quality Assurance and Standards**

We believe in providing our customers the best possible quality products. Since our Company is dedicated towards quality products, processes and inputs we get regular orders from our customers, as we are capable of meeting their quality standards.

### **End to end solutions provider with dedicated research and development capabilities**

Since inception, we have expanded our customer base and gained technological expertise in designing and manufacturing of fans. We place a high emphasis on integrating our services to continue to serve as an end-to-end product solutions provider and maintain an edge over our competitors. We believe that our dedication to design, manufacturing and our service infrastructure ensure customer satisfaction, foster customer loyalty and generate repeat business. Our capabilities which enable us to provide end-to-end solutions are:

### **Research and development**

Our product superiority is founded on firm commitment to fan technology through continuous research and development.

Our manufacturing team produces high quality fans and all fans are tested in a well-equipped, in-house laboratory. All manufactured products are tested as per the standards laid down by Bureau of Indian Standards.

All our equipment is backed by not only highly skilled production staff but also by a strong and very experienced engineering and management team. We have in-house processes for machining, fabrication, stator winding, buffing, powder coating, painting, assembling, testing and packaging which includes moving semi-finished parts/products through conveyor belts.

Our R&D center which is located at our manufacturing facility in Roorkee has access to latest equipment such as CNC M/C for covers and rotors, drill, tapping, lathe, lacquer booth, drying oven, powder coating system (ITW GEMA), powder coating line, power presses and shearing machines for blade fabrication, belt conveyor, bearing pressing, coil winding, varnishing, liquid painting, sanding, auto strapping, dynamic balancing etc. The R&D team has the capabilities to verify and develop conceptual designs received from customers and convert such designs into deliverable products by improving the designs, recommending suitable raw materials and testing of trial products. The R&D team also aims to provide solutions to improve manufacturing efficiency on the existing products, reduce production costs and also assists our customers in designing consumer durable and lighting products by providing design and engineering support.

Driven by core values of manufacturing and producing top-quality, authentic fans of the highest standards, the Company has rapidly developed a reputation for exceptional quality fans that offers top value for money.

## **Sourcing**

With an increase in the scale of our operations over the years, we have access to and have established continuous relationships with domestic and some international suppliers and gained expertise in procurement of components which meet strict quality standards and adhere to the time schedules laid down by our customers, on competitive rates. The benefits of placing large orders with our suppliers allow us to source at competitive prices thereby improving our margins and ability to win further business.

## **Backward integration**

We have successfully achieved backward integration of our services by setting up in-house manufacturing of wound components, blades & packing as well as other processes like machining, buffing, powder coating, painting etc. Backward integration provides us the benefit of greater control on the manufacturing process, quality and the corresponding benefits of cost efficiencies thereby improving our margins. As a result, we are able to fulfil our customers' diverse needs in a timely manner and enhance our ability to offer cost-competitive 'one-stop-shop' solutions.

## **Flexible and cost-effective manufacturing capabilities**

We have a proven track record of serving product requirements of our customers and we continue to pursue greater efficiencies of cost, time, quality and scale in our manufacturing processes. We maintain the flexibility of our manufacturing facilities by measures such as multiple-function training and standardization of equipment.

Due to the large scale of our operations, extensive experience in manufacturing, backward integrated manufacturing facilities, sourcing, processes and availability of skilled and unskilled manpower at our manufacturing facilities, we are able to offer cost effective solutions to our customers while maintaining our margins.

We attribute our ability to deliver quality products because of our control on manufacturing processes, robust engineering and quality assurance systems. The quality control team is tasked with thorough pre-manufacturing checks and balances. This prevents or, where necessary, uncovers defects which ensures that time and resources are not wasted in the production of defective products. Our manufacturing facility has been certified ISO 9001:2000 in accordance with international quality standards.

## **Strong Financial Performance and stable cash flows**

We have a track record of sustained growth in revenue and profitability. For the last three fiscals ended March 31, 2018, we achieved a CAGR of 59.97% in Total revenue of the Company of Rs. 29,486.85 Lacs and in fiscal ended March 31, 2017, CAGR of 51.65% in Total revenue of the Company of Rs. 16564.89 Lacs. Similarly, we have achieved CAGR of 90.78% in Total revenue of the Company of Rs. 13741.19 Lacs in fiscal 2016.

We believe that our robust financial position illustrates not only the growth of our operations over the years, but also the effectiveness of allocation of our capital and strong working capital management across our business. Further, during the fiscals 2018, 2017 and 2016, we reported RONW of 58.51%, 90.53% and 298.83%, respectively. Among other things, our strong financial position has enabled us to increase our production capacities and diversify into newer products and offerings through internal accruals without increasing our external borrowings.

Our financial stability and positive cash flow from operations enable us to meet the present and future requirement of our customers. Our strong balance sheet gives our customers the confidence that we will be able to support them in terms of both capabilities and capacities. This also helps strengthen trust and engagement with our customers, thereby increasing customer stickiness.

### **Our Strategies**

We intend to build on our existing strengths of product design, manufacturing and service to enhance our position as the fan manufacturer. Key elements of our business strategy are described below:

#### ***Continue to focus on Original Design Manufacturer (“ODM”) model***

While Original Equipment Manufacturer (“OEM”) sales continue to be a major source of our revenue, we plan to gradually expand our share of the ODM model of manufacturing. As an ODM, we control the entire manufacturing cycle of a product from the initial stage of designing and are responsible for all the aspects of manufacturing, including planning and sourcing of raw materials and components. Under ODM, we sell our products to companies which in turn, distribute these products under their own brand to end users. However, warranties with respect to defects in raw materials and workmanship affecting normal use of products are provided by us. The ODM model of business requires additional investment in R&D as well as working capital but provides higher margins as compared to the OEM model.

We have in the past three years expanded our presence as an OEM in fan manufacturing vertical. The contribution of OEM sales, by vertical, to our revenue from such vertical for the periods indicated is as below:

S. No.	Vertical	% of revenue from vertical in the period ending		
		March 31, 2016	March 31, 2017	March 31, 2018
1.	Ceiling Fan	84.47%	80.27%	87.90%
2.	Exhaust Fan	12.61%	15.78%	11.12%
3.	Pedestal Fan	-	-	00.27%
4.	BLDC Fans	-	-	00.72%

Our strategy to move towards the ODM model is to service all major customer requirements across the industry. This also helps us in improving our overall profitability as we are able to control all aspects of the manufacturing cycle. Gradually, we believe there is a trend in certain product verticals wherein regional and private labels have been gaining market share and the ODM model allows us to service this market as well.

#### ***Continue to strengthen our existing product portfolio and diversify into products with attractive growth and profitability prospects***

Currently, our product offerings include ceiling fans, exhaust fans, pedestal fans & BLDC fans which accounted for 87.90%, 11.12%, 0.27% and 0.72% respectively, of our revenue from operations (net) in the fiscal ended March 31, 2018 and our ceiling fan and exhaust fan accounted 80.27% and 15.78%, of our revenue from operations (net) in Fiscal ended March 31, 2017. We plan to continue to increase offerings in our current product verticals as well as diversify into new verticals by tapping into segments which in the view of our management have attractive growth prospects and higher return ratios where we have distinctive competence and compelling value propositions.

### ***Expand existing relationships with customers into other product verticals***

We plan to continue to focus on customers with whom we have long-standing relationships in order to develop and supply more sophisticated, higher margin products. For example, from manufacturing of 17,77,180 fans in year 2015-16, we have expanded our productions to 38,23,150 fans as on March 31, 2018. Our experienced R&D team enables us to bring innovations to our existing customers that translate into new opportunities. Our R&D team has the ability to add new features to existing fan models and develop new product lines.

### ***Continue to strive for cost leadership***

We intend to continue to be the most cost-efficient player in each of the product verticals we will enter. This cost leadership will be achieved through initiatives like having large manufacturing capacities, backward integration and being a sizeable player in the industry. Economies of scale will also enable us to continuously improve our operational efficiencies.

### **OUR MANUFACTURING FACILITIES**

We currently have one manufacturing facility at Khasra No. 105-106, Raipur Industrial Area, Bhagwanpur, Roorkee, Uttarakhand, details of which are set out below:

Sr. No.	Name of the Facility	Area in (in Sq. m)	Leased/Owned	Year of commencing operations	Product Manufactured / Services	Key Machinery/Equipment
1.	Factory	9554	Owned	2014	Manufacturing of Fans	CNC M/C for covers and rotors, drill, tapping, lath, laque booth motor, blower motor, drying oven, powder coating system(ITW GEMA), powder coating line, power press for blade fabrication, shearing, belt conveyor, bearing pressing, coil winding, varnishing, liquid paint, sanding, auto strapping, dynamic balancing

The details of our consolidated installed capacity and capacity utilised in the last three years are set out below:

PLANT CAPACITY UTILIZATION (NO OF UNITS CAPACITY AND PRODUCTION) FOR PAST 3 YEARS AND YEAR TO DATE (FOR ALL THE UNITS)		
Year	Capacity	Production
2017-18	42,00,000	38,23,150
2016-17	26,04,000	21,69,450
2015-16	19,44,000	17,77,180

### **MAIN OBJECTS OF OUR COMPANY**

The object clauses of the Memorandum of Association of our Company enable us to undertake the activities for which the funds are being raised in the present Issue. Furthermore, the activities of our Company which we have



been carrying out until now are in accordance with the objects of the Memorandum. The objects for which our Company is established are:

1. To carry on the business of manufacturers, importers, exporters, sellers, job work, buyers and dealers whether as wholesalers or retailers of all kinds of electric fans both domestic and industrial, electric motors, mixture grinder, electrical appliances and to undertake its repair and maintenance and such other electrical goods related thereto.
2. To manufacture and deal in metals, substances and materials of all kinds which may be useful or conveniently employed in the manufacture of electric fans and in machinery apparatus, tools, articles like wire and cables, lamps, fans, fittings, electro medical, heaters, radiators, ovens, mixture grinder, refrigerators and air conditioning equipment and things used in the manufacture of electric motors and other electrical appliances of every kind.
3. To carry on business of electrical engineers and manufacture of all kinds of heavy and light electrical machinery and equipments and apparatus for any purpose and to install, sell, hire or otherwise deal with the same in any manner whatsoever.
4. To carry on agency business and to act as agents for Indian and foreign principals as connected with the business as referred to in clause mentioned above.

#### CHANGES IN REGISTERED OFFICE

Sr.No.	Effective Date of Change	Shifting of Registered office		Reason for change
		From	To	
1.	11.06.2013	C-50, Preet Vihar, Delhi, 110092	S-129, First Floor, Greater Kailash-II, New Delhi-110048	Administrative Purpose
2.	17.02.2017	S-129, First Floor, Greater Kailash-II, New Delhi-110048	E-279, Greater Kailash-II, New Delhi-110048	Administrative Purpose
3.	18.06.2018	E-279, Greater Kailash-II, New Delhi-110048	45 Okhla Industrial Estate, Phase-III, Delhi New Delhi DL 110020	Administrative Purpose

#### CHANGES IN THE MEMORANDUM OF ASSOCIATION

The following changes have been made in the Memorandum of Association of our Company since inception:

DATE	AMENDMENT
13 <sup>th</sup> August, 2013	Alteration in the Object Clause of memorandum of Association of the Company.
5 <sup>th</sup> July, 2018	Conversion of the Company into public Limited Company and consequently change of Name of the Company from "Wonder Fibromats Private Limited" to "Wonder Fibromats Limited"
30 <sup>th</sup> July, 2018	Increase in Authorised Share Capital from Rs. 500.00 Lacs divided into 50,00,000 Equity shares of Rs. 10 each to Rs. 1000.00 Lacs divided into 1,00,00,000 Equity shares of Rs. 10 each

#### MAJOR EVENTS AND MILESTONES

YEAR	PARTICULARS
2009	Incorporation of the Company in the name and style of "Wonder Fibromats Private Limited".

YEAR	PARTICULARS
2013	Our Promoter acquired the control over the Company.
2013	Our Company started Manufacturing.
2013	Alteration in the Object Clause of Memorandum of Association
2018	Conversion of the Company into public Limited Company and consequently change of Name of the Company from “Wonder Fibromats Private Limited” to “Wonder Fibromats Limited”

#### **HOLDING COMPANY OF OUR COMPANY**

Our Company has no holding Company as on the date of filing of the Draft Prospectus.

#### **SUBSIDIARY OF OUR COMPANY**

Our Company has no Subsidiary Company as on the date of filing of the Draft Prospectus

#### **ACCUMULATED PROFITS OR LOSSES NOT ACCOUNTED FOR**

The accumulated profits or losses of our Subsidiary, if any, have been accounted for by our Company in the restated audited financial statements of our Company included in this Draft Prospectus. For further details, please refer to the chapter titled “Financial Information” on page 202 of this Draft Prospectus.

#### **SHAREHOLDERS AGREEMENTS**

Our Company has not entered into any shareholders agreement as on date of filing of the Draft Prospectus

#### **OTHER AGREEMENTS**

Our Company has not entered into any specific or special agreements except that have been entered into in ordinary course of business as on the date of filing of the Draft Prospectus.

#### **COLLABORATION**

Our Company has not entered into any collaboration with any third party as per regulation (VIII) B (1) (c) of part A Schedule VIII of SEBI (ICDR) Regulations, 2009.

#### **REVALUATION OF ASSETS**

Our Company has not revalued its assets since its incorporation.

#### **STRATEGIC PARTNER**

Our Company does not have any strategic partner as on the date of filing of the Draft Prospectus.

#### **FINANCIAL PARTNER**

Our Company does not have any financial partner as on the date of filing of the Draft Prospectus.

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#### **INJUNCTIONS OR RESTRAINING ORDERS**

There are no injunctions / restraining orders that have been passed against the company.

#### **JOINT VENTURES**

As on the date of this Draft Prospectus, there are no joint ventures of our Company.

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

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

#### **NUMBER OF SHAREHOLDERS**

Our Company has Ten (10) shareholders on date of the Draft Prospectus.

## OUR MANAGEMENT

### BOARD OF DIRECTORS

Under our Articles of Association, our Company is required to have not less than three (3) Directors and not more than Fifteen (15) Directors. Our Company currently has Twelve (12) Directors on Board. The following table sets forth current details regarding our Board of Directors:

Name, Father's name, Address, Occupation, Nationality, tenure & DIN	Age	Status of Directorship in our Company	Other Directorships
<b>1.Mr. Harsh Kumar Anand</b> S/o Mr. Lajpat Rai Anand E-279 Greater Kailash-II South Delhi 110048 <b>Occupation:</b> Business <b>Nationality:</b> Indian <b>Tenure:</b> Five years with effect from 30 <sup>th</sup> July, 2018 <b>DIN:</b> 00312438 <b>PAN:</b> AAHPA4957D	68 Years	Managing Director	<ul style="list-style-type: none"> <li>• Greha Engineers And Chemicals Private Limited;</li> <li>• J.M.A. Manufacturing Private Limited;</li> <li>• Guru Technologies Pvt Ltd;</li> <li>• Rjk Technologies Private Limited;</li> <li>• Y &amp; Y Appliances Private Limited;</li> <li>• Gurutech Industries LLP;</li> <li>• Stamping &amp; More LLP</li> </ul>
<b>2. Mr. Yogesh Anand</b> S/O Mr. Lajpat Rai Anand C-62 Sector-44,Noida Gautam Budh Nagar 201301 UP <b>Occupation:</b> Business <b>Nationality:</b> Indian <b>Tenure:</b> Retire by rotation <b>DIN:</b> 00425775 <b>PAN:</b> AAEP6561A	64 Years	Executive and Non Independent Director	<ul style="list-style-type: none"> <li>• J.M.A. Manufacturing Private Limited;</li> <li>• Guru Technologies Pvt Ltd;</li> <li>• G.N. Hostels Private Limited;</li> <li>• Y &amp; Y Appliances Private Limited;</li> <li>• Gurutech Industries LLP;</li> <li>• Stamping &amp; More LLP</li> </ul>
<b>3. Mr. Yogesh Sahni</b> S/o Mr. Krishan Prakash Sahni 8, Sri Ram Road, Civil Lines, Delhi 110054 <b>Occupation:</b> Business <b>Nationality:</b> Indian <b>Tenure:</b> Retire by rotation <b>DIN:</b> 00811667 <b>PAN:</b> AAXPS3626D	60 Years	Executive and Non Independent Director	<ul style="list-style-type: none"> <li>• Guru Technologies Pvt Ltd;</li> <li>• Y &amp; Y Appliances Private Limited;</li> <li>• Gurutech Industries LLP;</li> <li>• Stamping &amp; More LLP</li> </ul>
<b>4. Mr. Rohit Anand</b> S/o Mr. Harsh Kumar Anand E-279 Greater Kailash Part-II South Delhi 110048 <b>Occupation:</b> Business <b>Nationality:</b> Indian	41 Years	Executive and Non Independent Director	<ul style="list-style-type: none"> <li>• Rjk Technologies Private Limited;</li> <li>• Gurutech Industries LLP;</li> <li>• Stamping &amp; More LLP</li> </ul>

Name, Father's name, Address, Occupation, Nationality, tenure & DIN	Age	Status of Directorship in our Company	Other Directorships
<b>Tenure:</b> Retire by rotation <b>DIN:</b> 00317492 <b>PAN:</b> AAHPA4954A			
<b>5. Mr. Karan Anand</b> S/o Mr. Harsh Kumar Anand E-279 Greater Kailash Part-II South Delhi 110048. <b>Occupation:</b> Business <b>Nationality:</b> Indian <b>Tenure:</b> Retire by rotation <b>DIN:</b> 05253410 <b>PAN:</b> AFNPA0921N	33 years	Executive and Non Independent Director	<ul style="list-style-type: none"> <li>• Rjk Technologies Private Limited;</li> <li>• Gurutech Industries LLP;</li> <li>• Stamping &amp; More LLP</li> </ul>
<b>6. Mr. Jatin Anand</b> S/o Mr. Yogesh Anand C-62 Sector-44, Noida Gautam Budh Nagar 201301 UP. <b>Occupation:</b> Business <b>Nationality:</b> Indian <b>Tenure:</b> Retire by rotation <b>DIN:</b> 07507727 <b>PAN:</b> AFYPA7710C	35 years	Executive and Non Independent Director	<ul style="list-style-type: none"> <li>• Gurutech Industries LLP;</li> <li>• Stamping &amp; More LLP</li> </ul>
<b>7. Mr. Siddhant Sahni</b> S/o Mr. Yogesh Sahni 8 Shri Ram Road Civil Lines Delhi-110054. <b>Occupation:</b> Business <b>Nationality:</b> Indian <b>Tenure:</b> Retire by rotation <b>DIN:</b> 07508004 <b>PAN:</b> BDAPS0889K	30 years	Executive and Non Independent Director	<ul style="list-style-type: none"> <li>• Gurutech Industries LLP;</li> <li>• Stamping &amp; More LLP</li> </ul>
<b>8. Mrs. Neerja Sahni</b> D/o Mr. Prem Chand Duggal 8 Shri Ram Road Civil Lines Delhi-110054 <b>Occupation:</b> Business <b>Nationality:</b> Indian <b>Tenure:</b> Retire by rotation <b>DIN:</b> 08180342 <b>PAN:</b> CMSPS6652Q	60 years	Executive and Non Independent Director	Nil
<b>9. Mr. Praveen Chand Khanna</b> S/o Mr. Pratap Chand Khanna House No. 17, Alipur Road, Civil Lines, North	59 Years	Independent Director	<ul style="list-style-type: none"> <li>• Super Snacks Private Limited;</li> <li>• Delta Foods Private Limited;</li> <li>• Pnp Properties Private Limited;</li> </ul>

Name, Father's name, Address, Occupation, Nationality, tenure & DIN	Age	Status of Directorship in our Company	Other Directorships
Delhi North Delhi 110054 <b>Occupation:</b> Professional <b>Nationality:</b> Indian <b>Tenure:</b> Five year w.e.f 30 <sup>th</sup> July, 2018 <b>DIN:</b> 00535792 <b>PAN:</b> AAMPK8445P			<ul style="list-style-type: none"> <li>Annapurna Bakeries Private Limited</li> </ul>
<b>10. Mr. Jugal Kishore Chugh</b> S/o Mr. Bhagwan Dass I-208, Plot No. E 8 B, Parsvnath Gardenia Sector-61, Gautam Buddha Nagar Noida 201301 UP <b>Occupation:</b> Professional <b>Nationality:</b> Indian <b>Tenure:</b> Five year w.e.f 30 <sup>th</sup> July, 2018 <b>DIN:</b> 01254901 <b>PAN:</b> AAAPC1552H	73 years	Independent Director	<ul style="list-style-type: none"> <li>Kunal Brothers Private Limited;</li> <li>J K Cables Limited</li> </ul>
<b>11. Mr. Sunil Malhotra</b> S/o Mr. Prithvi Raj Malhotra Flat No.-402,Tower C-6,The Legend, Sushant Lok 3 , Sector-57, Gurgaon 122011 HR <b>Occupation:</b> Professional <b>Nationality:</b> Indian <b>Tenure:</b> Five year w.e.f 30 <sup>th</sup> July, 2018 <b>DIN:</b> 08183343 <b>PAN:</b> AAHPM9022H	59 Years	Independent Director	NIL
<b>12. Mr. Amarbir Singh Bhatia</b> S/o Mr. Gurbachan Singh Bhatia A-151,Defence Colony, Lajpat Nagar Delhi 110024 <b>Occupation:</b> Professional <b>Nationality:</b> Indian <b>Tenure:</b> Five year w.e.f 30 <sup>th</sup> July, 2018 <b>DIN:</b> 08183825 <b>PAN:</b> AKCPB5042k	68 years	Independent Director	NIL

**Note:**

As on the date of the Draft Prospectus:

- None of the above mentioned Directors are on the RBI List of willful defaulters as on date.

2. Further, none of our Directors are or were directors of any company whose shares were (a) suspended from trading by stock exchange(s) for more than 3 months during the five years prior to the date of filing the Draft Prospectus or (b) delisted from the stock exchanges.

3. None of the Promoters, Persons forming part of our Promoter Group, Directors or persons in control of our Company, has been or is involved as a promoter, director or person in control of any other company, which is debarred from accessing the capital market under any order or directions made by SEBI or any other regulatory authority.

#### DETAILS OF DIRECTORS

**Mr. Harsh Kumar Anand:** aged 68 years, is one of the Promoters and Managing Director of our Company. He is B.E. (Mechanical) by education. He is having more than 45 years of Experience in the field of Manufacturing of Component & materials used in the manufacturing of electric ceiling & exhaust Fans, business, Sales & Marketing and Client Retention. He looks after day-to-day routine operational activities of our Company and formulation of business policies, strategies etc. He guides company in its growth strategies. He has been on the board of Company 7<sup>th</sup> June, 2013.

**Mr. Yogesh Anand:** aged 64 years, is Executive Director and one of the Promoters of our Company. He is Post Graduate in Commerce. He is having more than 40 years of Experience in field of Manufacturing of Component & materials used in the manufacturing of electric ceiling & exhaust Fans, business, Sales & Marketing and Client Retention. He looks after day-to-day routine operational activities of our Company. He has been on the board of Company 7<sup>th</sup> June, 2013.

**Mr. Yogesh Sahni:** aged 60 years, is Executive Director and one of Our Promoters. He is Post Graduate in Commerce. He is having more than 40 years of Experience in field of Manufacturing of Component & materials used in the manufacturing of electric ceiling & exhaust Fans, business, Sales & Marketing and Client Retention. He looks after day-to-day routine operational activities of our Company. He has been on the board of Company 7<sup>th</sup> June, 2013.

**Mr. Rohit Anand:** aged 41 years is Executive Director of Our Company. He is B.E. (C.S.). He is having more than 15 years experience in the field of Manufacturing of Component & materials used in the manufacturing of electric ceiling & exhaust Fans. He looks day to day routine activities of our Company. He has been on the board of Company since 12<sup>th</sup> May, 2016.

**Mr. Karan Anand:** aged 33 years is Executive Director of Our Company. He is B.E. (C.S.) and Master in Business Administration. He is having more than 09 years experience in the field of Manufacturing of Component & materials used in the manufacturing of electric ceiling & exhaust Fans. He looks day to day routine activities of our Company. He has been on the board of Company since 12<sup>th</sup> May, 2016.

**Mr. Jatin Anand:** aged 35 years is Executive Director of Our Company. He is B.E. (I.T.) and Master in Business Administration. He is having more than 10 years experience in the field of Manufacturing of Component & materials used in the manufacturing of electric ceiling & exhaust Fans. He looks day to day routine activities of our Company. He has been on the board of Company since 12<sup>th</sup> May, 2016.

**Mr. Siddhant Sahni:** aged 30 years is Executive Director of Our Company. He is Bachelor in Business Administration. He is having more than 08 years experience in the field of Manufacturing of Component & materials used in the manufacturing of electric ceiling & exhaust Fans. He looks day to day routine activities of our Company. He has been on the board of Company since 12<sup>th</sup> May, 2016.



**Mrs. Neerja Sahni:** aged 60 years is Executive Director of Our Company. She is Bachelor in Arts (Honours Course). She is having experience in Human Resource Management. She looks Human Resource and Women Empowerment in the Organisation. She has been on the board of Company since 30<sup>th</sup> July, 2018.

**Mr. Praveen Chand Khanna:** aged 59 years, is an Independent Director of our Company. He holds Bachelors of Commerce (Honours Course) in 1980. He has more than 35 year experience in the field of Business Development, and team management. As an Independent Director of our Company with corporate acumen & experience, he brings value addition to our Company. He has been on the board of Company since, 30<sup>th</sup> July, 2018.

**Mr. Jugal Kishore Chugh:** aged 73 years, is an Independent Director of our Company. He holds Bachelors of Science and B.Sc. Electrical Engineering. He has more than 45 year experience in the field of Manufacturing Industry. As an Independent Director of our Company with corporate acumen & experience, he brings value addition to our Company. He has been on the board of Company since, 30<sup>th</sup> July, 2018.

**Mr. Sunil Malhotra:** aged 59 years, is an Independent Director of our Company. He holds Bachelors of Commerce (Honour Course). He has more than 35 year experience in the field of Manufacturing Industry. As an Independent Director of our Company with corporate acumen & experience, he brings value addition to our Company. He has been on the board of Company since, 30<sup>th</sup> July, 2018.

**Mr. Amarbir Singh Bhatia:** aged 68 years, is an Independent Director of our Company. He holds Chemical Engineering from I.I.T. Delhi. He has more than 40 year experience in the field of Chemical, Fertilizers Industry. He worked with O T E Group of Companies and also associated with USHA International Limited. He also worked as an Chemical Engineer at Shriram Fertilizers and Chemicals Limited. As an Independent Director of our Company with corporate acumen & experience, he brings value addition to our Company. He has been on the board of Company since, 30<sup>th</sup> July, 2018.

## CONFIRMATIONS

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

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

## NATURE OF FAMILY RELATIONSHIP AMONG DIRECTORS

Following are the relationship between the Directors:

Name of Director	Name of Director	Relationship
Mrs. Neerja Sahni	Mr. Yogesh Sahni	Mrs. Neerja Sahni is wife of Mr. Yogesh Sahni
Mr. Siddhant Sahni	Mr. Yogesh Sahni	Mr. Siddhant Sahni is son of Mr. Yogesh Sahni
Mr. Yogesh Anand	Mr. Harsh Kumar Anand	Mr. Yogesh Anand is brother of Mr. Harsh Kumar Anand
Mr. Rohit Anand	Mr. Harsh Kumar Anand	Mr. Rohit Anand is son of Mr. Harsh Kumar Anand
Mr. Karan Anand	Mr. Harsh Kumar Anand	Mr. Karan Anand is son of Mr. Harsh Kumar Anand
Mr. Jatin Anand	Mr. Yogesh Anand	Mr. Jatin Anand is son of Mr. Yogesh Anand

## BORROWING POWERS OF THE DIRECTORS

Pursuant to a special resolution passed at Extra Ordinary General Meeting of our Company held on 31<sup>st</sup> August, 2018, consent of the members of our Company was accorded to the Board of Directors of our Company pursuant to Section 180 of the Companies Act, 2013 for borrowing from time to time any sum or sums of money on such security and on such terms and conditions as the Board may deem fit, notwithstanding that the money to be borrowed together with the money already borrowed by our Company (apart from temporary loans obtained from our Company's bankers in the ordinary course of business) may exceed in the aggregate, the paid-up capital of our Company and its free reserves, provided however, the total amount so borrowed in excess of the aggregate of the paid-up capital of our Company and its free reserves shall not at any time exceed Rs. 100 Crores.

## TERMS OF APPOINTMENT AND COMPENSATION OF OUR DIRECTORS

<b>Name</b>	<b>Mr. Harsh Kumar Anand</b>
<b>Designation</b>	Managing Director
<b>Period</b>	Five years from 30 <sup>th</sup> July, 2018
<b>Date of Appointment</b>	30 <sup>th</sup> July, 2018 as Managing Director
<b>Remuneration</b>	<p><b>a) Remuneration</b> Rs. 32,00,000/- p.a. (Rupees Thirty Two Lacs Only) with such annual increments / increases as may be decided from time to time.</p> <p><b>b) Minimum Remuneration</b> <b>In the event of loss or inadequacy</b> of profits in any financial year during the tenure of the appointment. Appointee shall subject to the approval of the Central Government, if required, be paid remuneration by way of salaries and perquisites as set out above, as minimum remuneration, subject to restrictions, if any, set out in section IV of the Schedule V to the Companies Act, 2013, from time to time.</p>
<b>Remuneration paid in FY 31<sup>st</sup> March, 2018</b>	<b>Rs. 32.00 Lacs</b>

<b>Name</b>	<b>Mr. Yogesh Anand</b>
<b>Designation</b>	Executive Director
<b>Period</b>	Liable to retire by rotation
<b>Date of Appointment</b>	7 <sup>th</sup> June, 2013
<b>Remuneration</b>	<p><b>a) Remuneration</b> Rs. 32,00,000/- p.a. (Rupees Thirty Two Lacs Only) with such annual increments / increases as may be decided from time to time.</p> <p><b>b) Minimum Remuneration</b> <b>In the event of loss or inadequacy</b> of profits in any financial year during the tenure of the appointment. Appointee shall subject to the approval of the Central Government, if required, be paid remuneration by way of salaries and</p>

	perquisites as set out above, as minimum remuneration, subject to restrictions, if any, set out in section IV of the Schedule V to the Companies Act, 2013, from time to time.
Remuneration paid in FY 31 <sup>st</sup> March, 2018	Rs. 32.00 Lacs

<b>Name</b>	<b>Mr. Yogesh Sahni</b>
<b>Designation</b>	Executive Director
<b>Period</b>	Liable to retire by rotation
<b>Date of Appointment</b>	7 <sup>th</sup> June, 2013
<b>Remuneration</b>	<p><b>a) Remuneration</b> Rs. 32,00,000/- p.a. (Rupees Thirty Two Lacs Only) with such annual increments / increases as may be decided from time to time.</p> <p><b>b) Minimum Remuneration</b> <b>In the event of loss or inadequacy</b> of profits in any financial year during the tenure of the appointment. Appointee shall subject to the approval of the Central Government, if required, be paid remuneration by way of salaries and perquisites as set out above, as minimum remuneration, subject to restrictions, if any, set out in section IV of the Schedule V to the Companies Act, 2013, from time to time.</p>
Remuneration paid in FY 31 <sup>st</sup> March, 2018	Rs. 32.00 Lacs

<b>Name</b>	<b>Mr. Rohit Anand</b>
<b>Designation</b>	Executive Director
<b>Period</b>	Liable to retire by rotation
<b>Date of Appointment</b>	12 <sup>th</sup> May, 2016
<b>Remuneration</b>	<p><b>a) Remuneration</b> Rs. 12,00,000/- p.a. (Rupees Twelve Lacs Only) with such annual increments / increases as may be decided from time to time.</p> <p><b>b) Minimum Remuneration</b> <b>In the event of loss or inadequacy</b> of profits in any financial year during the tenure of the appointment. Appointee shall subject to the approval of the Central Government, if required, be paid remuneration by way of salaries and perquisites as set out above, as minimum remuneration, subject to restrictions, if any, set out in section IV of the Schedule V to the Companies Act, 2013, from time to time.</p>
Remuneration paid in FY 31 <sup>st</sup> March, 2018	Rs. 12.00 Lacs

<b>Name</b>	<b>Mr. Karan Anand</b>
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<b>Designation</b>	Executive Director
<b>Period</b>	Liable to retire by rotation
<b>Date of Appointment</b>	12 <sup>th</sup> May, 2016
<b>Remuneration</b>	<p><b>a) Remuneration</b> Rs. 12,00,000/- p.a. (Rupees Twelve Lacs Only) with such annual increments / increases as may be decided from time to time.</p> <p><b>b) Minimum Remuneration</b> In the event of loss or inadequacy of profits in any financial year during the tenure of the appointment. Appointee shall subject to the approval of the Central Government, if required, be paid remuneration by way of salaries and perquisites as set out above, as minimum remuneration, subject to restrictions, if any, set out in section IV of the Schedule V to the Companies Act, 2013, from time to time.</p>
<b>Remuneration paid in FY 31<sup>st</sup> March, 2018</b>	<b>Rs. 12.00 Lacs</b>

<b>Name</b>	<b>Mr. Jatin Anand</b>
<b>Designation</b>	Executive Director
<b>Period</b>	Liable to retire by rotation
<b>Date of Appointment</b>	12 <sup>th</sup> May, 2016
<b>Remuneration</b>	<p><b>a) Remuneration</b> Rs. 12,00,000/- p.a. (Rupees Twelve Lacs Only) with such annual increments / increases as may be decided from time to time.</p> <p><b>b) Minimum Remuneration</b> In the event of loss or inadequacy of profits in any financial year during the tenure of the appointment. Appointee shall subject to the approval of the Central Government, if required, be paid remuneration by way of salaries and perquisites as set out above, as minimum remuneration, subject to restrictions, if any, set out in section IV of the Schedule V to the Companies Act, 2013, from time to time.</p>
<b>Remuneration paid in FY 31<sup>st</sup> March, 2018</b>	<b>Rs. 12.00 Lacs</b>

<b>Name</b>	<b>Mr. Siddhant Sahni</b>
<b>Designation</b>	Executive Director
<b>Period</b>	Liable to retire by rotation
<b>Date of Appointment</b>	12 <sup>th</sup> May, 2016
<b>Remuneration</b>	<p><b>a) Remuneration</b> Rs. 12,00,000/- p.a. (Rupees Twelve Lacs Only) with such annual increments / increases as may be decided from time to time.</p> <p><b>b) Minimum Remuneration</b> In the event of loss or inadequacy of profits in any financial year</p>

	during the tenure of the appointment. Appointee shall subject to the approval of the Central Government, if required, be paid remuneration by way of salaries and perquisites as set out above, as minimum remuneration, subject to restrictions, if any, set out in section IV of the Schedule V to the Companies Act, 2013, from time to time.
Remuneration paid in FY 31 <sup>st</sup> March, 2018	Rs. 12.00 Lacs

There is no definitive and /or service agreement that has been entered into between our Company and the directors in relation to their appointment.

#### **NON - EXECUTIVE DIRECTORS**

Currently, non-executive Directors are not being paid sitting fees.

#### **CORPORATE GOVERNANCE**

Our Company stands committed to good corporate governance practices based on the principles such as accountability, transparency in dealings with our stakeholders, emphasis on communication and transparent reporting. We have complied with the requirements of the applicable regulations, including the Listing Agreement to be executed with the Stock Exchange and the SEBI Regulations, in respect of corporate governance including constitution of the Board and Committees thereof. The corporate governance framework is based on an effective independent Board, separation of the Board's supervisory role from the executive management team and constitution of the Board Committees, as required under law.

We have a Board constituted in compliance with the Companies Act. The Board functions either as a full Board or through various committees constituted to oversee specific operational areas. Our executive management provides the Board detailed reports on its performance periodically.

Currently our Board has Twelve (12) Directors. We have Seven (7) Executive Non-Independent Director, and Four (4) Independent Non Executive Directors and One (1) Non Executive and Non Independent Director. The Chairman of the Board is Mr. Harsh Kumar Anand being Managing Director. The constitution of our Board is in compliance with the Companies Act, 2013.

**The following committees have been formed in compliance with the corporate governance norms:**

- A) Audit Committee
- B) Stakeholders Relationship Committee
- C) Nomination and Remuneration Committee

#### **AUDIT COMMITTEE**

Our Company has constituted an audit committee ("Audit Committee"), as per the provisions of Section 177 of the Companies Act, 2013 vide resolution passed in the meeting of the Board of Directors held on 30<sup>th</sup> July, 2018.

The terms of reference of Audit Committee complies with the requirements of Companies Act, 2013. The committee presently comprises following three (3) directors. Mr. Amarbir Singh Bhatia is the Chairman of the Audit Committee.

Sr. No.	Name of the Director	Status	Nature of Directorship
1.	Mr. Amarbir Singh Bhatia	Chairman	Independent Director
2.	Mr. Sunil Malhotra	Member	Independent Director
3.	Mr. Harsh Kumar Anand	Member	Managing Director

### Role of Audit Committee

The terms of reference of the Audit Committee are given below:

1. To investigate any activity within its terms of reference.
2. To seek information from any employee.
3. To obtain outside legal or other professional advice.
4. To secure attendance of outsiders with relevant expertise, if it considers necessary.
5. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
6. 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.
7. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
8. Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to:
  - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub section (3) of section 134 of the Companies Act, 2013.
  - b. Changes, if any, in accounting policies and practices and 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
  - g. Qualifications in the draft audit report.
9. Reviewing, with the management, the quarterly financial statements before submission to the board for approval
10. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
11. Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems.
12. 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.
13. Discussion with internal auditors any significant findings and follow up there on.
14. 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.
15. Discussion with statutory auditors before the audit commences, about the nature and scope of audit

- as well as post-audit discussion to ascertain any area of concern.
16. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors.
  17. To review the functioning of the Whistle Blower mechanism, in case the same is existing.
  18. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate.
  19. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
  20. Mandatorily reviews the following information:
    - a. Management discussion and analysis of financial condition and results of operations;
    - b. Statement of significant related party transactions (as defined by the audit committee), submitted by management;
    - c. Management letters / letters of internal control weaknesses issued by the statutory auditors;
    - d. Internal audit reports relating to internal control weaknesses; and
    - e. The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee
  21. Review the Financial Statements of its subsidiary company, if any.
  22. Review the composition of the Board of Directors of its Subsidiary Company, if any.
  23. Review the Vigil mechanism (whistle blowing) policy.
  24. Review the use/application of funds raised through an issue (public issues, right issues, preferential issues etc) on a quarterly basis as a part of the quarterly declaration of financial results. Further, review on annual basis statements prepared by the Company for funds utilized for purposes other than those stated in the offer document.

In addition, to carry out such other functions/powers as may be delegated by the Board to the Committee from time to time.

#### STAKEHOLDERS RELATIONSHIP COMMITTEE

Our Company has constituted a Stakeholders Relationship Committee ("*Stakeholders relationship committee*") to redress the complaints of the shareholders. The Stakeholders Relationship Committee was constituted vide resolution passed at the meeting of the Board of Directors held on 30<sup>th</sup> July, 2018. The committee currently comprises of Four (4) Directors. Mr. Jugal Kishore Chugh is the Chairman of the Stakeholders relationship Committee.

Sr. No.	Name of the Director	Status	Nature of Directorship
1.	Mr. Jugal Kishore Chugh	Chairman	Independent Director
2.	Mr. Praveen Chand Khanna	Member	Independent Director
3.	Mr. Yogesh Anand	Member	Executive Director
4.	Mr. Yogesh Sahni	Member	Executive Director

#### Role of stakeholder Relationship committee

The Stakeholder Relationship Committee of our Board look into:

- The redressal of investors complaints viz. non-receipt of annual report, dividend payments etc.
- Matters related to share transfer, issue of duplicate share certificate, dematerializations.
- Also delegates powers to the executives of our Company to process transfers etc.



The status on various complaints received / replied is reported to the Board of Directors as an Agenda item.

## **NOMINATION AND REMUNERATION COMMITTEE**

Our Company has constituted a Nomination and Remuneration Committee ("Nomination and Remuneration Committee") in terms of section 178 (3) of Companies Act, 2013. The Nomination and Remuneration Committee was constituted vide resolution passed at the meeting of the Board of Directors held on 30<sup>th</sup> July, 2018. The Committee currently comprises of three (3) Directors. Mr. Praveen Chand Khanna is the Chairman of the Nomination and Remuneration Committee.

Sr. No.	Name of the Director	Status	Nature of Directorship
1.	Mr. Praveen Chand Khanna	Chairman	Independent Director
2.	Mr. Jugal Kishore Chugh	Member	Independent Director
3.	Mr. Sunil Malhotra	Member	Independent Director

The Company Secretary of our Company shall act as the Secretary to the Nomination and Remuneration Committee.

The terms of reference of the Nomination and Remuneration Committee are as follows:

- The Nomination and Remuneration committee recommends to the board the compensation terms of the executive Directors.
- The committee to carry out evolution of every director's performance and recommend to the board his/her appointment and removal based on the performance.
- The committee to identify persons who may be appointed in senior management in accordance with the criteria laid down.
- Framing and implementing on behalf of the Board and on behalf of the shareholders, a credible and transparent policy on remuneration of executive directors including ESOP, Pension Rights and any compensation payment.
- Considering approving and recommending to the Board the changes in designation and increase in salary of the executive directors.
- Ensuring the remuneration policy is good enough to attract, retain and motivate directors.
- Bringing about objectivity in deeming the remuneration package while striking a balance between the interest of the Company and the shareholders.

## ***Policy on Disclosures and Internal Procedure for Prevention of Insider Trading***

Our Company undertakes to comply with the provisions of the SEBI (Prohibition of Insider Trading) Regulations, 2015 after listing of our Company's shares on the Stock Exchange. Our Company Secretary and Compliance Officer, Ms. Nikita is responsible for setting forth policies, procedures, monitoring and adhering to the rules for the prevention of dissemination of price sensitive information and the implementation of the code of conduct under the overall supervision of the Board.

## **SHAREHOLDING DETAILS OF THE DIRECTORS IN OUR COMPANY**

As per the Articles of Association of our Company, a Director is not required to hold any qualification shares. The following table details the shareholding of our Directors as on the date of this Draft Prospectus:

Name of the Shareholders	No. of Equity Shares	Pre-Issue percentage Shareholding
Mr. Yogesh Anand	9,87,300	16.05
Mr. Yogesh Sahni	5,88,300	9.56
Mr. Harsh Kumar Anand	9,78,300	15.90
Mr. Jatin Anand	10,20,000	16.58
Mr. Siddhant Sahni	6,15,000	10.00
Ms. Neerja Sahni	4,92,000	8.00
Mr. Karan Anand	5,12,250	8.33
Mr. Rohit Anand	5,12,250	8.33
<b>TOTAL</b>	<b>57,05,400</b>	<b>92.75</b>

## INTEREST OF DIRECTORS

All the Directors of our Company may be deemed to be interested to the extent of sitting fees and/or other remuneration if any, payable to them for attending meetings of the Board or a committee thereof as well as to the extent of reimbursement of expenses if any payable to them under the Articles of Association. All the Directors may also be deemed to be interested in the Equity Shares of our Company, if any, held by them, their relatives or by the companies or firms or trusts in which they are interested as directors / members / partners or that may be subscribed for and allotted to them, out of the present Issue and also to the extent of any dividend payable to them and other distributions in respect of the said Equity Shares.

All the Directors may be deemed to be interested in the contracts, agreements/arrangements entered into or to be entered into by our Company with any other company in which they have direct /indirect interest or any partnership firm in which they are partners.

Our Directors may also be regarded interested to the extent of dividend payable to them and other distributions in respect of the Equity Shares, if any, held by them or by the companies / firms / ventures promoted by them or that may be subscribed by or allotted to them and the companies, firms, in which they are interested as Directors, members, partners and Promoters, pursuant to this Issue.

## PROPERTY INTEREST

Except as disclosed in the section titled “Our Business” on page 134, our Promoters do not have any interest in any property acquired by or proposed to be acquired by our Company within two years of the date of this Draft Prospectus.

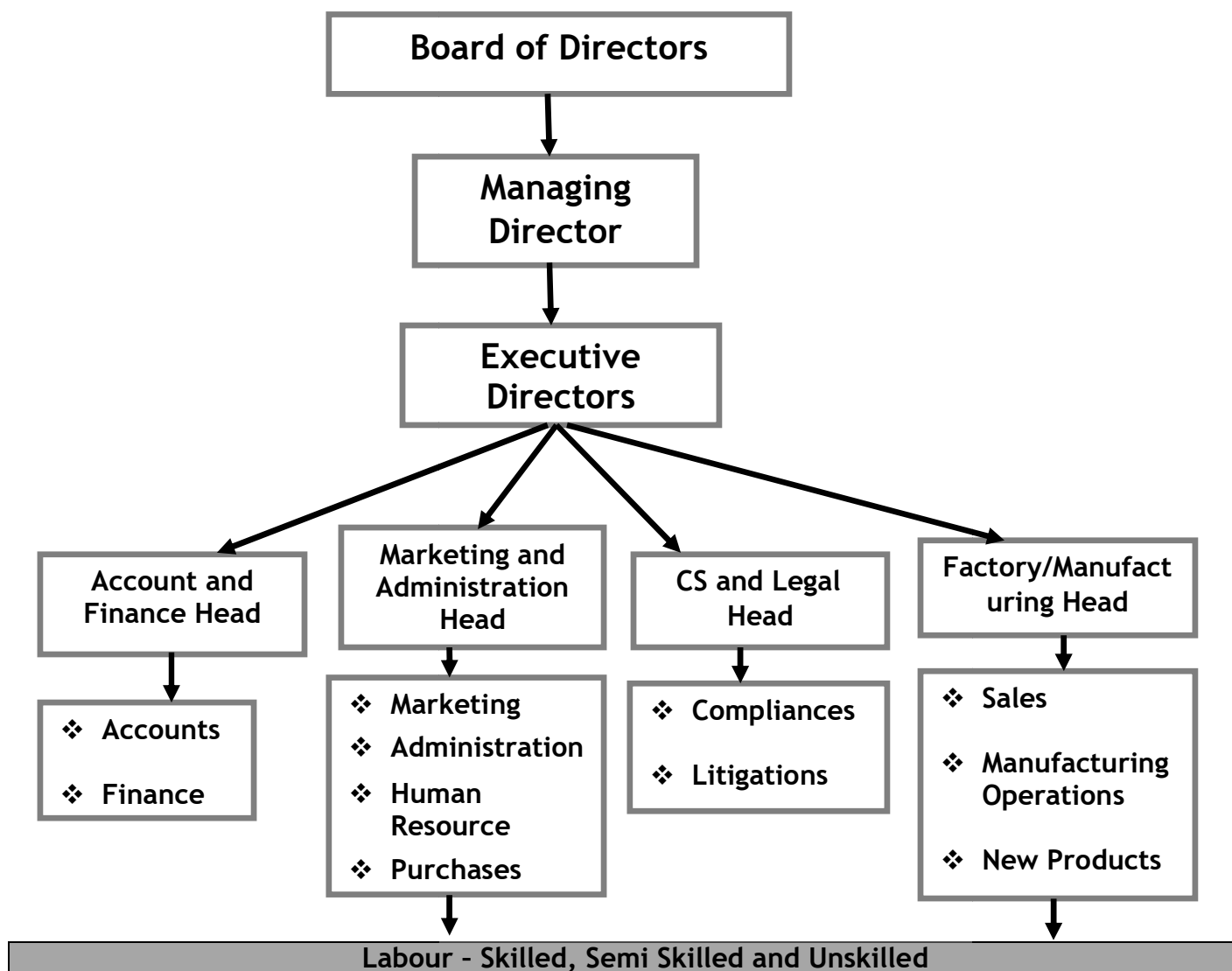
## CHANGES IN OUR BOARD OF DIRECTORS DURING THE LAST THREE (3) YEARS

The changes in the Directors during last three (3) years are as follows:

Name	Date of Appointment	Date of Cessation	Reason
Mr. Rohit Anand	12.05.2016	-	Appointment as an Executive Director
Mr. Karan Anand	12.05.2016	-	Appointment as an Executive Director
Mr. Siddhant Sahni	12.05.2016	-	Appointment as an Executive Director
Mr. Jatin Anand	12.05.2016	-	Appointment as an Executive Director
Mr. Harsh Kumar Anand	30.07.2018	-	Appointment as Managing Director

Name	Date of Appointment	Date of Cessation	Reason
Mr. Jugal Kishore Chugh	30.07.2018	-	Appointment as an Independent Director
Mr. Sunil Malhotra	30.07.2018	-	Appointment as an Independent Director
Mr. Amarbir Singh Bhatia	30.07.2018	-	Appointment as an Independent Director
Mr. Praveen Chand Khanna	30.07.2018	-	Appointment as an Independent Director
Mrs. Neerja Sahni	30.07.2018	-	Appointment as Executive Non Independent Director

## ORGANISATION STRUCTURE



## KEY MANAGERIAL PERSONNEL

Our Company is managed by its Board of Directors, assisted by qualified professionals, in the respective field of finance/ capital market and corporate laws.

The following key personnel assist the Management of our Company:

Name	Date of Joining for current position	Designation	Functional Responsibilities	Qualification
Mr. Harsh Kumar Anand	30 <sup>th</sup> July, 2018 as Managing Director	Managing Director	Overall Management	B.E. (Mechanical)
Mr. Yogesh Anand	7 <sup>th</sup> June, 2013 as an Executive Director and 30 <sup>th</sup> July, 2018 as Chief Financial Officer	Executive Director and Chief Financial Officer	Business Operations and Administration and Accounts & Finance	Post Graduate in Commerce
Mr. Yogesh Sahni	7 <sup>th</sup> June, 2013	Executive Director	Business Operations and Administration	Post Graduate in Commerce
Mr. Rohit Anand	12 <sup>th</sup> May, 2016	Executive Director	Business Operations and Administration	B.E. (C.S.)
Mr. Karan Anand	12 <sup>th</sup> May, 2016	Executive Director	Business Operations and Administration	B.E. (C.S.) and Master in Business Administration
Mr. Jatin Anand	12 <sup>th</sup> May, 2016	Executive Director	Business Operations and Administration	B.E. (I.T.) and Master in Business Administration
Mr. Siddhant Sahni	12 <sup>th</sup> May, 2016	Executive Director	Business Operations and Administration	Bachelor in Business Administration
Ms. Nikita	10 <sup>th</sup> September, 2018	Company Secretary & Compliance Officer	Drafting of agreements, drafting of resolutions, preparation of minutes & compliance of the provisions of the Companies Act, 2013.	Company Secretary

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## BRIEF PROFILE OF KEY MANAGERIAL PERSONNEL

**Mr. Harsh Kumar Anand:** aged 68 years, is one of the Promoters and Managing Director of our Company. He is B.E. (Mechanical) by education. He is having more than 45 years of Experience in the field of Manufacturing of Component & materials used in the manufacturing of electric ceiling & exhaust Fans, business, Sales & Marketing and Client Retention. He looks after day-to-day routine operational activities of our Company and formulation of business policies, strategies etc. He guides company in its growth strategies. He has been on the board of Company 7<sup>th</sup> June, 2013. He was appointed as Managing Director with effect from 30<sup>th</sup> July, 2018.

**Mr. Yogesh Anand:** aged 64 years, is Executive Director and one of the Promoters of our Company. He is Post Graduate in Commerce. He is having more than 40 years of Experience in field of Manufacturing of Component & materials used in the manufacturing of electric ceiling & exhaust Fans, business, Sales & Marketing and Client Retention. He looks after day-to-day routine operational activities of our Company. He has been on the board of Company 7<sup>th</sup> June, 2013. He was appointed as Chief Financial Officer of the Company with effect from 30<sup>th</sup> July, 2018.

**Mr. Yogesh Sahni:** aged 60 years, is Executive Director and one of Our Promoters. He is Post Graduate in Commerce. He is having more than 40 years of Experience in field of Manufacturing of Component & materials used in the manufacturing of electric ceiling & exhaust Fans, business, Sales & Marketing and Client Retention. He looks after day-to-day routine operational activities of our Company. He has been on the board of Company 7<sup>th</sup> June, 2013.

**Mr. Rohit Anand:** aged 41 years is Executive Director of Our Company. He is B.E. (C.S.). He is having more than 15 years experience in the field of Manufacturing of Component & materials used in the manufacturing of electric ceiling & exhaust Fans. He looks day to day routine activities of our Company. He has been on the board of Company since 12<sup>th</sup> May, 2016.

**Mr. Karan Anand:** aged 33 years is Executive Director of Our Company. He is B.E. (C.S.) and Master in Business Administration. He is having more than 09 years experience in the field of Manufacturing of Component & materials used in the manufacturing of electric ceiling & exhaust Fans. He looks day to day routine activities of our Company. He has been on the board of Company since 12<sup>th</sup> May, 2016.

**Mr. Jatin Anand:** aged 35 years is Executive Director of Our Company. He is B.E. (I.T.) and Master in Business Administration. He is having more than 10 years experience in the field of Manufacturing of Component & materials used in the manufacturing of electric ceiling & exhaust Fans. He looks day to day routine activities of our Company. He has been on the board of Company since 12<sup>th</sup> May, 2016.

**Mr. Siddhant Sahni:** aged 30 years is Executive Director of Our Company. He is Bachelor in Business Administration. He is having more than 08 years experience in the field of Manufacturing of Component & materials used in the manufacturing of electric ceiling & exhaust Fans. He looks day to day routine activities of our Company. He has been on the board of Company since 12<sup>th</sup> May, 2016.

**Ms. Nikita:** is Company Secretary & Compliance Officer of our Company. She is an associate member of Institute of Companies Secretaries of India. She is associated with our Company from September, 2018. Her scope of work and responsibilities includes vetting of agreements, preparation of minutes, drafting of resolutions, preparation and updating of various statutory registers, and compliance with the provisions of Companies Act, 2013.

#### **FAMILY RELATIONSHIP BETWEEN KEY MANAGERIAL PERSONNEL**

Following are the relationship between the KMP:

Name	Name	Relationship
Mr. Siddhant Sahni	Mr. Yogesh Sahni	Mr. Siddhant Sahni is son of Mr. Yogesh Sahni
Mr. Yogesh Anand	Mr. Harsh Kumar Anand	Mr. Yogesh Anand is brother of Mr. Harsh Kumar Anand
Mr. Rohit Anand	Mr. Harsh Kumar Anand	Mr. Rohit Anand is son of Mr. Harsh Kumar Anand
Mr. Karan Anand	Mr. Harsh Kumar Anand	Mr. Karan Anand is son of Mr. Harsh Kumar Anand
Mr. Jatin Anand	Mr. Yogesh Anand	Mr. Jatin Anand is son of Mr. Yogesh Anand

#### **ALL KEY MANAGERIAL PERSONNEL ARE PERMANENT EMPLOYEE OF OUR COMPANY**

#### **SHAREHOLDING OF THE KEY MANAGERIAL PERSONNEL**

Apart from below mentioned shareholding of Key Managerial Personnel, none of the key managerial personnel holds any Equity Shares of our Company.

Name of the KMP	No. of Equity Shares	Pre-Issue percentage Shareholding
Mr. Yogesh Anand	9,87,300	16.05
Mr. Yogesh Sahni	5,88,300	9.56
Mr. Harsh Kumar Anand	9,78,300	15.90
Mr. Jatin Anand	10,20,000	16.58
Mr. Siddhant Sahni	6,15,000	10.00
Mr. Karan Anand	5,12,250	8.33
Mr. Rohit Anand	5,12,250	8.33
<b>TOTAL</b>	<b>57,05,400</b>	<b>92.75</b>

#### **BONUS OR PROFIT SHARING PLAN FOR THE KEY MANAGERIAL PERSONNEL**

There is no profit sharing plan for the Key Managerial Personnel. Our Company makes bonus payments to the employees based on their performances, which is as per their terms of appointment.

#### **LOANS TO KEY MANAGERIAL PERSONNEL**

There are no loans outstanding against Key Managerial Personnel as on 31<sup>st</sup> March, 2018.

#### **CHANGES IN KEY MANAGERIAL PERSONNEL OF OUR COMPANY DURING THE LAST THREE (3) YEARS**

There are changes in the Key Managerial Employees of the Issuer during the last three (3) years are as follows.

Name	Date of Appointment	Date of Cessation	Reason
Mr. Rohit Anand	12.05.2016	-	Appointment as Executive Director
Mr. Karan Anand	12.05.2016	-	Appointment as Executive Director
Mr. Siddhant Sahni	12.05.2016	-	Appointment as Executive Director
Mr. Jatin Anand	12.05.2016	-	Appointment as Executive Director
Mr. Harsh Kumar Anand	30.07.2018	-	Appointment as Managing Director

Name	Date of Appointment	Date of Cessation	Reason
Mr. Yogesh Anand	30.07.2018	-	Appointment as Chief Financial Officer
Ms. Nikita	10.09.2018	-	Appointment as Company Secretary and Compliance officer

#### **EMPLOYEES STOCK OPTION SCHEME**

Our Company does not have any Employee Stock Option Scheme/ Employee Stock Purchase Scheme as on the date of filing of this Draft Prospectus.

#### **PAYMENT OR BENEFIT TO OUR OFFICERS**

Except for the payment of normal remuneration for the services rendered in their capacity as employees of our Company, no other amount or benefit has been paid or given within the two (2) preceding years or intended to be paid or given to any of them.




## OUR PROMOTERS

The Promoters of our Company are:

1. Mr. Harsh Kumar Anand;
2. Mr. Yogesh Anand; and
3. Mr. Yogesh Sahni

### DETAILS OF OUR PROMOTERS ARE AS UNDER


#### 1. MR. HARSH KUMAR ANAND

	<p><b>Mr. Harsh Kumar Anand:</b> aged 68 years, is one of the Promoters and Managing Director of our Company. He is B.E. (Mechanical) by education. He is having more than 45 years of Experience in the field of Manufacturing of Component &amp; materials used in the manufacturing of electric ceiling &amp; exhaust Fans, business, Sales &amp; Marketing and Client Retention. He looks after day-to-day routine operational activities of our Company and formulation of business policies, strategies etc. He guides company in its growth strategies. He has been on the board of Company 7<sup>th</sup> June, 2013.</p>
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#### Identification

<b>Name</b>	Mr. Harsh Kumar Anand
<b>Permanent Account Number</b>	AAHPA4957D
<b>Passport No.</b>	Z3540545
<b>Voter ID</b>	-
<b>Driving License</b>	-
<b>Bank Account Details</b>	Bank of India, IFSC: BKID0006019, Account No.: 601910100007475
<b>AADHAR Number</b>	925515438344
<b>DIN</b>	00312438
<b>Address</b>	E-279 Greater Kailash-II South Delhi 110048
<b>Other Directorship</b>	<ul style="list-style-type: none"> <li>• Greha Engineers And Chemicals Private Limited;</li> <li>• J.M.A. Manufacturing Private Limited;</li> <li>• Guru Technologies Pvt Ltd;</li> <li>• Rjk Technologies Private Limited;</li> <li>• Y &amp; Y Appliances Private Limited;</li> <li>• Gurutech Industries LLP;</li> <li>• Stamping &amp; More LLP</li> </ul>
<b>Shareholding in Our Company</b>	As on date of this Draft Prospectus, he holds 9,78,300 Equity Shares representing 15.90% of the pre-issue paid-up capital of our Company.


## 2. MR. YOGESH ANAND

	<p><b>Mr. Yogesh Anand:</b> aged 64 years, is Executive Director and one of the Promoters of our Company. He is Post Graduate in Commerce. He is having more than 40 years of Experience in field of Manufacturing of Component &amp; materials used in the manufacturing of electric ceiling &amp; exhaust Fans, business, Sales &amp; Marketing and Client Retention. He looks after day-to-day routine operational activities of our Company. He has been on the board of Company 7<sup>th</sup> June, 2013.</p>
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### Identification

Name	Mr. Yogesh Anand
Permanent Account Number	AAEPA6561A
Passport No.	Z2527348
Voter ID	-
Driving License	-
Bank Account Details	Bank of India, IFSC: BKID0006019, Account No.: 601910100006655
AADHAR Number	208053323245
DIN	00425775
Address	C-62 Sector-44,Noida Gautam Budh Nagar 201301 UP
Other Directorship	<ul style="list-style-type: none"> <li>• J.M.A. Manufacturing Private Limited;</li> <li>• Guru Technologies Pvt Ltd;</li> <li>• G.N. Hostels Private Limited;</li> <li>• Y &amp; Y Appliances Private Limited;</li> <li>• Gurutech Industries LLP;</li> <li>• Stamping &amp; More LLP</li> </ul>
Shareholding in Our Company	As on date of this Draft Prospectus, he holds 9,87,300 Equity Shares representing 16.05% of the pre-issue paid-up capital of our Company.

### 3. MR. YOGESH SAHNI

	<p><b>Mr. Yogesh Sahni:</b> aged 60 years, is Executive Director and one of Our Promoters. He is Post Graduate in Commerce. He is having more than 40 years of Experience in field of Manufacturing of Component &amp; materials used in the manufacturing of electric ceiling &amp; exhaust Fans, business, Sales &amp; Marketing and Client Retention. He looks after day-to-day routine operational activities of our Company. He has been on the board of Company 7<sup>th</sup> June, 2013.</p>
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#### Identification

Name	Mr. Yogesh Sahni
Permanent Account Number	AAXPS3626D
Passport No.	K9493011
Voter ID	-
Driving License	-
Bank Account Details	Standard Chartered, IFSC: SCBL0036034 Account No.:54410487751
AADHAR Number	507279956938
DIN	00811667
Address	
Other Directorship	<ul style="list-style-type: none"> <li>• Guru Technologies Pvt Ltd;</li> <li>• Y &amp; Y Appliances Private Limited;</li> <li>• Gurutech Industries LLP;</li> <li>• Stamping &amp; More LLP</li> </ul>
Shareholding in Our Company	As on date of this Draft Prospectus, he holds 5,88,300 Equity Shares representing 9.56% of the pre-issue paid-up capital of our Company.

*For additional details on the age, background, personal address, educational qualifications, experience, positions/posts held in the past, terms of appointment as Directors and other directorships of our Promoters, please see the Chapter titled “Our Management” beginning on page 172 of this Draft Prospectus*

*For details of the build-up of our Promoters’ shareholding in our Company, please see the chapter titled “Capital Structure” beginning on page 76 of this Draft Prospectus.*

## **OTHER UNDERTAKINGS AND CONFIRMATIONS**

Our Company undertakes that the details of Permanent Account Number, bank account number and passport number of the Promoter will be submitted to the SME platform of NSE Emerge Exchange, where the securities of our Company are proposed to be listed at the time of submission of Draft Prospectus.

## **COMMON PURSUITS OF OUR PROMOTER**

Our Promoter does not have any common pursuits and are not engaged in the business similar to those carried out by our Company.

## **INTEREST OF THE PROMOTER**

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

Our Promoter may be deemed to be interested in the promotion of the Issuer to the extent of the Equity Shares held by themselves as well as their relative and also to the extent of any dividend payable to them and other distributions in respect of the aforesaid Equity Shares. Further, our Promoter may also be interested to the extent of Equity Shares held by or that may be subscribed by and allotted to companies and firms in which either of them are interested as a director, member or partner. In addition, our Promoter, being Director may be deemed to be interested to the extent of fees, if any, payable for attending meetings of the Board or a committee thereof as well as to the extent of remuneration and reimbursement of expenses, if any, payable under our Articles of Association and to the extent of remuneration, if any, paid for services rendered as an officer or employee of our Company as stated in section titled “*Our Management*” on page 172 of this Draft Prospectus.

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

Except as disclosed in the Draft prospectus, Our Promoter does not have any interest in any property acquired by or proposed to be acquired by our Company in the last two (2) years from the date of Draft Prospectus.

### **Interest as Member of our Company**

As on the date of this Draft Prospectus, our Promoter and Promoter Group collectively hold 60,12,900 Equity Shares of our Company and is therefore interested to the extent of their shareholding and the dividend declared, if any, by our Company. Except to the extent of shareholding of the Promoter in our Company and benefits as provided in the section titled ‘*Terms of appointment and compensation of our Directors*’ on page 177, our Promoter does not hold any other interest in our Company.

Also see “Our Management-Interest of Directors” on page 184 of Draft Prospectus.

## **PAYMENT AMOUNTS OR BENEFIT TO OUR PROMOTER DURING THE LAST TWO YEARS**

No payment has been made or benefit given to our Promoter in the two years preceding the date of the Draft Prospectus except as mentioned / referred to in this chapter and in the section titled ‘Our Management’, ‘Financial Information’ and ‘Capital Structure’ on page 172, 202 and 76 respectively of this Draft Prospectus. Further as on the date of the Draft Prospectus, there is no bonus or profit sharing plan for our Promoter.

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## CONFIRMATIONS

For details on litigations and disputes pending against the Promoter and defaults made by them, please refer to the section titled “*Outstanding Litigation and Material Developments*” on page 247 of the Draft Prospectus. Our Promoters have not been declared a willful defaulter by the RBI or any other governmental authority and there are no violations of securities laws committed by our Promoter in the past or are pending against them.

## RELATED PARTY TRANSACTIONS

Except as disclosed in the section titled “*Related Party Transactions*” beginning on page 200, our Company has not entered into any related party transactions with our Promoters.

## OUR PROMOTER GROUP / GROUP COMPANIES / ENTITIES

### PROMOTER GROUP INDIVIDUALS

The following natural persons (being the immediate relative of our Promoter) form part of our Promoter Group:

#### Relatives of Promoters:

Relationship	Mr. Harsh Kumar Anand	Mr. Yogesh Anand	Mr. Yogesh Sahni
Spouse	Mrs. Shashi Anand	Mrs. Madhu Anand	Mrs. Neerja Sahni
Father	Late Lajpat Rai Anand*	Late Lajpat Rai Anand*	Late Krishan Parkash Sahni *
Mother	Late Leela Anand*	Late Leela Anand*	Late Uma Sahni *
Brother	Mr. Yogesh Anand, Mr. Umesh Anand, Mr. Punesh Anand	Mr. Harsh Kumar Anand, Mr. Umesh Anand, Mr. Punesh Anand	Mr. Pravesh Sahni, Mr. Rakesh Sahni
Sister	-	-	-
Son	Mr. Rohit Anand, Mr. Karan Anand	Mr. Jatin Anand	Mr. Samarath Sahni, Mr. Siddhant Sahni
Daughter	-	Mrs. Astha Anand	-
Spouse's father	Late Ved Prakash Kakkar*	Late Bhagat Ram Walia*	Late Prem Chand Duggal*
Spouse's Mother	Late Shanti Kakkar*	Smt. Brij Bhagat Walia	Mrs. Kamla Duggal
Spouse's Sister	Mrs. Sushma Vij, Mrs. Renu Malhotra	Mrs. Uma Ahllu Walia, Mrs. Usha Librehan	Mrs. Aruna Malhan
Spouse's Brother	Mr. Narinder Kakkar, Late Suresh Kakkar*	Mr. Yogender Walia, Mr. Sandeep Walia, Mr. Pradeep Walia, Mr. Sanjay Walia	Mr. Karuna Rai

*\*Mr. Harsh Kumar Anand has confirmed that Late Lajpat Rai Anand, Late Leela Anand, Late Ved Prakash Kakkar, Late Shanti Kakkar and Late Suresh Kakkar are not alive and they are not treated as part of Promoter Group and the disclosures made in this Draft Prospectus are limited to the extent of Information that has been made available in relation to these relatives.*

*\*Mr. Yogesh Anand has confirmed that Late Lajpat Rai Anand, Late Leela Anand, Late Bhagat Ram Walia are not alive and they are not treated as part of Promoter Group and the disclosures made in this Draft Prospectus are limited to the extent of Information that has been made available in relation to these relatives.*

*\*Mr. Yogesh Sahni has confirmed that Late Krishan Parkash Sahni, Late Uma Sahni, Late Prem Chand Duggal are not alive and they are not treated as part of Promoter Group and the disclosures made in this Draft Prospectus are limited to the extent of Information that has been made available in relation to these relatives.*

*Mr. Umesh Anand, Mr. Punesh Anand, Mrs. Sushma Vij, Mrs. Renu Malhotra, Mr. Narinder Kakkar, Mrs. Astha Anand, Smt. Brij Bhagat Walia, Mrs. Uma Ahllu Walia, Mrs. Usha Librehan, Mr. Yogender Walia, Mr. Sandeep Walia, Mr. Pradeep Walia, Mr. Sanjay Walia, Mr. Pravesh Sahni, Mr. Rakesh Sahni, Mr. Samarath Sahni, Mrs. Kamla Duggal, Mrs. Aruna Malhan, Mr. Karuna Rai being immediate relatives of our Promoters do not form part of the Promoter Group of the Company. Moreover, they do not own shareholding in our Company and are also*

not involved in the business of our Company. Our Promoters has submitted that the information related to them and/or business/financial interest held by these relatives is not accessible for the purpose of disclosure in the Draft Prospectus/Prospectus and consequently, their entities should not be considered to be part of the “Promoter Group” and “Group Companies. Therefore, though there are no formal disassociation arrangements they are not treated as part of Promoter Group and the disclosures made in this Draft Prospectus are limited to the extent of Information that has been made available by our Promoters in relation to promoter Group and Group Companies.

#### PROMOTER GROUP COMPANIES AND ENTITIES

As specified in clause 2 (zb) of the SEBI Regulation, the companies, HUFs, partnership firms and other entities, that form part of our Promoter Group are as follows:

S.No.	Name of Entity
1.	Gurutech Industries LLP
2.	Stamping & More LLP
3.	Y & Y Appliances Private Limited
4.	J.M.A Manufacturing Private Limited
5.	Guru Technologies Private Limited
6.	G.N. Hostels Private Ltd
7.	Yogesh Anand HUF
8.	Yogesh Sahni HUF
9.	RJK Technologies Private Limited*
10.	Harsh Kumar Anand HUF
11.	Greha Engineers & Chemicals Private Ltd
12.	Uttranchal Industries
13.	Quality Components
14.	GSA International

\*Our Company has filed an application with concerned ROC for voluntary strike off of M/s RJK Technologies Private Limited vide Eform STK -2 and Challan SRN G80804388 dated 26<sup>th</sup> March, 2018.

#### RELATIONSHIP OF PROMOTERS WITH OUR DIRECTORS

Name of Director	Name of Promoter	Relationship
Mrs. Neerja Sahni	Mr. Yogesh Sahni	Mrs. Neerja Sahni is wife of Mr. Yogesh Sahni
Mr. Siddhant Sahni	Mr. Yogesh Sahni	Mr. Siddhant Sahni is son of Mr. Yogesh Sahni
Mr. Yogesh Anand	Mr. Harsh Kumar Anand	Mr. Yogesh Anand is brother of Mr. Harsh Kumar Anand
Mr. Rohit Anand	Mr. Harsh Kumar Anand	Mr. Rohit Anand is son of Mr. Harsh Kumar Anand
Mr. Karan Anand	Mr. Harsh Kumar Anand	Mr. Karan Anand is son of Mr. Harsh Kumar Anand
Mr. Jatin Anand	Mr. Yogesh Anand	Mr. Jatin Anand is son of Mr. Yogesh Anand

#### GROUP ENTITIES OF OUR COMPANY

As per the requirements of SEBI (ICDR) Regulations, for the purpose of identification of 'group companies/entities', our Company has considered companies as covered under the applicable accounting standards (i.e. Accounting Standard 18 issued by the Institute of Chartered Accountants of India) on a consolidated basis, or other



companies as considered material by our Board. Pursuant to a resolution of our Board dated 6<sup>th</sup> August, 2018, for the purpose of disclosure in offer documents for the Issue, a company shall be considered material and will be disclosed as a Group Entity if such company forms part of the Promoter Group, and our Company has entered into one or more transactions with such company in the previous audit fiscal year / period cumulatively exceeding 20% of the total revenue of our Company for such fiscal.

Based on the above, our Company do not have any group entities. However, Our Board of Directors have considered to disclose the details of following Promoter Group entity being considered the nature of transactions with the entity in the previous Financial year:

#### UTTARANCHAL INDUSTRIES

<b>Date of Incorporation</b>	25.05.2007		
<b>Main Objects/Business Activities</b>	Manufacturer of electric fans, electric lamps and exhaust fans.		
<b>PAN</b>	AABFU9914G		
<b>Registered office</b>	8, Sriram Road, Civil Lines,, , New Delhi, Delhi, 110054		
<b>Partners and their profit sharing ratio</b>	Mr. Yogesh Anand (16.67%), Mr. Yogesh Sahni (20.00%), Mr. Harsh Kumar Anand (11.11%), Mr. Jatin Anand (16.67%), Mr. Karan Anand (11.11%), Mr. Siddhant Sahni (13.33%) and Mr. Rohit Anand (11.11%)		
<b>Audited Financials</b>	<i>(Amt in Lacs)</i>		
<b>Particulars</b>	<b>March 31, 2018</b>	<b>March 31, 2017</b>	<b>March 31, 2016</b>
<b>Capital</b>	1,361.72	1,344.09	902.80
<b>Total Income</b>	21,274.95	26636.20	20,871.49
<b>Net Profit</b>	324.63	647.80	471.65

**Business Interests amongst our Company and Group Company:** We have entered into certain business contracts with our Group Entities. For details, see Related Party Transactions on page no. 200 of Draft Prospectus.

M/s. Uttranchal Industries are a Partnership firm and thus is not listed on any stock exchanges. No action has been taken against the M/s. Uttranchal Industries by any Stock Exchange or SEBI. M/s. Uttranchal Industries is not sick company within the meaning of Sick Industrial Companies (Special Provisions) Act, 1985 and is not under the Board for Industrial and Financial Reconstruction. Further, M/s. Uttranchal Industries is not under winding up, neither does it have a negative Net Worth. There are no defaults in meeting any statutory/bank/institutional dues. No proceedings have been initiated for economic offences against M/s. Uttranchal Industries.

#### COMMON PURSUITS

Gurutech Industries LLP, Stamping & More LLP, Y & Y Appliances Private Limited, J.M.A Manufacturing Private Limited, Guru Technologies Private Limited, Greha Engineers & Chemicals Private Ltd, Uttranchal Industries, Quality Components, GSA International, Promoter Group entities are engaged in the business similar to those carried out by our Company.

## LITIGATION/ DEFAULTS

For details relating to legal proceedings involving the Promoters and Members of the Promoter Group, see the section titled “Outstanding Litigation and Material Developments” beginning on page 247 of this Draft Prospectus.

## DISASSOCIATION WITH COMPANIES/FIRMS BY THE PROMOTERS OF OUR COMPANY DURING THE PRECEDING THREE (3) YEARS

Except as disclosed below, Our Promoters have not disassociated with any of entity during the preceding three (3) years from the date of Draft Prospectus.

S.No.	Name of Entity	Reason for Disassociation	Date of Disassociation
<b>Mr. Harsh Kumar Anand</b>			
1.	Ayaan Manufacturing Private Limited	Resignation	02.03.2017

S.No.	Name of Entity	Reason for Disassociation	Date of Disassociation
<b>Mr. Yogesh Anand</b>			
1.	Ayaan Manufacturing Private Limited	Resignation	02.03.2017

S.No.	Name of Entity	Reason for Disassociation	Date of Disassociation
<b>Mr. Yogesh Sahni</b>			
1.	Guru Boxes Private Limited	Converted into LLP	09.03.2018
2.	Guru Paper Cartons Private Ltd	Resignation	01.04.2018

*Our Promoters, Mr. Harsh Kumar Anand, Mr. Yogesh Anand and Mr. Yogesh Sahni had also been disassociated with M/s. Maa Durga Steel as the firm was sold, the Documents related with transfer of firm is not available.*

*Mr. Yogesh Anand had also been disassociated with M/s. Gurutech Electro Systems Private Limited and M/s JM Plastics Private Limited due to Voluntary Striking off the Company by Registrar of Companies, the Documents related with date of striking off are not available.*

*Mr. Yogesh Sahni had also been disassociated with M/s. Gurutech Electro Systems Private Limited due to Voluntary Striking off the Company by Registrar of Companies, the Documents related with date of striking off are not available.*

## INTEREST OF PROMOTER GROUP COMPANIES

Our Promoter Group companies are interested parties to the extent of their shareholding in the Company, if any dividend and distributions which may be made by the Company in future and to the extent of the related party transactions disclosed in the section titled “Related Party Transactions” beginning on page 200 of the Draft Prospectus.

## RELATED BUSINESS TRANSACTION WITHIN THE GROUP AND SIGNIFICANCE ON FINANCIAL PERFORMANCE

There is no business transactions between our Company and the Promoter Group Companies except as stated on page 200 under section titled as “Related Party Transactions”.

#### **SALE OR PURCHASE BETWEEN OUR COMPANY AND OUR PROMOTER GROUP COMPANIES**

There are no sales or purchases between our Company and any company in the Promoter Group exceeding 10% of the sales or purchases of our Company except as stated on page 200 under section titled as *“Related Party Transactions”*.

#### **SICK COMPANIES**

There are no Companies in our group listed above which have been declared as a sick company under the SICA. There are no winding up proceedings against any of Promoter Group Companies. Except M/s J.M.A Manufacturing Private Limited (in last Three FY 2016-17, FY 2015-16, FY 2014-15), M/s Gurutech Industries LLP (in FY 2016-17); M/s Y & Y Appliances Private Limited has yet to start the business operations, The Promoter Group Companies do not have negative net worth. Further, an application has been made by M/s RJK Technologies Private Limited to RoC for voluntary strike off its names vides eform STK-2, Challan SRN G80804388 dated 26<sup>th</sup> March, 2018.

#### **CONFIRMATION**

Our Promoters and persons forming part of Promoter Group have confirmed that they have not been declared as willful defaulters by the RBI or any other governmental authority and there are no violations of securities laws committed by them in the past and no proceedings pertaining to such penalties are pending against them. Additionally, none of the Promoters and persons forming part of Promoter Group has been restrained from accessing the capital markets for any reasons by SEBI or any other authorities. None of the Promoter or Group Companies has a negative net worth as of the date of the respective last audited financial statements.

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## RELATED PARTY TRANSACTIONS

For details on Related Party Transactions of our Company, please refer to Annexure 28 of restated financial statement under the section titled “*Financial Information*” on page 202 of the Draft Prospectus.

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## **DIVIDEND POLICY**

Under the Companies Act, our Company can pay dividends upon a recommendation by our Board of Directors and approval by a majority of the shareholders at the General Meeting. The shareholders of our Company have the right to decrease not to increase the amount of dividend recommended by the Board of Directors. The dividends may be paid out of profits of our Company in the year in which the dividend is declared or out of the undistributed profits or reserves of previous fiscal years or out of both. The Articles of Association of our Company also gives the discretion to our Board of Directors to declare and pay interim dividends.

There are no dividends declared by our Company in the preceding five financial years.

Our Company does not have any formal dividend policy for the Equity Shares. The declaration and payment of dividend will be recommended by our Board of Directors and approved by the shareholders of our Company at their discretion and will depend on a number of factors, including the results of operations, earnings, capital requirements and surplus, general financial conditions, applicable Indian legal restrictions and other factors considered relevant by our Board of Directors.

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## SECTION V - FINANCIAL INFORMATION

### Independent Auditors' Report

To,  
The Board of Directors,  
Wonder Fibromats Limited  
45 Okhla Industrial Estate, Phase-III,  
Delhi New Delhi DL 110020

Dear Sirs,

We have examined the Financial Information of Wonder Fibromats Limited (the Company) described below and annexed to this report for the purpose of inclusion in the offer document. The Financial Information has been prepared in accordance with the requirements of paragraph B (1) of Part II of Schedule II to the Companies Act, ('the Act'), The Securities and Exchange Board of India (SEBI) - Issue of Capital and Disclosure Requirements Regulations, 2009 ('ICDR Regulations') notified on 26<sup>th</sup> August, 2009, the Guidance Note on Reports in Company Prospectuses (Revised) issued by the Institute of Chartered Accountants of India (ICAI) and in terms of the engagement agreed upon by us with the Company. The Financial Information has been approved by its Board of Directors.

Audit for the financial years ended 31<sup>st</sup> March, 2014, 31<sup>st</sup> March, 2015, 31<sup>st</sup> March, 2016, 31<sup>st</sup> March, 2017 and 31<sup>st</sup> March, 2018 was conducted by M/s. AYK& Associates, Chartered Accountants and accordingly reliance has been placed on the financial information examined by them for the said years / periods.

In terms of Schedule VIII, Clause IX (9) of the SEBI (ICDR) Regulations, 2009 and other provisions relating to accounts of Wonder Fibromats Limited, We, M/s. Ramanand & Associates, Chartered Accountants, have been subjected to the peer review process of the Institute of Chartered Accountants of India (ICAI) and hold a valid certificate issued by the 'Peer Review Board' of the ICAI.

#### A. Financial Information as per Audited Financial Statements:

We have examined:

- a. the attached Statement of Assets and Liabilities, as Restated as at year / period ended March 31, 2014, 2015, 2016, 2017 and 2018 (Annexure 1);
- b. the attached Statement of Profits and Losses, as Restated for the year / period ended March 31, 2014, 2015, 2016, 2017 and 2018 (Annexure 2);
- c. the attached Statement of Cash Flows, as Restated for the year / period ended March 31, 2013, 2014, 2015, 2016, 2017 and 2018 (Annexure 3);
- d. the significant accounting policies adopted by the Company and notes to the Restated Financial Statements along with adjustments on account of audit qualifications / adjustments / regroupings. (Annexure 4);

(Collectively hereinafter referred as "Restated Financial Statements")

The Restated Financial Statements have been extracted from audited Financial Statements of the Company for the year / period ended March 31, 2014, 2015, 2016, 2017 and 2018 which have been approved by the Board of Directors.

Based on our examination and in accordance with the requirements of the Act, ICDR Regulations, we state that:

- Restated Statement of Assets and Liabilities of the Company as at March 31, 2014, 2015, 2016, 2017 and 2018 are as set out in Annexure 1, which are after making such material adjustments and regroupings as, in our opinion are appropriate, and are to be read with the significant accounting policies and notes thereon in Annexure 4;
- Restated Statement of Profits and Losses of the Company for the year / period ended March 31, 2014, 2015, 2016, 2017 and 2018 are as set out in Annexure 2, which have been arrived at after making such material adjustments and regroupings to the audited financial statements as, in our opinion are appropriate, and are to be read with the significant accounting policies and notes thereon in Annexure 4;
- Restated Statement of Cash Flows of the Company for the year / period ended March 31, 2014, 2015, 2016, 2017 and 2018 are as set out in Annexure 3 after making such material adjustments and regroupings;
- Adjustments for any material amounts in the respective financial years have been made to which they relate; and
- There are no Extra-ordinary items that need to be disclosed separately in the Restated Summary Statements or Auditor's qualification requiring adjustments.
- Adjustments in Financial Statements has been made in accordance with the correct accounting policies.
- There was no change in accounting policies, which needs to be adjusted in the "Restated Financial Statements".
- There are no revaluation reserves, which need to be disclosed separately in the "Restated Financial Statements".
- There are no audit qualifications requiring adjustments.

#### **B. Other Financial Information:**

We have also examined the following Financial Information relating to the Company, which is based on the Restated Financial Statements and approved by the Board of Directors of the Company and annexed to this report, is proposed to be included in the Offer Document:

1. Statement of Details of Reserves & Surplus as at March 31, 2014, 2015, 2016, 2017 and 2018 as set out in **Annexure 5** to this report.
2. Statement of Accounting Ratios for the year / period ended on March 31, 2014, 2015, 2016, 2017 and 2018 as set out in **Annexure 6** to this report.
3. Capitalization Statement as at March 31, 2018 as set out in **Annexure 7** to this report.
4. Statement of Tax Shelters for the year ended on March 31, 2014, 2015, 2016, 2017 and 2018 as set out in **Annexure 8** to this report.



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5. Statement of Long Term Borrowings for the year / period ended on March 31, 2014, 2015, 2016, 2017 and 2018as set out in **Annexure 9** to this report.
  6. Statement of Short Term Borrowings for the year / period ended on March 31, 2014, 2015, 2016, 2017 and 2018as set out in **Annexure 10** to this report.
  7. Statement of Details of Current Liabilities & Provisions of the Company for the year / period ended on March 31, 2014, 2015, 2016, 2017 and 2018as set out in **Annexure 11**to this report.
  8. Statement of Details of Tangible Assets of the Company for the year / period ended on March 31, 2014, 2015, 2016, 2017 and 2018as set out in **Annexure 12**to this report.
  9. Statement of Details of Capital Work in Progress of the Company for the year / period ended on March 31, 2014, 2015, 2016, 2017 and 2018 as set out in **Annexure 13**to this report.
  - 10.Statement of Details of Deferred Tax Assets (net) of the Company for the year / period ended on March 31, 2014, 2015, 2016, 2017 and 2018 as set out in **Annexure 14**to this report.
  - 11.Statement of Details of Non Current Assets of the Company for the year / period ended on March 31, 2014, 2015, 2016, 2017 and 2018as set out in **Annexure 15**to this report.
  - 12.Statement of Details of Inventories of the Company for the year / period ended on March 31, 2014, 2015, 2016, 2017 and 2018as set out in **Annexure 16**to this report.
  - 13.Statement of Details of Trade Receivables of the Company for the year / period ended on March 31, 2014, 2015, 2016, 2017 and 2018as set out in **Annexure 17**to this report.
  - 14.Statement of Details of Cash and Bank Balances of the Company for the year / period ended on March 31, 2014, 2015, 2016, 2017 and 2018as set out in **Annexure 18** to this report.
  - 15.Statement of Details of Short Term Loans & Advances as at March 31, 2014, 2015, 2016, 2017 and 2018as set out in **Annexure 19**to this report.
  - 16.Statement of Details of Revenue of Operations of the Company for the year / period ended on March 31, 2014, 2015, 2016, 2017 and 2018 as set out in **Annexure 20** to this report.
  - 17.Statement of Details of Other Income of the Company for the year / period ended on March 31, 2014, 2015, 2016, 2017 and 2018set out in **Annexure 21**to this report.
  - 18.Statement of Details of Cost of Goods Sold of the Company for the year / period ended on March 31, 2014, 2015, 2016, 2017 and 2018set out in **Annexure 22** to this report.
  - 19.Statement of Details of Change of Inventory of the Company for the year / period ended on March 31, 2014, 2015, 2016, 2017 and 2018set out in **Annexure 23** to this report.
  - 20.Statement of Details of Manufacturing Expenses of the Company for the year / period ended on March 31, 2014, 2015, 2016, 2017 and 2018 set out in **Annexure 24** to this report

21. Statement of Details of Employee Benefit Expenses of the Company for the year / period ended on March 31, 2014, 2015, 2016, 2017 and 2018 set out in **Annexure 25** to this report.
22. Statement of Details of Administrative, Selling and Other Expenses of the Company for the year / period ended on March 31, 2014, 2015, 2016, 2017 and 2018 set out in **Annexure 26** to this report.
23. Statement of Details of Financial Expenses of the Company for the year / period ended on March 31, 2014, 2015, 2016, 2017 and 2018 set out in **Annexure 27** to this report.
24. Statement of Details of Related Party Transactions of the Company for the year / period ended on March 31, 2014, 2015, 2016, 2017 and 2018 as set out in **Annexure 28** to this report.

In our opinion, the "Restated Financial Statements" and "Other Financial Information" mentioned above contained in Annexure 1 to 28 of this report have been prepared in accordance with Part II of Schedule II to the Act, the SEBI Guidelines and the Guidance Note on the reports in Company Prospectuses (Revised) issued by the Institute of Chartered Accountants of India (ICAI).

Consequently the financial information has been prepared after making such regroupings and adjustments as were, in our opinion, considered appropriate to comply with the same. As result of these regroupings and adjustments, the amount reported in the financial information may not necessarily be same as those appearing in the respective audited financial statements for the relevant years.

This report should not in any way be construed as a reissuance or redacting of the previous audit report, nor should this be construed as a new opinion on any of the financial statements referred to herein.

We have no responsibility to update our report for events and circumstances occurring after the date of the report.

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

**For Ramanand & Associates.**  
**Chartered Accountants**  
Firm Registration No.-117776W  
Sd/-  
**Ramanand Gupta**  
**Partner**  
**Membership No. 103975**  
Place: Mumbai  
Date: 10<sup>th</sup> September, 2018

**ANNEXURE-01**  
**STATEMENT OF ASSETS AND LIABILITIES, AS RESTATED**

(Rs. In Lacs)

Particulars	31.03.2018	31.03.17	31.03.16	31.03.15	31.03.14
<b>Equity &amp; Liabilities</b>					
<b>Shareholders' Funds</b>					
Share Capital	205.05	205.05	205.05	106.05	76.05
Reserve & Surplus	1,182.37	385.07	(124.09)	(287.83)	(60.34)
<b>Total (A)</b>	<b>1,387.42</b>	<b>590.12</b>	<b>80.96</b>	<b>(181.78)</b>	<b>15.71</b>
<b>Non Current Liabilities</b>					
Share Application Money	-	-	-	-	-
Long Term Borrowings	1,039.78	854.60	1,140.86	1,335.26	442.74
Deferred Tax Liabilities (Net)	-	-	-	-	-
Other Long Term Liabilities	-	-	-	-	-
Long Term Provisions	-	-	-	-	-
<b>Total (B)</b>	<b>1,039.78</b>	<b>854.60</b>	<b>1,140.86</b>	<b>1,335.26</b>	<b>442.74</b>
<b>Current Liabilities</b>					
Short Term Borrowings	2,298.25	1,230.25	1,384.81	380.50	416.71
Trade Payables	7,300.27	3,760.27	2,549.11	2,711.88	34.02
Other Current Liabilities	-	-	-	-	-
Short Term Provisions	556.93	240.51	86.60	64.40	1.90
<b>Total (C)</b>	<b>10,155.45</b>	<b>5,231.03</b>	<b>4,020.52</b>	<b>3,156.78</b>	<b>452.63</b>
<b>Total (D=A+B+C)</b>	<b>12,582.65</b>	<b>6,675.75</b>	<b>5,242.34</b>	<b>4,310.26</b>	<b>911.08</b>
<b>Assets</b>					
<b>Fixed Assets:</b>					
(i) Tangible Assets	1,554.30	1,379.35	1,330.75	1,331.45	205.02
(ii) Intangible Assets	-	-	-	-	-
(iii) Capital Work in Progress	-	-	-	-	624.32
	-	-	-	-	-
Long Term Loans & Advances	-	-	-	-	-
Non Current Investments	-	-	-	-	-
Deferred Tax Assets (Net)	24.01	26.43	24.27	18.83	-
Other Non Current Assets	0.64	1.27	1.90	2.53	20.63
<b>Total (E)</b>	<b>1,578.95</b>	<b>1,407.05</b>	<b>1,356.92</b>	<b>1,352.81</b>	<b>849.97</b>

<b>Current Assets</b>					
Current Investments	-	-	-	-	-
Inventories	1,394.47	957.97	1,070.95	1,156.58	1.13
Trade Receivables	8,964.38	4,110.34	2,688.25	1,729.24	-
Cash & Bank Balances	16.83	6.52	56.65	7.28	2.73
Short Term Loans & Advances	628.02	193.87	69.57	64.35	57.25
Other Current Assets	-	-	-	-	-
<b>Total (F)</b>	<b>11,003.70</b>	<b>5,268.70</b>	<b>3,885.42</b>	<b>2,957.45</b>	<b>61.11</b>
<b>Total (G=E+F)</b>	<b>12,582.65</b>	<b>6,675.75</b>	<b>5,242.34</b>	<b>4,310.26</b>	<b>911.08</b>

ANNEXURE-02

STATEMENT OF PROFIT AND LOSS, AS RESTATED

(Rs. In Lacs)

Particulars	31.03.18	31.03.17	31.03.16	31.03.15	31.03.14
<b>Income</b>					
Revenue from Operations	29,371.22	16,562.95	13,739.78	7,202.28	-
Other Income	115.63	1.94	1.41	0.52	-
<b>Total</b>	<b>29,486.85</b>	<b>16,564.89</b>	<b>13,741.19</b>	<b>7,202.80</b>	<b>-</b>
<b>Expenditure</b>					
Raw Materials Consumed	20,828.37	12,754.17	10,749.18	6,103.28	-
Manufacturing Expenses	3,220.95	1,965.94	1,861.32	847.69	-
Changes in Inventories of Finished Goods, Work in Progress, Stock in Trade	2,945.95	114.05	58.96	(199.15)	-
Employees Benefit Expenses	914.29	555.52	327.02	230.32	-
Administrative, Selling and Other Expenses	297.07	128.74	152.44	68.93	-
<b>Total</b>	<b>28,206.63</b>	<b>15,518.42</b>	<b>13,148.92</b>	<b>7,051.07</b>	<b>-</b>
<b>Profit before Depreciation, Interest and Tax</b>	<b>1,280.22</b>	<b>1,046.47</b>	<b>592.27</b>	<b>151.73</b>	<b>-</b>
Depreciation & Amortization	198.40	180.96	188.42	222.50	-
Preliminary Expenses Written Off	-	-	-	-	-
<b>Profit before Interest &amp; Tax</b>	<b>1,081.82</b>	<b>865.51</b>	<b>403.85</b>	<b>(70.77)</b>	<b>-</b>
Financial Expenses	17.87	191.70	239.65	175.54	-
Exceptional Items	-	-	-	-	-
<b>Net Profit before Tax</b>	<b>1,063.95</b>	<b>673.81</b>	<b>164.20</b>	<b>(246.31)</b>	<b>-</b>
<b>Less: Provision for Taxes:</b>					
Current Tax	264.23	166.81	5.91	-	-
Deferred Tax	2.42	(2.16)	(5.44)	(18.83)	-
<b>Net Profit After Tax &amp; Before Extraordinary Items</b>	<b>797.30</b>	<b>509.16</b>	<b>163.73</b>	<b>(227.48)</b>	<b>-</b>
Extra Ordinary Items	-	-	-	-	-
<b>Net Profit</b>	<b>797.30</b>	<b>509.16</b>	<b>163.73</b>	<b>(227.48)</b>	<b>-</b>

**ANNEXURE-03**

**STATEMENT OF CASH FLOW, AS RESTATED**

(Rs. In Lacs)

Particulars	31.03.18	31.03.17	31.03.16	31.03.15	31.03.14
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>					
Net profit before taxes	1,063.95	673.81	164.20	(246.31)	-
Adjustment for:					
Add: Depreciation & Amortization	198.40	180.96	188.42	222.50	-
Add: Financial Expenses	17.87	191.70	239.65	175.54	-
Add: Preliminary Expenses Written Off	0.63	0.63	0.63	0.63	-
Operating Profit before Working capital changes	<b>1,280.85</b>	<b>1,047.10</b>	<b>592.90</b>	<b>152.36</b>	-
Adjustments for:					
Decrease (Increase) in Inventories	(436.50)	112.98	85.63	(1,155.45)	(0.93)
Decrease (Increase) in Trade & Other Receivables	(4,854.04)	(1,422.09)	(959.01)	(1,729.24)	12.85
Decrease (Increase) in Short Term Loans & Advances (Excl Taxes)	117.12	177.84	9.83	(7.08)	(57.05)
Decrease (Increase) in Other Current Assets	(438.48)	(181.96)	-	-	-
Increase (Decrease) in Trade Payables	3,540.00	1,211.96	(162.77)	2,677.86	34.02
Increase (Decrease) in Short Term Provisions (Excl Taxes)	196.28	38.44	(6.42)	62.50	0.93
Increase (Decrease) in Other Current Liabilities	-	-	-	-	-
Net Changes in Working Capital	<b>(1,875.62)</b>	<b>(63.62)</b>	<b>(1,032.74)</b>	<b>(151.41)</b>	<b>(10.18)</b>
Cash Generated from Operations	(594.77)	983.47	(439.84)	0.95	(10.18)
Taxes	(256.88)	(171.52)	7.66	(0.02)	-
<b>Net Cash Flow from Operating Activities (A)</b>	<b>(851.65)</b>	<b>811.95</b>	<b>(432.18)</b>	<b>0.93</b>	<b>(10.18)</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>					
Sale / (Purchase) of Fixed Assets and CWIP	(373.35)	(229.56)	(187.72)	(707.15)	(621.15)
Decrease (Increase) in Investments	-	-	-	-	-
<b>Net Cash Flow from Investing Activities (B)</b>	<b>(373.35)</b>	<b>(229.56)</b>	<b>(187.72)</b>	<b>(707.15)</b>	<b>(621.15)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>					
Issue of share capital and Proceeds / (Refund) from Share Application Money	-	-	99.00	30.00	35.52
Interest & Finance Charges	(17.87)	(191.70)	(239.65)	(175.54)	-
Preliminary Expenses Incurred	-	-	-	-	(20.63)
Increase / (Repayment) of Long Term Borrowings	185.18	(286.26)	(194.40)	892.52	442.74
Increase / (Repayment) of Short Term Borrowings	1,068.00	(154.56)	1,004.31	(36.21)	171.97
Decrease (Increase) in Long Term Loans &	-	-	-	-	-

Particulars	31.03.18	31.03.17	31.03.16	31.03.15	31.03.14
Net Cash Flow from Financing Activities (C)	1,235.31	(632.52)	669.26	710.77	629.60
Net Increase / (Decrease) in Cash & Cash Equivalents	10.31	(50.13)	49.36	4.55	1.73
Cash and cash equivalents at the beginning of the year / Period	6.52	56.65	7.28	2.73	4.46
Cash and cash equivalents at the end of the year/ Period	16.83	6.52	56.65	7.28	2.73

#### Annexure-04

#### SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNT FOR PREPARATION OF RESTATED FINANCIAL STATEMENT

##### A. SIGNIFICANT ACCOUNTING POLICIES:

##### 1. Basis of Preparation of Financial Statements

- The Restated Financial Information for the year / period ended on March 31, 2014, 2015, 2016, 2017 and 2018 has been extracted by the management of the Company from the audited financial statements of the company for the year / period ended on March 31, 2014, 2015, 2016, 2017 and 2018.
- The Restated Financial Information are after making adjustments/ restatements and regrouping as necessary in accordance with paragraph B(1) of Part II of Schedule II of The Companies Act and SEBI Regulations.
- The Financial Statements have been prepared under Historical Cost conventions and in accordance with the Generally Accepted Accounting Principles ('GAAP') applicable in India, Companies (Accounting Standard) Rules, 2006 notified by Ministry of Company Affairs and Accounting Standards issued by the Institute of Chartered Accountants of India as applicable and relevant provisions of the Companies Act, 1956 & 2013.
- The company generally follows the mercantile system of accounting and recognizes significant items of income and expenditure on accrual basis.

##### 2. Use of Estimates

The preparation of Financial Statements in conformity with GAAP requires that the management of the Company makes estimates and assumptions that affect the reported amounts of income and expenses of the period, the reported balances of assets and liabilities and the disclosures relating to contingent liabilities as of the date of the financial statements. Examples of such estimates include the useful lives of fixed assets and intangible assets, provision for doubtful debts / advances, future obligations in respect of retirement benefit plans, etc. Actual results could differ from these estimates. Difference between the actual results and estimates are recognized in the period in which the results are known/ materialized. Management believes that the estimates used in preparation of financial statements are prudent and reasonable.



### **3. Fixed Assets and Depreciation**

- i. Fixed Assets are shown at historical cost net of recoverable taxes inclusive of incidental expenses less accumulated depreciation.
- ii. Intangible Assets are stated at cost of acquisition net of recoverable taxes less accumulated depreciation.
- ii. Depreciation on fixed assets is provided on written down value method using the rates arrived at based on the rates prescribed in the Schedule III to the Companies Act, 2013.
- iii. Depreciation on fixed assets sold during the year, is provided on pro-rata basis with reference to the date of addition/deletion.

### **4. Revenue Recognition**

Revenue is recognized only when it is probable that economic benefits will flow to the company and revenue can be reliably measured.

Revenue from sale of services is recognized pro rata over the period of the contract as and when services are rendered. It is difficult to identify the completion of work due to complexity of the services rendered. Hence the management's confirmation is accepted in identifying the above.

Interest income is recognized on time proportion basis taking into account the amount outstanding and rate applicable.

### **5. Investments**

Current investments are carried at lower of cost and quoted/fair value, computed category wise. Long Term Investments are stated at cost. Provision for diminution in the value of long-term investments is made only if such a decline is other than temporary.

### **6. Impairment of Assets**

As on Balance Sheet date, the Company reviews the carrying amount of Fixed Assets to determine whether there are any indications that those assets have suffered "Impairment Loss". Impairment loss, if any, is provided to the extent, the carrying amount of assets exceeds their recoverable amount. Recoverable amount is higher of an asset's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from continuing use of an asset and from its disposal at the end of its useful life.

### **7. Borrowing Costs**

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that takes necessarily substantial period of time to get ready for its intended use. All other borrowing costs are charged to revenue.

### **8. Taxation**

Tax expenses for the year comprise of current tax and deferred tax. Current tax is measured after taking into consideration the deductions and exemptions admissible under the provision of Income Tax Act, 1961 and in accordance with Accounting Standard 22 on "Accounting for Taxes on Income", issued by ICAI.

Deferred Tax assets or liabilities are recognized for further tax consequence attributable to timing difference between taxable income and accounting income that are measured at relevant enacted tax rates. At each Balance Sheet date the company reassesses unrecognized deferred tax assets, to the extent they become reasonably certain or virtually certain of realization, as the case may be.

## **9. Leases**

### **Finance Lease**

Leases, which effectively transfer to the company all the risks and benefits incidental to ownership of the leased item, are classified as Finance Lease. Lease rentals are capitalized at the lower of the fair value and present value of the minimum lease payments at the inception of the lease term and disclosed as leased assets. Lease payments are apportioned between the finance charges and reduction of the lease liability based on the implicit rate of return. Finance charges are charged directly against income life of the assets at the following rates.

### **Operating Lease**

Lease where the lesser effectively retains substantially all risks and benefits of the asset are classified as Operating lease. Operating lease payments are recognized as an expense in the Profit & Loss account on a Straight Line Basis over the Lease term.

## **10. Preliminary Expenses**

Preliminary expenses are amortized as per AS-26 issued by ICAI.

## **11. Earnings per Share**

In determining the Earnings Per share, the company considers the net profit after tax includes any post tax effect of any extraordinary / exceptional item. The number of shares used in computing basic earnings per share is the weighted average number of shares outstanding during the period.

The number of shares used in computing Diluted earnings per share comprises the weighted average number of shares considered for computing Basic Earnings per share and also the weighted number of equity shares that would have been issued on conversion of all potentially dilutive shares.

In the event of issue of bonus shares, or share split the number of equity shares outstanding is increased without an increase in the resources. The number of Equity shares outstanding before the event is adjusted for the proportionate change in the number of equity shares outstanding as if the event had occurred at the beginning of the earliest period reported.

## **12. Contingent Liabilities & Provisions**

Provisions are recognized only when there is a present obligation as a result of past events and when a reliable estimate of the amount of obligation can be made.

Contingent Liability is disclosed for:

- a. Possible obligation which will be confirmed only by future events not wholly within the control of the company, or

- b. Present obligations arising from the past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.
- c. Contingent Assets are not recognized in the financial statements since this may result in the recognition of income that may never be realized.

### 13. Foreign Exchange Transactions

- i. Transactions denominated in foreign currencies are recorded exchange rate prevailing on the date of the transaction or that approximates the actual rate at the date of the transaction.
- ii. Monetary items denominated in foreign currencies at the yearend are restated at yearend rates. In case of items, which are covered by forward exchange contracts, the difference between the yearend rate and rate on the date of the contract is recognized as exchange difference and the premium paid on forward contracts is recognized over the life of the contract.
- iii. Non-monetary foreign currency items are carried at cost.
- iv. In respect of branches, which are integral foreign operations, all transactions are translated at rates prevailing on the date of transaction or that approximates the actual rate at the date of transaction. Branch monetary assets and liabilities are restated at the year-end rates.
- v. Any income or expense on account of exchange difference either on settlement or on translation is recognized in the Profit and loss account except in case of long-term liabilities, where they relate to acquisition of fixed assets, in which case they are adjusted to the carrying cost of such assets.

### B. CHANGES IN ACCOUNTING POLICIES IN THE YEARS COVERED IN THE RESTATED FINANCIALS.

There is no change in significant accounting policies during the reporting period. Further Accounting Policies has been changed as and when Accounting Standards issued by the Institute of Chartered Accountants of India / Companies (Accounting Standard) Rules, 2006 were made applicable on the relevant dates.

### C. NOTES ON RESTATED FINANCIAL STATEMENTS

#### NOTES ON RESTATEMENTS MADE IN THE RESTATED FINANCIALS

Financial Year ended	(Rs. in Lacs)				
	March, 31 <sup>st</sup> 2018	March, 31 <sup>st</sup> 2017	March, 31 <sup>st</sup> 2016	March, 31 <sup>st</sup> 2015	March, 31 <sup>st</sup> 2014
Profit after tax as per Audited Statement of Account(A)	797.30	509.16	163.73	(227.48)	-
Adjustments*:	-	-	-	-	-
Profit after tax as per Restated Profit & Loss(A)	797.30	509.16	163.73	(227.48)	-

\* There are no major items requiring adjustments except as detailed below:

- In fiscal 2018 and 2017, items reflected in "Other Current Assets" are clubbed under "Short Term Loans & Advances" in order to bring in uniformity with other financial years.

### (III) OTHER NOTES

## General

1. The Company was originally incorporated at Delhi as “Wonder Fibromats Private Limited” on 13<sup>th</sup> October, 2009 under the provisions of the Companies Act, 1956 vide Certificate of Incorporation issued by the Asst. Registrar of Companies, NCT of Delhi & Haryana. Consequent, upon the conversion of Company into public limited company, the name of Company was changed to “Wonder Fibromats Limited” vide fresh certificate of incorporation dated 5<sup>th</sup> July, 2018 issued by the Registrar of Companies, Delhi.

## 2. Contingent liabilities

There are no contingent liabilities

## 3. Dues to Micro enterprises and Small enterprises:

Under the Micro, Small and Medium Enterprise Development Act, 2006 certain disclosure is required to be made related to micro, small and medium enterprise. The company has disclosed the same.

## 4. Segment Reporting

The company operates only in one reportable business segment viz. Manufacturing of Fans. Hence, there are no reportable segments under Accounting Standard -17. The conditions prevailing in India being uniform no separate geographical disclosures are considered necessary.

5. In the opinion of the Board, subject to the debts considered doubtful, Current Assets and Loans and Advances have a value on realization in the ordinary course of business at least equal to the amount at which they are stated in the Balance Sheet.

## 6. Earnings per Share

The details of Earnings per Share as per AS-20 are provided in Annexure 06.

## 7. Related Party Transactions:

The details of Related Party Transactions as per AS-18 are provided in Annexure 28.

8. The figures in the Restated Financials are stated in Lacs and rounded off to two decimals and minor rounding off difference is ignored.

## Annexure- 05

### STATEMENT OF DETAILS OF RESERVES & SURPLUS, AS RESTATED

(Rs. In Lacs)

Particulars	31.03.18	31.03.17	31.03.16	31.03.15	31.03.14
General Reserves	-	-	-	-	-
Add: Transfer from Profit for the Year	-	-	-	-	-
(Less): Preliminary Expenses Written Off	-	-	-	-	-
<b>Profit / (Loss) Carried Forward (A)</b>	-	-	-	-	-
Profit / (Loss) Brought Forward	385.07	(124.09)	(287.82)	(60.34)	(60.34)
Add: Profit / (Loss) for the Year	797.30	509.16	163.73	(227.48)	-
(Less): Preliminary Expenses Written Off	-	-	-	-	-

Particulars	31.03.18	31.03.17	31.03.16	31.03.15	31.03.14
Profit / (Loss) Carried Forward (B)	1,182.37	385.07	(124.09)	(287.82)	(60.34)
Securities Premium Brought Forward	-	-	-	-	-
Add: Premium on Shares Issued during the year	-	-	-	-	-
(Less): Utilised for Bonus Issue	-	-	-	-	-
Securities Premium Carried Forward (C)	-	-	-	-	-
Reserves & Surplus (A+B+C)	1,182.37	385.07	(124.09)	(287.82)	(60.34)

#### Annexure- 06

#### STATEMENT OF ACCOUNTING RATIOS

(Rs. In Lacs, except per share data)

Particulars	31.03.18	31.03.17	31.03.16	31.03.15	31.03.14
Net Worth (A)	1,362.77	562.42	54.79	(203.14)	(4.92)
Net Profit after Tax (B)	797.30	509.16	163.73	(227.48)	-
No. of Shares outstanding at the end [F.V. Rs.10] (C)	20,50,500	20,50,500	20,50,500	10,60,500	7,60,500
Weighted average number of shares [F.V Rs.10](D)	20,50,500	20,50,500	19,23,369	8,56,402	7,60,500
Earnings per Share (EPS) (B / D) (Rs.)	38.88	24.83	8.51	(26.56)	-
Return on Net Worth (B / A)	58.51%	90.53%	298.83%	-	-
Net Assets Value per Share (A / D)	66.46	27.43	2.85	(23.72)	(0.65)

Definitions of key ratios:

**I. Earnings per share (Rs.):** Net Profit attributable to equity shareholders / weighted average number of equity shares. Earnings per share calculations are done in accordance with Accounting Standard 20 "Earnings Per Share" as issued by The Institute of Chartered Accountants of India. As per AS-20, the number of equity shares outstanding before the event is adjusted for the proportionate change in the number of equity shares outstanding as if the event had occurred at the beginning of the earliest period reported. In case of a bonus issue, the bonus shares has been added to corresponding year to the extent of reserves available in the corresponding year. Weighted average number of equity shares outstanding during all the previous years have been considered accordingly.

**II. Return on Net Worth (%):** Net Profit after tax / Net worth as at the end of the year.

**III. Net Asset Value (Rs.):** Net Worth at the end of the year / Weighted Average Number of equity shares.

**IV. Net Profit,** as appearing in the Statement of restated profits and losses, and Net Worth as appearing in the restated statement of Assets & Liabilities has been considered for the purpose of computing the above ratios.

**Annexure -07**

**CAPITALIZATION STATEMENT**

(Rs. In Lacs)

Particulars	Pre-issue as at 31.03.2018	Post Issue *
Borrowing		
Short - Term Debt	2,298.25	
Long - Term Debt	1,039.78	
Total Debt	<b>3,338.03</b>	
Shareholders' Funds		
Share Capital		
- Equity	205.05	
- Preference	-	
Reserves & Surplus	1,182.37	
Less: Preliminary Expenses / Pre Operative Expenses	(0.64)	
Less: Deferred Tax Assets	(24.01)	
Total Shareholders Funds	<b>1,362.77</b>	
Long - Term Debt / Shareholders Fund	0.76	
Short - Term Debt / Shareholders Fund	1.69	

\* The Post Issue Capitalization will be determined only after the completion of the allotment of equity shares.

**Annexure- 08**

**STATEMENT OF TAX SHELTERS**

(Rs. In Lacs)

Particulars	31.03.17	31.03.17	31.03.16	31.03.15	31.03.14
Profit before tax as per Restated P/L	1,063.95	673.81	164.20	(246.31)	-
Applicable Corporate Tax Rate	33.06%	33.06%	33.06%	30.90%	30.90%
Tax at Notional Rate	351.77	222.78	54.29	-	-
<b>Adjustments</b>					
Difference between Tax Depreciation and Book Depreciation	7.32	(6.99)	(17.60)	(60.93)	-
Exempted Income	272.66	167.91	6.14	-	-
Disallowance	(7.53)	-	-	-	-
Items Chargeable at special rates		-	-	-	-
Unabsorbed Depreciation and Carried Forward Losses	-	-	172.42	-	-
Other Items		8.38	(15.86)	(12.96)	-
<b>Net Adjustments</b>	<b>264.78</b>	<b>169.30</b>	<b>145.10</b>	<b>(73.89)</b>	-
Tax Saving thereon		55.98	47.97	(22.83)	-

Tax Saving to the extent of Tax at Notional Rate	87.54	55.98	47.97	(76.11)	-
Tax Payable [A]	264.23	166.81	6.32	-	-
Tax Payable on items chargeable at special rates [B]	-	-	-	-	-
Total Tax Payable [C=A+B]	264.23	166.81	6.32	-	-
Tax Rebates / Credits [D]	-	-	-	-	-
Net Tax Payable [E=C-D]	264.23	166.81	6.32	-	-
Tax Payable u/s 115 JB of Income Tax Act [F]	216.93	137.38	28.62	-	-
Final Tax Payable (Higher of [E] & [F])	264.23	166.81	28.62	-	-

**Annexure - 09**  
**STATEMENT OF DETAILS OF LONG TERM BORROWINGS**

(Rs. In Lacs)

Particulars	31.03.18	31.03.17	31.03.16	31.03.15	31.03.14
<b>Secured:-</b>					
Term Loan from Banks against hypothecation of machinery, hypothecation stock and book debts	182.76	332.76	482.76	632.76	442.74
Working Capital Limit from Banks against hypothecation of machinery, stock and book debts	808.49	490.48	623.38	702.49	-
Vehicle Loan from Banks against hypothecation of	48.54	31.36	34.71	-	-
<b>Unsecured*:-</b>					
Loan from Directors	-	-	-	-	-
Loan from Shareholders	-	-	-	-	-
<b>Total</b>	<b>1,039.79</b>	<b>854.60</b>	<b>1,140.85</b>	<b>1,335.25</b>	<b>442.74</b>

**Annexure - 10**  
**STATEMENT OF DETAILS OF SHORT TERM BORROWINGS**

(Rs. In Lacs)

Particulars	31.03.18	31.03.17	31.03.16	31.03.15	31.03.14
<b>Secured:-</b>					
Working Capital loan from Banks (Secured against hypothecation stock and book debts)	-	-	-	-	-
Term Loan from Banks against hypothecation of machinery)	-	-	-	-	-
Term Loan from Banks against hypothecation of land	-	-	-	-	-
Vehicle Loan from Banks against hypothecation of vehicles	-	-	-	-	-
Bill Discounting Limit from Sarswat Co-Operative Bank Ltd. and SVC Co-Operative Bank Ltd	2,210.34	1,108.75	1,032.81	-	-
<b>Unsecured:-</b>					
Other Loans from related parties	87.91	121.50	352.00	380.50	416.71
<b>Total</b>	<b>2,298.25</b>	<b>1,230.25</b>	<b>1,384.81</b>	<b>380.50</b>	<b>416.71</b>



Annexure - 11

STATEMENT OF DETAILS OF CURRENT LIABILITIES AND PROVISIONS

(Rs. In Lacs)

Particulars	31.03.18	31.03.17	31.03.16	31.03.15	31.03.14
<b>Current Liabilities</b>					
<b>Trade Payables</b>					
Sundry Creditors for Goods and Materials	7,299.76	3,760.27	2,548.84	2,700.07	34.02
Advances from customers	0.51	-	0.28	11.80	-
<b>Sub Total (A)</b>	<b>7,300.27</b>	<b>3,760.27</b>	<b>2,549.12</b>	<b>2,711.87</b>	<b>34.02</b>
<b>Provisions</b>					
Provision for Taxes	264.23	144.09	28.62	-	-
Provision for Employee Benefits	-	-	-	-	-
Provision for Duties and Expenses	292.69	96.41	57.98	64.40	1.90
<b>Sub Total (B)</b>	<b>556.92</b>	<b>240.50</b>	<b>86.60</b>	<b>64.40</b>	<b>1.90</b>
<b>Total (A+B)</b>	<b>7,857.19</b>	<b>4,000.77</b>	<b>2,635.72</b>	<b>2,776.27</b>	<b>35.92</b>

Annexure - 12

STATEMENT OF DETAILS OF TANGIBLE ASSETS

(Rs. In Lacs)

Particulars	31.03.18	31.03.17	31.03.16	31.03.15	31.03.14
Freehold Land	221.10	221.10	221.10	177.59	177.59
Lease hold Land	-	-	-	-	-
Building	489.25	499.70	456.95	479.72	26.75
Furniture and Fixtures	6.18	4.97	6.68	8.30	0.36
Plant and Machinery	735.69	588.73	578.27	630.18	0.10
Vehicles (Cars & Others)	77.27	48.04	47.64	0.97	0.21
Office Equipments	23.28	15.63	19.22	33.27	0.01
Computers Software	1.53	1.18	0.89	1.42	-
<b>Total</b>	<b>1,554.30</b>	<b>1,379.35</b>	<b>1,330.75</b>	<b>1,331.45</b>	<b>205.02</b>

Annexure - 13

STATEMENT OF DETAILS OF CAPITAL WORK IN PROGRESS  
(TANGIBLE ASSETS PURCHASED BUT NOT PUT TO USE)

(Rs. In Lacs)

Particulars	31.03.18	31.03.17	31.03.16	31.03.15	31.03.14
Freehold Land	-	-	-	-	-
Lease hold Land	-	-	-	-	-
Building	-	-	-	-	409.11

Furniture and Fixtures	-	-	-	-	1.30
Plant and Machinery	-	-	-	-	203.84
Vehicles (Cars & Others)	-	-	-	-	0.58
Office Equipments	-	-	-	-	8.83
Computers & Software	-	-	-	-	0.65
<b>Total</b>	-	-	-	-	624.31

**Annexure - 14**

**STATEMENT OF DETAILS OF DEFERRED TAX ASSETS (NET)**

(Rs. In Lacs)

Particulars	31.03.18	31.03.17	31.03.16	31.03.15	31.03.14
Depreciation as per Books	198.40	180.96	188.42	222.50	-
Depreciation as per Income Tax Act	205.72	173.97	170.82	161.57	-
<b>Net timing difference on a/c of Depreciation Assets</b>	<b>(7.32)</b>	<b>6.99</b>	<b>17.60</b>	<b>60.93</b>	<b>-</b>
Deferred Tax Assets/(Liabilities) during the year	(2.42)	2.16	5.44	18.83	-
Opening Balance of Deferred Tax Assets	26.43	24.27	18.83	-	-
<b>Total</b>	<b>24.01</b>	<b>26.43</b>	<b>24.27</b>	<b>18.83</b>	<b>-</b>

**Annexure - 15**

**STATEMENT OF DETAILS OF NON-CURRENT ASSETS**

(Rs. In Lacs)

Particulars	31.03.18	31.03.17	31.03.16	31.03.15	31.03.14
<b>Pre Operative expenditure</b>					
Opening Balance	1.27	1.90	2.53	20.63	-
Add: During the Year	-	-	-	-	20.63
Less: Capitalized as Fixed Assets	-	-	-	17.46	-
Less: Written off during the year	0.63	0.63	0.63	0.63	-
<b>Total</b>	<b>0.64</b>	<b>1.27</b>	<b>1.90</b>	<b>2.54</b>	<b>20.63</b>

**Annexure - 16**

**STATEMENT OF DETAILS OF INVENTORIES**

(Rs. In Lacs)

Particulars	31.03.18	31.03.17	31.03.16	31.03.15	31.03.14
Raw Materials	852.25	565.01	542.46	628.40	1.13
Paint & Varnish	28.62	20.11	44.89	49.70	-
Consumable Stores	4.79	2.61	2.08	3.50	-
Diesel	9.16	-	-	-	-
Packing Materials	106.82	72.18	84.54	90.00	-
Paper Board & Gum	8.12	61.20	36.32	19.99	-

Scrap	32.96	2.97	13.49	13.82	-
Finished Goods	148.12	132.25	179.03	171.46	-
Semi Finished Goods	203.65	101.64	168.14	179.71	-
<b>Total</b>	<b>1,394.49</b>	<b>957.97</b>	<b>1,070.95</b>	<b>1,156.58</b>	<b>1.13</b>

Annexure - 17

**STATEMENT OF DETAILS OF TRADE RECEIVABLES**

(Rs. In Lacs)

Particulars	31.03.18	31.03.17	31.03.16	31.03.15	31.03.14
<b>(A) Unsecured, Considered good outstanding for a period less than six months</b>					
Amount due from Promoter/Group Companies and Directors	-	-	-	-	-
Others	8874.62	4107.85	2684.83	1729.24	-
<b>(B) Unsecured, Considered good outstanding for a period more than six months</b>					
Amount due from Promoter/Group Companies and Directors	-	-	-	-	-
Others	89.76	2.49	3.42	-	-
<b>Total</b>	<b>8964.38</b>	<b>4110.34</b>	<b>2688.25</b>	<b>1729.24</b>	<b>-</b>

Annexure - 18

**STATEMENT OF DETAILS OF CASH AND BANK BALANCES**

(Rs. In Lacs)

Particulars	31.03.18	31.03.17	31.03.16	31.03.15	31.03.14
Fixed deposits with bank	3.91	3.68	3.44	2.19	2.15
Balances in current accounts with banks	0.35	0.33	50.23	2.50	0.28
Cash balances	12.57	2.51	2.98	2.59	0.29
<b>Total</b>	<b>16.83</b>	<b>6.52</b>	<b>56.65</b>	<b>7.28</b>	<b>2.72</b>

Annexure - 19

**STATEMENT OF DETAILS OF SHORT TERM LOANS AND ADVANCES**

(Rs. In Lacs)

Particulars	31.03.18	31.03.17	31.03.16	31.03.15	31.03.14
Advances to Suppliers etc.	5.57	10.76	2.51	23.40	2.00
Advance for purchase of fixed assets	-	-	-	-	47.87
Receivable from revenue authorities	331.27	158.71	46.82	2.35	0.49
LIC- Pension & Gratuity Scheme	4.00	4.00	-	-	-
DIPP Refund receivable against GST paid	214.74	-	-	-	-
Central Capital Investment Subsidy Scheme 2013	50.00	-	-	-	-
Advance to Staff	2.01	1.15	0.60	1.20	-
Prepaid Expenses	1.86	3.21	4.22	20.81	-
Security Deposits	18.57	16.04	15.42	13.89	6.89

Bank Charges to be recoverable	-	-	-	2.70	-
<b>Total</b>	<b>628.02</b>	<b>193.87</b>	<b>69.57</b>	<b>64.35</b>	<b>57.25</b>

**Annexure - 20**

**STATEMENT OF DETAILS OF REVENUE OF OPERATIONS**

(Rs. In Lacs)

Particulars	31.03.18	31.03.17	31.03.16	31.03.15	31.03.14
Sale of Goods	29,371.22	16,562.95	13,739.78	7,202.28	-
<b>Total</b>	<b>29,371.22</b>	<b>16,562.95</b>	<b>13,739.78</b>	<b>7,202.28</b>	<b>-</b>

**Annexure - 21**

**STATEMENT OF DETAILS OF OTHER INCOME**

(Rs. In Lacs)

Particulars	31.03.18	31.03.17	31.03.16	31.03.15	31.03.14
Interest Income	0.71	0.78	0.71	0.21	-
GST Claim from Government Under DIPP (Net)	114.64	-	-	-	-
Duty Draw Back	0.17	-	-	-	-
Diff.in Foreign Exchange Rate	0.09	-	-	-	-
Other Miscellaneous Income	0.02	1.16	0.70	0.31	-
<b>Total</b>	<b>115.63</b>	<b>1.94</b>	<b>1.41</b>	<b>0.52</b>	<b>-</b>

**Annexure - 22**

**STATEMENT OF DETAILS OF RAW MATERIAL CONSUMED**

(Rs. In Lacs)

Particulars	31.03.18	31.03.17	31.03.16	31.03.15	31.03.14
<b>Opening Balance (A)</b>					
Raw Material	565.01	542.46	628.40	1.13	0.20
Paint & Varnish	20.11	44.89	49.69	-	-
Scrap	2.97	13.50	13.82	-	-
<b>Total (A)</b>	<b>588.09</b>	<b>600.85</b>	<b>691.91</b>	<b>1.13</b>	<b>0.20</b>
<b>Add: Purchases during the Year (B)</b>					
Raw Material	20,280.21	12,158.93	10,152.12	6,468.96	0.93
Paint & Varnish	873.89	582.48	506.00	325.09	-
Scrap	-	-	-	-	-
<b>Total (B)</b>	<b>21,154.10</b>	<b>12,741.41</b>	<b>10,658.122</b>	<b>6,794.05</b>	<b>0.93</b>
<b>Less: Closing Balance (C)</b>					
Raw Material	852.25	565.01	542.46	628.40	1.13

Paint & Varnish	28.62	20.11	44.89	49.69	-
Scrap	32.96	2.97	13.50	13.82	-
<b>Total (C)</b>	<b>913.83</b>	<b>588.09</b>	<b>600.85</b>	<b>691.91</b>	<b>1.13</b>
<b>Total (A+B-C)</b>	<b>20,828.36</b>	<b>12,754.17</b>	<b>10,749.18</b>	<b>6,103.27</b>	<b>-</b>

**Annexure - 23**

**STATEMENT OF DETAILS OF CHANGE IN INVENTORY**

(Rs. In Lacs)

Particulars	31.03.18	31.03.17	31.03.16	31.03.15	31.03.14
<b>Trade Goods:</b>					
Opening Stock	132.25	179.03	171.47	-	-
Add: Purchases	1,613.35	0.78	29.60	40.13	-
Less Closing Stock	148.12	132.25	179.03	171.47	-
<b>(Increase) / Decrease in Stock (A)</b>	<b>1,597.48</b>	<b>47.56</b>	<b>22.04</b>	<b>(131.34)</b>	<b>-</b>
<b>Semi Finished Goods:</b>					
Opening Stock	101.64	168.14	179.71	-	-
add: Purchases	1,450.48	-	25.35	111.90	-
Less Closing Stock	203.65	101.64	168.14	179.71	-
<b>(Increase) / Decrease in Stock (B)</b>	<b>1,348.47</b>	<b>66.50</b>	<b>36.92</b>	<b>(67.81)</b>	<b>-</b>
<b>Total (A+B)</b>	<b>2,945.95</b>	<b>114.06</b>	<b>58.96</b>	<b>(199.15)</b>	<b>-</b>

**Annexure - 24**

**STATEMENT OF DETAILS OF MANUFACTURING EXPENSES**

(Rs. In Lacs)

Particulars	31.03.18	31.03.17	31.03.16	31.03.15	31.03.14
Consumable Stores & packing Material Consumed	2448.56	1351.53	1259.03	569.33	-
Dies & Tools Consumed	7.19	11.08	2.57	17.25	-
Material Handling Equipment Expenses	9.03	25.68	12.47	-	-
Custom Duty Paid	-	22.51	20.51	-	-
Job Work Charges	109.70	53.52	66.50	41.75	-
Electricity Expenses	154.51	85.66	72.97	37.60	-
ETP Plant Expenses	31.03	10.26	13.19	7.72	-
Freight & Cartage Inward	31.64	19.24	15.98	17.97	-
Generator Running & Maintenance	279.85	207.81	186.98	108.53	-
Loading & Unloading Charges	4.45	4.44	11.67	6.29	-
Production Consultancy	3.84	13.47	12.05	5.85	-
Production Incentive	64.99	60.22	96.62	13.99	-
Rent (Factory Premises)	19.82	19.20	19.20	3.20	-
Repair & Maintenances (Building)	14.17	15.99	30.82	5.31	-

Repair & Maintenances (Machines)	42.17	65.33	40.76	12.90	-
<b>Total</b>	<b>3,220.95</b>	<b>1,965.94</b>	<b>1,861.32</b>	<b>847.69</b>	<b>-</b>

**Annexure - 25**

**STATEMENT OF DETAILS OF EMPLOYEE BENEFIT EXPENSES**

(Rs. In Lacs)

Particulars	31.03.18	31.03.17	31.03.16	31.03.15	31.03.14
<b>Salary And Wages:</b>					
Wages, Salary and Allowances	635.58	402.63	231.09	185.00	-
Director Remunerations	144.00	77.00	-	-	-
<b>Contribution to Provident and other Funds:</b>					
Contribution to Provident Fund	31.44	19.34	12.65	8.71	-
Contribution to Employees State Insurance Scheme	22.48	10.63	5.15	3.49	-
Group Insurance	1.14	1.41	-	-	-
<b>Other Expenses:</b>					
Workers and Staff Welfare	34.34	14.67	37.60	15.70	-
Bonus	23.72	15.73	23.88	10.59	-
Leave Encashment	18.54	12.31	8.53	4.80	-
Other (Medical Expense, Exgratia Payments)	3.05	1.80	8.12	2.04	-
<b>Total</b>	<b>914.29</b>	<b>555.52</b>	<b>327.02</b>	<b>230.32</b>	<b>-</b>

**Annexure - 26**

**STATEMENT OF DETAILS OF ADMINISTRATIVE, SELLING AND OTHER EXPENSES**

(Rs. In Lacs)

Particulars	31.03.18	31.03.17	31.03.16	31.03.15	31.03.14
Advertisement & Publicity	2.90	0.52	0.66	0.08	-
Auditor Remuneration	1.10	1.04	0.80	0.68	-
Business Promotion Expenses	18.82	10.76	7.60	1.04	-
Communication Expenses	2.42	2.92	3.23	2.47	-
Conveyance Expenses	3.30	0.66	-	-	-
Festival & Function Expenses	8.22	2.59	2.59	1.25	-
Fee & Subscription	5.77	2.04	3.64	4.21	-
Housekeeping Expenses	9.16	1.06	2.19	10.72	-
Insurance Expenses	14.51	10.69	8.44	3.37	-
Legal & Professional Expenses	1.87	3.10	3.16	3.98	-
Misc. Expenses	11.70	6.34	1.47	0.12	-
Postage & Courier Expenses	3.71	1.38	1.45	0.92	-
Pre - Operative Expenses W/O	0.63	0.63	0.63	0.63	-
Printing & Stationary	12.84	6.62	9.07	6.92	-

Quality Control & Audit Expenses	7.49	4.96	3.53	-	-
Rebate & Discount	112.80	5.01	54.17	0.35	-
Rent - Office	3.11	0.58	-	-	-
Rate & Taxes	0.38	3.38	0.74	6.59	-
ROC Filing Fees	0.19	0.42	0.06	0.06	-
Repair & Maintenance (Computer)	8.11	5.40	7.90	1.83	-
Repair & Maintenance (Others)	25.02	20.14	12.73	4.24	-
Security Expenses	19.33	13.92	10.94	8.37	-
Short & Excess	0.08	0.68	0.28	-	-
Testing & Sample Expenses	1.63	8.95	2.21	-	-
Travelling Expenses	8.68	4.67	7.57	2.76	-
Vehicle Running & Maintenance	13.30	10.28	7.38	8.34	-
<b>Total</b>	<b>297.07</b>	<b>128.74</b>	<b>152.44</b>	<b>68.93</b>	<b>-</b>

**Annexure - 27**

**STATEMENT OF DETAILS OF FINANCIAL EXPENSES**

(Rs. In Lacs)

Particulars	31.03.18	31.03.17	31.03.16	31.03.15	31.03.14
Bank Charges	4.06	5.19	12.30	6.65	-
Interest on Cash Credit	35.92	39.81	53.52	30.59	-
Interest on Term Loans	32.60	55.82	81.40	93.01	-
Interest/Charges on LC/Bills Discounting	165.89	87.29	90.94	45.17	-
Interest on Car Loan	5.48	3.59	1.49	0.12	-
Less: Interest received from clients on delayed payments	(226.09)	-	-	-	-
<b>Total</b>	<b>17.87</b>	<b>191.70</b>	<b>239.65</b>	<b>175.54</b>	<b>-</b>



Annexure-28

STATEMENT OF DETAILS OF RELATED PARTY TRANSACTIONS

(Rs. In Lacs)

Particulars	Relationship	Name	31.03.18	31.03.17	31.03.16	31.03.15	31.03.14
<b>REVENUE ITEMS :</b>							
Salaries & Remuneration Interest							
--Salary	Director	Yogesh Anand	32.00	11.00	---	---	---
	Director	Harsh Anand	32.00	11.00	---	---	---
	Director	Yogesh Sahni	32.00	11.00	---	---	---
	Director	Rohit Anand	12.00	11.00	---	---	---
	Director	Jatin Anand	12.00	11.00	---	---	---
	Director	Karan Anand	12.00	11.00	---	---	---
	Director	Siddhant Sahni	12.00	11.00	---	---	---
Sales to	Group Company	Uttaranchal Industries	401.24	151.51	373.46	448.10	---
	Group Company	Quality Components	23.85	21.82	11.82	8.45	---
	Group Company	Gurutech Industries LLP	48.12	6.46	---	---	---
	Group Company	Maa Durga Steel	---	---	---	0.21	---
	Group Company	Guru Technologies Pvt. Ltd.	0.25	---	---	---	---
	Director	Rohit Anand	---	---	0.15	---	---
	Director	Siddhant Sahni	---	---	0.06	---	--
	Director's Relative	Neerja Sahni	---	---	0.03	---	---
	Director's Relative	Rakesh Sahni	---	---	0.03	---	--

Particulars	Relationship	Name	31.03.18	31.03.17	31.03.16	31.03.15	31.03.14
Purchases from	Group Company	Uttaranchal Industries	4786.77	84.72	104.65	435.92	---
	Group Company	Quality Components	1081.77	461.08	416.77	194.22	---
	Group Company	Guru Paper Cartons Pvt. Ltd.	---	178.93	---	---	---
	Group Company	Maa Durga Steel	---	---	3.04	180.73	---
Rent Paid to	Group Company	Guru Technologies Pvt. Ltd.	3.11	0.58	---	---	---
Production Consultancy paid to	Director Relative	Umesh Anand	---	---	1.25	---	---
<b><u>NON REVENUE ITEMS :</u></b>							
Loan Repaid	Director	Yogesh Anand	600.70	245.45	53.00	40.00	
	Director	Harsh Anand	81.59	189.50	53.00	25.00	
	Director	Yogesh Sahni	62.00	64.50	33.00	10.00	
	Director	Jatin Anand	1.50	---	---	10.00	
	Director	Karan Anand	1.50	---	---	---	
	Director	Siddhant Sahni	1.50	---	---	---	
	Group Company	Uttaranchal Industries	---	---	---	115.21	
	Group Company	Maa Durga Steel	---	---	---	69.00	
	Group Company	GSA International	5.00	---	---	---	
Loan Given		NIL	---		---	---	---

Particulars	Relationship	Name	31.03.18	31.03.17	31.03.16	31.03.15	31.03.14
Interest Given		NIL	---		---	---	---
Loan Taken	Director	Yogesh Anand	600.70	143.95	28.00	75.00	91.50
	Director	Harsh Anand	100.00	75.00	70.00	92.00	60.00
	Director	Yogesh Sahni	---	50.00	12.50	66.00	71.00
	Director	Jatin Anand	1.50	---	---	---	10.00
	Director	Karan Anand	1.50	---	---	---	---
	Director	Siddhant Sahni	1.50	---	---	---	---
	Group Company	Uttaranchal Industries	---	---	---	---	115.21
	Group Company	Maa Durga Steel	---	---	---	---	69.00
	Group Company	GSA International	15.00	---	---	---	---
Loan Received Back		NIL	---	---	---	---	---
Equity Contribution							
	Director	Yogesh Anand	---	---	33.00	10.00	25.00
	Director	Harsh Anand	---	---	33.00	10.00	25.00
	Director	Yogesh Sahni	---	---	33.00	10.00	25.00

## FINANCIAL INDEBTEDNESS

As on March 31, 2018, our Company has availed secured borrowings of Rs. 3250.13 lacs and unsecured borrowings outstanding of Rs. 87.91 lacs. Set forth below is a brief summary of our aggregate outstanding borrowings (both fund based and non-fund based) on a consolidated basis as on March 31, 2018.

Name of Lender	Purpose	Sanctioned Amount	Rate of Interest (%)	Security	Repayment Schedule	Outstanding Amount as on 31 <sup>st</sup> March, 2018 (Rs in lacs)
Bank of India	Working Capital Limit,  BOI A/C - 601930110 000055	Rs. 500 Lacs	1 year MCLR of 8.30% P.A. + BSS of 0.30% + CRP of 1.75% i.e. 10.35% P.A.	Hypothecation of stock, book debts, Plant & Machinery & EQM of factory's Land & Building located at khasra No. 105 & 106 at Raipur Industrial Area, Bhagwanpur, Roorkee Distt, haridwar, Uttrakhand & Personal Guarantee of Mr. Harsh Kumar Anand, Mr. Yogesh Sahni and Mr. Yogesh Anand.	Monthly	808.49
Bank of India	Term Loan  Term loan A/C - 601970210 000004	Rs. 750 Lacs	1 year MCLR of 8.30% P.A. + BSS of 0.30% + CRP of 1.75% i.e. 10.35% P.A.		Monthly	182.76
HDFC Bank Axis Bank Bank of India Axis Bank Axis Bank	Vehicle Loan	Rs. 39.56 Lacs Rs. 14.50 Lacs Rs. 11.65 Lacs Rs. 16.65 Lacs Rs. 16.50 Lacs	9.50% p.a. 9.10% p.a. 9.15% p.a. 9.10% p.a. 9.10% p.a.	Audi Vehicle- Chevrolet Cruze Creta Mahindra XUV 500 Tata Hexa	Monthly	8.60 10.79 5.26 12.00 11.89
SVC Bank	Bills Discounting under L/C (DA 90-180 days) (BD/36)	Rs. 5,000.00 lacs (Revised Vide Sanction letter dated 24 <sup>th</sup> November, 2017)	- Bills of Usha International Limited backed by LC upto 180 days: 7.20% p.a. till 31 <sup>st</sup> March, 2018  - Bills of Other customers backed by LC upto 180 days: Presently charged 7.30%	Nil	Monthly	2,210.34

Name of Lender	Purpose	Sanctioned Amount	Rate of Interest (%)	Security	Repayment Schedule	Outstanding Amount as on 31 <sup>st</sup> March, 2018 (Rs in lacs)
			p.a. but not below 7.25% p.a.			

**Unsecured Loan:-**

Name	Outstanding Amount as on 31 <sup>st</sup> March, 2018 (Rs in lacs)
Loans from Related Party	87.91
<b>Total</b>	<b>87.91</b>

## MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATION

The following discussion of our financial condition and results of operations should be read in conjunction with our audited restated financial statements for the financial years ended March 2018, 2017, 2016, 2015 and 2014 prepared in accordance with the Companies Act and Indian GAAP and restated in accordance with the SEBI ICDR Regulations, including the schedules, annexure and notes thereto and the reports thereon, included in the section titled "*Financial Information*" on page 202 of this Draft Prospectus. The following discussion relates to our Company on a standalone basis, and, unless otherwise stated, is based on our restated financial statements, which have been prepared in accordance with Indian GAAP, the Accounting Standards and other applicable provisions of the Companies Act and the SEBI (ICDR) Regulations. Our fiscal year ends on March 31 of each year so accordingly all references to a particular financial year are to the twelve months ended March 31 of that year.

Indian GAAP differs in certain material aspects from U.S. GAAP and IFRS. We have not attempted to quantify the impact of IFRS or U.S. GAAP on the financial data included in this Draft Prospectus, nor do we provide reconciliation of our financial statements to those under U.S. GAAP or IFRS. Accordingly, the degree to which the Indian GAAP financial statements included in this Draft Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with the Companies Act, Indian GAAP and SEBI ICDR Regulations.

This discussion contains forward-looking statements and reflects our current views with respect to future events and financial performance. Actual results may differ materially from those anticipated in these forward-looking statements as a result of certain factors such as those set forth in "*Risk Factors*" and "*Forward-Looking Statements*" on pages 15 and 14, of this Draft Prospectus beginning respectively.

### BUSINESS OVERVIEW

Ceiling and exhaust fans are important electro mechanic devices used in every household and commercial space adding value to the living interiors in terms of looks and air comfort. Fans have today become a necessity and not just a luxury.

We are a fully integrated end-to-end product and solution suite to the original sellers of the fans wherein we provide start to end solutions for fan sellers including sourcing, manufacturing, quality testing and packaging. We manufacture and supply fans to many well-known companies in India, which in turn distribute these products under their own brands.

Our Company was originally incorporated at Delhi as "Wonder Fibromats Private Limited" on 13<sup>th</sup> October, 2009 under the provisions of the Companies Act, 1956 vide Certificate of Incorporation issued by the Registrar of Companies, NCT of Delhi & Haryana. Consequent upon the conversion of our Company into public limited company, the name of our Company was changed to "Wonder Fibromats Limited" vide fresh Certificate of Incorporation dated July 5, 2018 issued by the Registrar of Companies, Delhi.

Our Company is engaged in the manufacturing of ceiling fans, exhaust, pedestal and brushless DC (BLDC) fans. All the parts & components of the fans are tested stringently at our in-house quality management lab to ensure their flawless performance. Moreover, various R&D activities are conducted by our professionals to remain abreast of the latest market requirements and competition. Apart from this, we have also set up a client-satisfaction cell which is supervised by our quality check (QC) department that reviews the complaints regarding our products directly from clients.

At Wonder Fibromats Limited, we manufacture and supply a wide range of ceiling, exhaust, pedestal and BLDC fans in various attractive designs and patterns, which are known for their high performance and low power

consumption in the market. Our range of fans is available in different designs, colours and has superior gloss finishes that add grace to the decor of the surroundings. We also manufacture these fans as per specification of our clients which include well-known companies which are selling under their own brands in India.

Our fans are manufactured in accordance with the strict industrial standards and these extra durable ceiling, exhaust, pedestal and BLDC fans are known for their features such as superior strength, fine finish, and make us the one of the established fans manufacturers in India.

We believe that we have continuously diversified our product portfolio to keep pace with changing consumer trends and development in technology.

The table below sets out our sales volume across our key product portfolio for the period indicated:

Sr. No.	Product/ Vertical	Installed Capacity P.A (in Units)	Sales for the period ended 31 <sup>st</sup> March 2018] (in Units)	% sale of the Installed Capacity
1.	Ceiling Fans	42.00 Lacs	35.95 Lacs	85.60%
2.	Exhaust Fans	3.00 Lacs	2.35 Lacs	78.33%
3.	Pedestal Fans	3.00 Lacs	0.05 Lacs	1.67%
4.	BLDC Fans	1.20 Lacs	0.09 Lacs	7.5%

In line with our focus to provide end to end product solutions, we have done backward integration of our major manufacturing processes by developing in-house capabilities for blade fabrication, cover & rotor machining on automatic CNC machines, copper winding of stators, sanding, buffing, pre-treatment using nano technology, powder coating on a fully conveyORIZED & automatic paint-shop using robotic arm reciprocators, liquid painting for high end metallic finishes on a fully conveyORIZED, semi-automatic paint-shop and assembly. We believe that this improves our cost efficiency, reduces dependency on third party suppliers and gives better control on production time and quality of critical components used in manufacturing of the products.

Our in-house R&D team, apart from undertaking aesthetic, electrical and mechanical design and component engineering, also assists our customers in cost reduction through value engineering. This enables us to address consumer requirements across geographies, introduce new and unique products in the market and enhance existing products with emerging technologies.

Our R&D Facilities include the following:

1. Computer Aided designing tools like AutoCAD, ProE etc.;
2. Fully functional Lab for testing & validation of design;
3. Semi-Automatic Air Delivery Chamber with Imported Anemometer;
4. Access to all in-house processes like CNC Machining, Automatic Winding Shop, Press Shop for Blade Fabrication, Paint-Shops etc.

We have state-of-the-art manufacturing facility which is strategically located at Khasra No. 105-106, Raipur Industrial Area, Bhagwanpur, Roorkee-247667, meeting all the quality requirements of our customers. Our manufacturing facility has been accredited with quality management system and environmental management system, certificate for compliance with ISO 9001:2015 & ISO 14001:2015 requirements respectively. Further, few of our products are also compliant with quality standards issued by the Bureau of Indian Standards and our facility is BIS approved for using ISI mark on qualifying products. For further details, refer to the sub-section titled “*Our Manufacturing Facilities*” on page 59 of the Draft Prospectus. We are also in the process of setting up a new



manufacturing facility in Hyderabad for an estimated production capacity of manufacturing 36,00,000 fans per annum presuming 300 operating days in a year and single Shift (12 Hours)-working basis. For more details, please refer the chapter titled “Objects of the Issue” on page 102 of the Draft Prospectus.

As on March 31, 2018, we had 494 (Four Hundred Ninety Four) permanent employees.

Our revenue from operations (Net), EBITDA and Profit after Tax, as restated, from all the segments, for the periods indicated are provided in the table below:

Rs. in Lacs					
Particulars	31.03.18	31.03.17	31.03.16	31.03.15	31.03.14
Revenue from operations (net)	29,371.22	16,562.95	13,739.78	7,202.28	-
EBITDA	1,280.22	1,046.47	592.27	151.73	-
EBITDA (%)	4.36%	6.32%	4.31%	2.17%	-
Profit after tax	797.30	509.16	163.73	(227.48)	-
Profit after tax (%)	2.71%	3.07%	1.19%	(3.16)%	-

The following table sets out the vertical-wise revenue proportion of our major products during the last five years:

(Qty and Values in Lacs)										
PRODUCTS	2017-18		2016-17		2015-16		2014-15		2013-14	
	Qty	Value	Qty	Value	Qty	Value	Qty	Value	Qty	Value
Ceiling fans	36.47	25,616.28	18.67	13,295.12	16.58	11,606.19	7.57	5,639.50	-	-
Exhaust fans	1.63	2,725.30	1.55	2,613.03	1.12	1,732.83	0.87	1,324.48	-	-

### Our Strengths:

We believe that our experience in manufacturing, successful backward integration and design capabilities, strong relationships with our suppliers and anchor customers has resulted in us achieving leading position in our key verticals. We believe our established position helps us in buying critical components at competitive prices, achieve operational efficiencies, helps us in continuing to expand our customer base and further strengthens our relationship with anchor customers. It further enhances our ability to diversify into related products and enter new geographies.

### **Strong relationships with a diverse top-tier customer base**

We have established and will continue to focus on strengthening our long-standing relationships with well-known customers across product verticals. We view these customers as our partners and seek to provide them with quality end-to-end product solutions. We believe that our customers are long term reputed players in the industry. Our relationships with them have enabled us to continuously develop, diversify and improve our product portfolio, plan our production in anticipation of demand from retail customers and ensure continuous focus on quality. Such long-term business relationships stem from our commitment to quality products and timely delivery of customers’ orders under tight delivery schedules and short production lead time.

Our major customers include well known companies of fans & home appliances which are selling the products under their own brands in India. All our customers are well respected players in one or more product categories offered by us.

Over the years, while maintaining and strengthening our relationships with our existing customers, we have successfully expanded and diversified our customer mix. In addition to targeting large and global players, we also cater to various leading local and small players across product verticals. We believe that by broadening our customer portfolio, we are able to reduce our reliance on just a few customers for our revenue streams.

We believe, our strong customer base has not only been instrumental in our success to date, but also will be a strong driver of our future growth and help expand our market share, develop new products and enter newer markets. Our ability to maintain and grow these customer relationships stems from our history of continuously creating value for our customers.

#### **Experienced Promoters and seasoned management team**

Our Promoters have almost 3 decades of experience in the fan manufacturing industry.

Our Key Managerial Personnel have an average experience of over **15** years, comprise of experienced professionals with extensive experience in their domains, helping us develop new products through in-house R&D capabilities, thereby quickly adapting to changing client requirements across varying product mix.

Additionally, our senior management also possesses extensive industry and management experience which we believe has given us a specialized understanding of the complexities involved in the fan manufacturing industry in India and its processes. We believe that our business growth is attributable to our strong management culture fostered by an entrepreneurial spirit, each product vertical being managed by experienced and hands-on vertical heads having in-depth knowledge of our industry. Our experienced management team has successfully led our operations, increased our capacity, revenues and profits since our inception and is passionate and dedicated to our business and innovation.

We believe that our highly experienced and dedicated management team enables us to capture market opportunities, formulate and execute business strategies, manage client expectations as well as proactively manage changes in market conditions.

#### **Quality Assurance and Standards**

We believe in providing our customers the best possible quality products. Since our Company is dedicated towards quality products, processes and inputs we get regular orders from our customers, as we are capable of meeting their quality standards.

#### **End to end solutions provider with dedicated research and development capabilities**

Since inception, we have expanded our customer base and gained technological expertise in designing and manufacturing of fans. We place a high emphasis on integrating our services to continue to serve as an end-to-end product solutions provider and maintain an edge over our competitors. We believe that our dedication to design, manufacturing and our service infrastructure ensure customer satisfaction, foster customer loyalty and generate repeat business. Our capabilities which enable us to provide end-to-end solutions are:

#### **Research and development**

Our product superiority is founded on firm commitment to fan technology through continuous research and development.

Our manufacturing team produces high quality fans and all fans are tested in a well-equipped, in-house laboratory. All manufactured products are tested as per the standards laid down by Bureau of Indian Standards.

All our equipment is backed by not only highly skilled production staff but also by a strong and very experienced engineering and management team. We have in-house processes for machining, fabrication, stator winding, buffing, powder coating, painting, assembling, testing and packaging which includes moving semi-finished parts/products through conveyor belts.

Our R&D center which is located at our manufacturing facility in Roorkee has access to latest equipment such as CNC M/C for covers and rotors, drill, tapping, lathe, lacquer booth, drying oven, powder coating system (ITW GEMA), powder coating line, power presses and shearing machines for blade fabrication, belt conveyor, bearing pressing, coil winding, varnishing, liquid painting, sanding, auto strapping, dynamic balancing etc. The R&D team has the capabilities to verify and develop conceptual designs received from customers and convert such designs into deliverable products by improving the designs, recommending suitable raw materials and testing of trial products. The R&D team also aims to provide solutions to improve manufacturing efficiency on the existing products, reduce production costs and also assists our customers in designing consumer durable and lighting products by providing design and engineering support.

Driven by core values of manufacturing and producing top-quality, authentic fans of the highest standards, the Company has rapidly developed a reputation for exceptional quality fans that offers top value for money.

### **Sourcing**

With an increase in the scale of our operations over the years, we have access to and have established continuous relationships with domestic and some international suppliers and gained expertise in procurement of components which meet strict quality standards and adhere to the time schedules laid down by our customers, on competitive rates. The benefits of placing large orders with our suppliers allow us to source at competitive prices thereby improving our margins and ability to win further business.

### **Backward integration**

We have successfully achieved backward integration of our services by setting up in-house manufacturing of wound components, blades & packing as well as other processes like machining, buffing, powder coating, painting etc. Backward integration provides us the benefit of greater control on the manufacturing process, quality and the corresponding benefits of cost efficiencies thereby improving our margins. As a result, we are able to fulfil our customers' diverse needs in a timely manner and enhance our ability to offer cost-competitive 'one-stop-shop' solutions.

### **Flexible and cost-effective manufacturing capabilities**

We have a proven track record of serving product requirements of our customers and we continue to pursue greater efficiencies of cost, time, quality and scale in our manufacturing processes. We maintain the flexibility of our manufacturing facilities by measures such as multiple-function training and standardization of equipment.

Due to the large scale of our operations, extensive experience in manufacturing, backward integrated manufacturing facilities, sourcing, processes and availability of skilled and unskilled manpower at our manufacturing facilities, we are able to offer cost effective solutions to our customers while maintaining our margins.

We attribute our ability to deliver quality products because of our control on manufacturing processes, robust engineering and quality assurance systems. The quality control team is tasked with thorough pre-manufacturing checks and balances. This prevents or, where necessary, uncovers defects which ensures that time and resources are not wasted in the production of defective products. Our manufacturing facility has been certified ISO 9001:2000 in accordance with international quality standards.

### **Strong Financial Performance and stable cash flows**

We have a track record of sustained growth in revenue and profitability. For the last three fiscals ended March 31, 2018, we achieved a CAGR of 59.97% in Total revenue of the Company of Rs. 29,486.85 Lacs and in fiscal ended March 31, 2017, CAGR of 51.65% in Total revenue of the Company of Rs. 16564.89 Lacs. Similarly, we have achieved CAGR of 90.78% in Total revenue of the Company of Rs. 13741.19 Lacs in fiscal 2016.

We believe that our robust financial position illustrates not only the growth of our operations over the years, but also the effectiveness of allocation of our capital and strong working capital management across our business. Further, during the fiscals 2018, 2017 and 2016, we reported RONW of 58.51%, 90.53% and 298.83%, respectively. Among other things, our strong financial position has enabled us to increase our production capacities and diversify into newer products and offerings through internal accruals without increasing our external borrowings.

Our financial stability and positive cash flow from operations enable us to meet the present and future requirement of our customers. Our strong balance sheet gives our customers the confidence that we will be able to support them in terms of both capabilities and capacities. This also helps strengthen trust and engagement with our customers, thereby increasing customer stickiness.

### **SIGNIFICANT DEVELOPMENTS SUBSEQUENT TO THE LAST AUDITED FINANCIAL STATEMENTS**

In the opinion of the Board of Directors of our Company, since the date of the last financial statements disclosed in this Draft Prospectus, there have not arisen any circumstance that materially or adversely affect or are likely to affect the profitability of our Company or the value of its assets or its ability to pay its material liabilities within the next twelve months except as follows:

1. The Board of Directors appointed Mr. Harsh Kumar Anand as Managing Director with effect from 30<sup>th</sup> July, 2018;
2. The Board of Directors appointed Mr. Yogesh Anand as Chief Financial Officer with effect from 30<sup>th</sup> July, 2018;
3. The Company appointed Mr. Praveen Chand Khanna, Mr. Jugal Kishore Chugh, Mr. Sunil Malhotra and Mr. Amarbir Singh Bhatia as an Independent Director w.e.f 30<sup>th</sup> July, 2018;
4. The Company appointed Mrs. Neerja Sahni as an Executive and Non Independent Director w.e.f. 30<sup>th</sup> July, 2018;
5. The Board of Directors on 10<sup>th</sup> September, 2018 appointed Ms. Nikita as Company Secretary and Compliance officer of the Company;

6. The shareholders of the Company approved increase in Authorised Share Capital of the Company from Rs. 500.00 Lacs to Rs. 1000.00 lacs and Bonus Issue in ratio of 2 (Two) Equity Shares for every 1 (one) equity share held in its Extra Ordinary General Meeting held on 30<sup>th</sup> July, 2018;
7. The Board of Directors in its Meeting held on 10<sup>th</sup> August, 2018 allotted 41,01,000 bonus shares in the ratio of every 1 (one) equity share held by existing shareholders;
8. The Registered office of the Company changed from E-279, Greater Kailash-II, New Delhi-110048 to 45 Okhla Industrial Estate, Phase-III, Delhi New Delhi DL 110020 w.e.f. 18<sup>th</sup> June, 2018.
9. The Shareholders of the Company approved the Conversion of the Company from Private Limited to Public Limited and consequent change of Name of the Company from “Wonder Fibromats Private Limited” to “Wonder Fibromats Limited” in its Extra Ordinary General Meeting held on 15<sup>th</sup> June, 2018 and Fresh Certificate of Incorporation was issued by ROC vide dated 5<sup>th</sup> July, 2018 ;
10. The shareholders approved and passed a special resolution on 31<sup>st</sup> August, 2018 to authorize the Board of Directors to Borrow the Funds.
11. The shareholders approved and passed a special resolution on 31<sup>st</sup> August, 2018 to authorize the Board of Directors to raise funds by making an Initial Public Offering.

#### **FACTORS AFFECTING OUR RESULTS OF OPERATIONS**

Our business is subjected to various risks and uncertainties, including those discussed in the section titled “*Risk Factors*” beginning on page 15 of this Draft Prospectus. Our results of operations and financial conditions are affected by numerous factors including the following:

- Our success depends on the value, perception and quality of our product;
- General economic and business conditions;
- Company’s inability to successfully implement its growth and expansion plans;
- Increasing competition in the Industry;
- Changes in technology;
- Any change in the laws and regulations to Industry in which we operate;
- Operational guidance and support

#### **DISCUSSION ON RESULT OF OPERATION**

The following discussion on result of operations should be read in conjunction with the restated financial statements of our Company for the financial years ended March 2018, 2017, 2016, 2015 and 2014.

## OVERVIEW OF REVENUE & EXPENDITURE

### Revenues:

#### *Income from operations:*

Our principal component of revenue from operations is from income from sale of product manufactured by our Company.

#### *Other Income:*

Our other income mainly includes interest income, Duty Drawback and Foreign exchange fluctuations.

(Rs. In Lacs)

Particulars	2018	2017	2016	2015	2014
<b>Income</b>					
Revenue from Operations	29,371.22	16,562.95	13,739.78	7,202.28	-
As a % of Total Revenue	99.61	99.99	99.99	99.99	-
Other Income	115.63	1.94	1.41	0.52	-
As a % of Total Revenue	0.39	0.01	0.01	0.01	-
<b>Total Revenue</b>	<b>29,486.85</b>	<b>16,564.89</b>	<b>13,741.19</b>	<b>7,202.80</b>	<b>-</b>

### Expenditure:

Our total expenditure primarily consists of employee benefit expenses, Operating, Administrative, Selling and Other Expenses, finance cost, depreciation and other expenses.

#### **Employee benefits expense**

Our employee benefits expense primarily comprise of salaries and wages expenses and staff welfare expenses.

#### **Depreciation & Amortization**

Depreciation includes depreciation on tangible assets like building, furniture & fixtures, computers and office equipment. Amortization includes amortization of intangible assets.

#### **Other Expenses**

Other expenses include the following:

- Operating expenses like manufacturing expenses, electricity expenses.
- General expenses like marketing and sales promotion expenses, printing, stationery, insurance, audit and professional fees etc.

- Administrative and other expenses such as advertisement, traveling, conveyance expenses, etc.

### Statement of profits and loss

The following table sets forth, for the fiscal years indicated, certain items derived from our Company's audited restated financial statements, in each case stated in absolute terms and as a percentage of total sales and/or total revenue:

(Rs. In Lacs)					
Particulars	31.03.2018	31.03.2017	31.03.2016	31.03.2015	31.03.2014
<b>Income:-</b>					
Revenue from Operations	29,371.22	16,562.95	13,739.78	7,202.28	-
<i>As a % of Total Revenue</i>	<i>99.61</i>	<i>99.99</i>	<i>99.99</i>	<i>99.99</i>	-
Other Income	115.63	1.94	1.41	0.52	-
<i>As a % of Total Revenue</i>	<i>0.39</i>	<i>0.01</i>	<i>0.01</i>	<i>0.01</i>	-
<b>Total Revenue (A)</b>	<b>29,486.85</b>	<b>16,564.89</b>	<b>13,741.19</b>	<b>7,202.80</b>	-
<b>Growth %</b>	<b>78.01</b>	<b>20.55</b>	<b>90.78</b>	<b>100.00</b>	
<b>Expenditure:-</b>					
Raw Materials Consumed	20,828.37	12,754.17	10,749.18	6,103.28	-
<i>As a % of Total Revenue</i>	<i>70.64</i>	<i>77.00</i>	<i>78.23</i>	<i>84.73</i>	-
Manufacturing Expenses	3,220.95	1,965.94	1,861.32	847.69	-
<i>As a % of Total Revenue</i>	<i>10.92</i>	<i>11.87</i>	<i>13.55</i>	<i>11.77</i>	-
Purchase of Stock In trade	-	-	-	-	-
<i>As a % of Total Revenue</i>	-	-	-	-	-
Change in inventories of finished goods, work in progress and cost-in-trade	2,945.95	114.05	58.96	(199.15)	-
Employees Benefit Expenses	914.29	555.52	327.02	230.32	-
<i>As a % of Total Revenue</i>	<i>3.10</i>	<i>3.35</i>	<i>2.38</i>	<i>3.20</i>	-
Operating, Administrative, Selling, and Other Expenses	297.07	128.74	152.44	68.93	-
<i>As a % of Total Revenue</i>	<i>1.01</i>	<i>0.78</i>	<i>1.11</i>	<i>0.96</i>	-
Depreciation and Amortization Expense	198.40	180.96	188.42	222.50	-
<i>As a % of Total Revenue</i>	<i>0.67</i>	<i>1.09</i>	<i>1.37</i>	<i>3.09</i>	-
Interest & Finance Charges	17.87	191.70	239.65	175.54	-
<i>As a % of Total Revenue</i>	<i>0.06</i>	<i>1.16</i>	<i>1.74</i>	<i>2.44</i>	-
<b>Total Expenses (B)</b>	<b>28,422.90</b>	<b>15,891.08</b>	<b>13,576.99</b>	<b>7,449.11</b>	-
<i>As a % of Total Revenue</i>	<i>96.39</i>	<i>95.93</i>	<i>98.81</i>	<i>103.42</i>	-
<b>Profit before extraordinary items and tax</b>	<b>1,063.95</b>	<b>673.81</b>	<b>164.20</b>	<b>(246.31)</b>	-
<i>As a % of Total Revenue</i>	<i>3.61</i>	<i>4.07</i>	<i>1.19</i>	<i>(3.42)</i>	-
Extraordinary Items	-	-	-	-	-
<b>Profit before Tax</b>	<b>1,063.95</b>	<b>673.81</b>	<b>164.20</b>	<b>(246.31)</b>	-
<b>PBT Margin</b>	<b>3.61</b>	<b>4.07</b>	<b>1.19</b>	<b>(3.42)</b>	-
<b>Tax Expense:</b>					
i. Current Tax	264.23	166.81	5.91	-	-



Particulars	31.03.2018	31.03.2017	31.03.2016	31.03.2015	31.03.2014
ii. Short / (Excess) provision	-	-	-	-	-
iii. Deferred Tax	2.42	(2.16)	(5.44)	(18.83)	-
<b>Total Tax Expense</b>	<b>266.65</b>	<b>164.65</b>	<b>0.47</b>	<b>(18.83)</b>	<b>-</b>
Profit for the year/period	<b>797.30</b>	<b>509.16</b>	<b>163.73</b>	<b>(227.48)</b>	<b>-</b>
<b>PAT Margin %</b>	<b>2.70</b>	<b>3.07</b>	<b>1.19</b>	<b>-3.16</b>	<b>-</b>

#### COMPARISON OF FINANCIAL YEAR ENDED MARCH 31, 2018 WITH FINANCIAL YEAR ENDED MARCH 31, 2017

#### INCOME

##### Income from Operations

(Rs. In Lacs)

Particulars	2017-18	2016-17	Variance In %
Revenue from Operations	29,371.22	16,562.95	77.33

The operating income of the Company for the year ending March 31, 2018 is Rs. 29,371.22 lacs as compared to Rs. 16,562.95 lacs for the year ending March 31, 2017, showing increase of 77.33%, and such Increase is due to Increase in volume of operations.

##### Other Income

Our other income Increased from Rs. 1.94 Lacs to Rs. 115.63 lacs. This was primarily due to GST Claim from Government under DIPP, Duty Drawback, Foreign Exchange Fluctuation.

##### Manufacturing Expenses

(Rs. In Lacs)

Particulars	2017-18	2016-17	Variance In %
Manufacturing Expenses	3,220.95	1,965.94	63.84

Manufacturing expenses have also increased by 63.84% from Rs. 1,965.94 lacs in financial year 2016-17 to Rs. 3,220.95 lacs in financial year 2017-18. The increase was due to increase in Manufacturing Expenses as per Financial Information given on page 202 of the Draft prospectus.

##### Operating, Administrative and Employee Costs

(Rs. In Lacs)

Particulars	2017-18	2016-17	Variance In %
Employee Benefit Expenses	914.29	555.52	64.58
Operating, Administrative, Selling and Other Expenses	297.07	128.74	130.75

There is 64.58% increase in employee benefit expenses from Rs. 555.52 lacs in financial year 2016-17 to Rs. 914.29 lacs in financial year 2017-18 which is due to increase in staff and salary & wages. Our other expenses have also

increased by 130.75% from Rs. 128.74 lacs in financial year 2016-17 to Rs. 297.07 lacs in financial year 2017-18. The increase was due to increase in operating expenses, general expenses and administrative expenses.

### Depreciation

Depreciation expenses for the Financial Year 2017-2018 have increased to Rs. 198.40 lacs as compared to Rs. 180.96 lacs for the Financial Year 2016-2017. The increase in depreciation was majorly due to increase in value of tangible assets.

### Finance Charges

Our finance cost which consists of interest, processing fees and charges decreased by 90.68% in FY 2017-18 as compared to FY 2016-17 due to decrease in interest expenses and Bank charges.

### Profit Before Tax

(Rs. In Lacs)

Particulars	2017-18	2016-17	Variance In %
Profit Before Tax	1,063.95	673.81	57.90

Profit before tax increased by 57.90% from Rs. 673.81 lacs in financial year 2016-17 to Rs. 1,063.95 lacs in financial year 2017-18.

### Provision for Tax and Net Profit

(Rs. In Lacs)

Particulars	2017-18	2016-17	Variance In %
Taxation Expense	266.65	164.65	61.95
Profit After Tax	797.30	509.16	56.59

Our profit after tax Increased by 56.59% from Rs. 509.16 lacs in financial year 2016-17 to Rs. 797.30 lacs in financial year 2017-18. This increment was in line with increase in operational income.

## COMPARISON OF FINANCIAL YEAR ENDED MARCH 31, 2017 WITH FINANCIAL YEAR ENDED MARCH 31, 2016

### INCOME

#### Income from Operations

(Rs. In Lacs)

Particulars	2016-17	2015-16	Variance In %
Revenue from Operations	16,562.95	13,739.78	20.55

The operating income of the Company for the year ending March 31, 2017 is Rs. 16562.95 lacs as compared to Rs. 13739.78 lacs for the year ending March 31, 2016, showing increase of 20.55%, and such increase is due to increase in volume of operations.

## Other Income

Our other income increased from Rs. 1.41 Lacs to Rs. 1.94 lacs. This was primarily due to Interest.

## Manufacturing Expenses

(Rs. In Lacs)

Particulars	2016-17	2015-16	Variance In %
Manufacturing Expenses	1,965.94	1,861.32	5.62

Manufacturing expenses have also increased by 5.62% from Rs. 1,861.32 lacs in financial year 2015-16 to Rs. 1965.94 lacs in financial year 2016-17. The increase was due to increase in Manufacturing Expenses as per Financial Information given on page 202 of the Draft prospectus.

## Operating, Administrative and Employee Costs

(Rs. In Lacs)

Particulars	2016-17	2015-16	Variance In %
Employee Benefit Expenses	555.52	327.02	69.87
Operating, Administrative, Selling and Other Expenses	128.74	152.44	(15.55)

There is 69.87% increase in employee benefit expenses from Rs. 327.02 lacs in financial year 2015-16 to Rs. 555.52 lacs in financial year 2016-17 which is due to increase in staff and salary & wages. Our other expenses have decreased by 15.55% from Rs. 152.44 lacs in financial year 2015-16 to Rs. 128.74 lacs in financial year 2016-17. The decrease was due to decrease in operating expenses, general expenses and administrative expenses.

## Depreciation

Depreciation expenses for the Financial Year 2016-2017 have decreased to Rs. 180.96 lacs as compared to Rs. 188.42 lacs for the Financial Year 2015-2016. The decrease in depreciation was majorly due to decrease in value of tangible assets.

## Finance Charges

Our finance cost which consists of interest, processing fees and charges decreased by 20.01% in FY 2016-17 as compared to FY 2015-16 due to decrease in interest expenses and Bank charges.

## Profit Before Tax

(Rs. In Lacs)

Particulars	2016-17	2015-16	Variance In %
Profit Before Tax	673.81	164.20	310.36

Profit before tax increased by 310.36% from Rs. 164.20 lacs in financial year 2015-16 to Rs. 673.81 lacs in financial year 2016-17.

### Provision for Tax and Net Profit

(Rs. In Lacs)

Particulars	2016-17	2015-16	Variance In %
Taxation Expense	164.65	0.47	34,931.91
Profit After Tax	509.16	163.73	210.98

Our profit after tax increased by 210.98% from Rs. 163.73 lacs in financial year 2015-16 to Rs. 509.16 lacs in financial year 2016-17. This increment was in line with increase in operational income.

### COMPARISON OF FINANCIAL YEAR ENDED MARCH 31, 2016 WITH FINANCIAL YEAR ENDED MARCH 31, 2015

#### INCOME

##### Income from Operations

(Rs. In Lacs)

Particulars	2015-16	2014-15	Variance In %
Revenue from Operations	13,739.78	7,202.28	90.77

The operating income of the Company for the year ending March 31, 2016 is Rs. 13,739.78 lacs as compared to Rs. 7,202.28 lacs for the year ending March 31, 2015, showing an increase of 90.77%, and such increase was attributed to rise in volume of our operations.

##### Other Income

Our other income increased by 171.15% from Rs. 0.52 lacs to Rs. 1.41 lacs. This was primarily due to increase in interest income, in fiscal 2016.

##### Manufacturing Expenses

(Rs. In Lacs)

Particulars	2015-16	2014-15	Variance In %
Manufacturing Expenses	1,861.32	847.69	119.58

Manufacturing expenses have also increased by 119.58% from Rs. 847.69 lacs in financial year 2014-15 to Rs. 1,861.32 lacs in financial year 2015-16. The increase was due to increase in Manufacturing Expenses as per Financial Information given on page 202 of the Draft prospectus.

##### Operating, Administrative and Employee Costs

(Rs. In Lacs)

Particulars	2015-16	2014-15	Variance In %
Employee Benefit Expenses	327.02	230.32	41.99
Operating, Administrative, Selling and Other Expenses	152.44	68.93	121.15

There is 41.99% increase in employee benefit expenses from Rs. 230.32 lacs in financial year 2014-15 to Rs. 327.02 lacs in financial year 2015-16 which is due to increase in salaries and wages. Our Operating, Administrative, Selling and Other Expenses expenses increased by 121.15% from Rs. 68.93 lacs in financial year 2014-15 to Rs. 152.44 lacs in financial year 2015-16. The increase was due to increase in operating expenses, general expenses and administrative expenses.

### Depreciation

Depreciation expenses for the Financial Year 2015-2016 have decreased to Rs. 188.42 lacs as compared to Rs. 222.50 lacs for the Financial Year 2014-2015. The decrease in depreciation was mainly due to decrease in Fixed Assets.

### Finance Charges

Our finance cost which consists of interest, processing fees and charges increased by 36.52% in FY 2015-16 compared to FY 2014-15.

### Profit Before Tax

(Rs. In Lacs)

Particulars	2015-16	2014-15	Variance In %
Profit Before Tax	164.20	(246.31)	(166.66)

Profit before tax increased from Rs. (246.31) lacs in financial year 2014-15 to Rs. 164.20 lacs in financial year 2015-16.

### Provision for Tax and Net Profit

(Rs. In Lacs)

Particulars	2015-16	2014-15	Variance In %
Taxation Expense	0.47	(18.83)	(102.50)
Profit After Tax	163.73	(227.48)	(171.98)

Our profit after tax increased from Rs. (227.48) lacs in financial year 2014-15 to Rs. 163.73 lacs in financial year 2015-16. This increase was in line with our increase in operations.

## COMPARISON OF FINANCIAL YEAR ENDED MARCH 31, 2015 WITH FINANCIAL YEAR ENDED MARCH 31, 2014

### INCOME

#### Income from Operations

(Rs. In Lacs)

Particulars	2014-15	2013-14	Variance In %
Revenue from Operations	7,202.28	-	100.00

The operating income of the Company for the year ending March 31, 2015 is Rs. 7,202.28 lacs as compared to Nil for the year ending March 31, 2014, showing a increase of 100.00%, and such increase was attributed to increase in volume of operations.

#### Other Income

Our Other Income for the financial year ended 31<sup>st</sup> March, 2015 was at Rs. 0.52 Lacs as against Nil for the fiscal year 2014.

#### Manufacturing Expenses

(Rs. In Lacs)

Particulars	2014-15	2013-14	Variance In %
Manufacturing Expenses	847.69	-	100.00

Manufacturing expenses have also increased by 100.00% from Nil in financial year 2013.14 to Rs. 847.69 lacs in financial year 2014-15. The increase was due to Start of Manufacturing.

#### Operating, Administrative and Employee Costs

Rs. In Lacs)

Particulars	2014-15	2013-14	Variance In %
Employee Benefit Expenses	230.32	-	100.00
Operating, Administrative, Selling and Other Expenses	68.93	-	100.00

There is 100.00% increase in employee benefit expenses from Nil in financial year 2013-14 to Rs. 230.32 lacs in financial year 2014-15. This was due to increase in salaries and wages and increase in staff.

Our Operating, Administrative, Selling and Other Expenses increased by 100.00% from Nil in financial year 2013-14 to Rs. 68.93 lacs in financial year 2014-15. The Increase was due to increase in operating expenses, general expenses and administrative expenses.

#### Depreciation

Depreciation expenses for the Financial Year 2014-2015 have increased to Rs. 222.50 lacs as compared to Nil for the Financial Year 2013-2014, this is due to increase in fixed assets.

#### Finance Charges

Our finance cost which consists of interest, processing fees and charges for the financial year ended 31<sup>st</sup> March, 2015 was at Rs. 175.54 Lacs as against Nil for the fiscal year 2014.

#### Profit Before Tax

(Rs. In Lacs)

Particulars	2014-15	2013-14	Variance In %
Profit Before Tax	(246.31)	-	-

Profit before tax was Rs. (246.31) lacs in financial year 2014-15 due to first year of production.

#### Provision for Tax and Net Profit

(Rs. In Lacs)

Particulars	2014-15	2013-14	Variance In %
Taxation Expense	(18.83)	-	-
Profit After Tax	(227.48)	-	-

Our profit after tax decreased from Nil in financial year 2013-14 to Rs. (227.48) lacs in financial year 2014-15. This was mainly due to Increase in revenue from operations and Increase in Expenses being first year of operation.

#### OTHER MATTERS

##### Unusual or infrequent events or transactions

There are no transactions or events, which in our best judgement, would be considered unusual or infrequent that have significantly affected operations of the Company.

##### Significant economic changes that materially affected or are likely to affect income from continuing operations

There are no significant economic changes that materially affected Company's operations or are likely to affect income from continuing operations. Any slowdown in the growth of Indian economy or future volatility in global commodity prices, could affect the business, including the future financial performance, shareholders' funds and ability to implement strategy and the price of the Equity Shares.

##### Known trends or uncertainties that have had or are expected to have a material adverse impact on sales, revenue or income from continuing operations

Other than as disclosed in the section titled "Risk Factors" beginning on page 15 of this Draft Prospectus to our knowledge, there are no known trends or uncertainties that have or had or are expected to have a material adverse impact on revenues or income of our Company from continuing operations.

##### Future changes in relationship between costs and revenues in case of events such as future increase in labor or material cost or prices that will cause material change.

According to our knowledge, there are no future relationship between cost and income that would be expected to have a material adverse impact on our operations and revenues. However, increase in the cost of the goods in which the Company deals, will affect the profitability of the Company. Further, the Company may not be able to pass on the increase in prices of the services to the customers in full and this can be offset through cost reduction.

##### 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 prices

The increase in revenue is by and large linked to increase in volume of all the activities carried out by the Company.



**Total turnover of each major industry segment in which the issuer company operates.**

The Company is operating single business segment i.e. Manufacturing of fans etc. Relevant industry data, as available, has been included in the chapter titled "*Industry Overview*" beginning on page 120 of this Draft Prospectus.

**Status of any publicly announced new products/projects or business segments**

Our Company has not announced any new projects or business segments, other than disclosed in the Draft Prospectus.

**The extent to which the business is seasonal**

Our Company's business is not seasonal in nature.

**Any significant dependence on a single or few suppliers or customers**

The % of Contribution of our Company's customer and supplier vis a vis the total revenue from operations and raw materials/ finished goods cost respectively as March 31, 2018 is as follows:

Particulars	Customers	Suppliers
Top 5 (%)	75.68	41.15
Top 10 (%)	96.05	54.50

**Competitive Conditions**

We have competition with Indian and international manufacturers and our results of operations could be affected by competition in the industry / sector in India and international market in the future. We expect competition to intensify due to possible new entrants in the market, existing competitors further expanding their operations and our entry into new markets where we may compete with well-established unorganized companies / entities. This we believe may impact our financial condition and operations. For details, please refer to the chapter titled "Risk Factors" on page 15 of Draft Prospectus.

## SECTION VI: LEGAL AND OTHER INFORMATION

### OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

*Except as described below, there are no outstanding litigations, suits, civil or criminal prosecutions, proceedings before any judicial, quasi-judicial, arbitral or administrative tribunals, including pending proceedings for violation of statutory regulations or alleging criminal or economic offences or tax liabilities or any other offences (including past cases where penalties may or may not have been awarded and irrespective of whether they are specified under paragraph (i) of Part I of Schedule XIII of the Companies Act ) against our Company, Promoter, Group Companies, Directors and Subsidiaries as of the date of this Draft Prospectus that would have a material adverse effect on our business. There are no defaults, non-payments or overdue of statutory liabilities, institutional/ bank dues. and dues payable to holders of debentures or fixed deposits and arrears of cumulative preference shares that would have a material adverse effect on our business.*

*Except as stated below there are no outstanding Material Dues (as defined below) to creditors; or (ii) outstanding dues to small scale undertakings and other creditors.*

*Our Board, in its meeting held on 6<sup>th</sup> August, 2018 determined that outstanding dues to creditors in excess of Rs 5.00 lacs as per last audited financial statements shall be considered as material dues (“Material Dues”).*

*Our Board, in its meeting held on 6<sup>th</sup> August, 2018 determined that litigations involving the Company/promoters/group companies/subsidiaries other than criminal proceedings, statutory or regulatory actions and taxation matters where a monetary amount of claim by or against the entity or person in any such pending matter(s) is in excess of Rs. 5.00 lacs as per last audited financial statements and such pending cases are material from the perspective of the Company’s business, operations, prospects or reputation, shall be considered as material. Unless otherwise stated to contrary, the information provided is as of date of this Draft Prospectus.*

#### **PART I - Contingent Liabilities of Our Company**

There are no contingent liabilities as per the Audited Financial Statements of the Company.

#### **PART II: LITIGATION RELATING TO OUR COMPANY**

##### **A. FILED AGAINST OUR COMPANY**

##### **1. Litigation Involving Criminal Laws**

NIL

##### **2. Litigation Involving Actions by Statutory/Regulatory Authorities**

NIL

3. **Litigation involving Tax Liabilities**

NIL

4. **Other Pending Litigations (Civil Liabilities)**

NIL

**B. CASES FILED BY OUR COMPANY**

1. **Litigation Involving Criminal Laws**

NIL

2. **Litigation Involving Actions by Statutory/Regulatory Authorities**

NIL

3. **Other Pending Litigations (Civil Liabilities)**

NIL

**PART 2 - LITIGATION RELATING TO OUR PROMOTERS**

**A. FILED AGAINST OUR PROMOTERS**

1. **Litigation Involving Criminal Laws**

NIL

2. **Litigation Involving Actions by Statutory/Regulatory Authorities**

NIL

3. **Litigation involving Tax Liabilities**

NIL

4. **Other Pending Litigations (Civil Liabilities)**

NIL

**B. CASES FILED BY OUR PROMOTERS**

1. **Litigation Involving Criminal Laws**

NIL

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2. Litigation Involving Actions by Statutory/Regulatory Authorities

NIL

3. Other Pending Litigations (Civil Liabilities)

NIL

**PART 3: LITIGATION RELATING TO OUR DIRECTORS (OTHER THAN THE PROMOTERS OF THE COMPANY)**

**A. LITIGATION AGAINST OUR DIRECTORS**

1. Litigation Involving Criminal Laws

NIL

2. Litigation Involving Actions by Statutory/Regulatory Authorities

NIL

3. Litigation involving Tax Liabilities

Nil

4. Other Pending Litigations (Civil Liabilities)

NIL

**B. LITIGATION BY OUR DIRECTORS**

1. Litigation Involving Criminal Laws

NIL

2. Litigation Involving Actions by Statutory/Regulatory Authorities

NIL

3. Other Pending Litigations (Civil Liabilities)

NIL

**PART 4: LITIGATION RELATING TO OUR GROUP ENTITIES**

**A. LITIGATION AGAINST OUR GROUP ENTITIES**

1. Litigation Involving Criminal Laws

NIL

## 2. Litigation Involving Actions by Statutory/Regulatory Authorities

NIL

## 3. Litigation involving Tax Liabilities

### (i) Direct Tax Liabilities

#### Quality Components

- Income tax

#### a) Assessment Year 2017-18

As per the Income Tax website, the assessment proceedings u/s 143(3) of the Income Tax Act, 1961 are showing as pending. Only the said proceedings are reflecting and the liability, if any, cannot be crystallised at this moment.

#### G.N. Hostels Private Limited

- Income tax

#### a) Assessment Year 2017-18

As per the Income Tax website, the assessment proceedings u/s 143(3) of the Income Tax Act, 1961 are showing as open. Only the said proceedings are reflecting and the liability, if any, cannot be crystallised at this moment.

#### Uttaranchal Industries

- Income Tax

#### a) Assessment Year 2010-11

As per the Income Tax website, an demand under section 143(3) numbering 2012201010013447820T dated November 30, 2012 is showing against the Company Tax for Rs. 51,850.

#### b) Assessment Year 2016-17

As per the Income Tax website, an demand under section 143(1)(a) numbering 2016201637045580012T dated November 10, 2016 is showing against the Company for Rs. 10,080.

#### c) Assessment Year 2017-18

As per the Income Tax website the assessment proceedings u/s 143(3) of the Income Tax Act, 1961 are showing as open. Only the said proceedings are reflecting and the liability, if any, cannot be crystallised at this moment.

#### d) Assessment Year 2017-18

As per the Income Tax website, the assessment proceedings u/s 143(1)(a) of the Income Tax Act, 1961 are showing as open. Only the said proceedings are reflecting and the liability, if any, cannot be crystallised at this moment.

- **TDS**

As per the website of Income Tax for TDS i.e. TRACES (TDS Reconciliation Analysis and Correction Enabling System), there are defaults in payment of TDS by the Group Company in following financial years which are still pending:

		Amount(in Rs.)
Sr. No	Financial Year	Default
1.	2016-17	2290.00
2.	2017-18	710.00
<b>Total</b>		<b>3000.00</b>

(ii) **Indirect Taxes Liabilities**

NIL

4. **Other Pending Litigations (Civil Liabilities)**

NIL

**B. LITIGATION BY OUR GROUP ENTITIES**

1. **Litigation Involving Criminal Laws**

NIL

2. **Litigation Involving Actions by Statutory/Regulatory Authorities**

NIL

3. **Other Pending Litigations (Civil Liabilities)**

NIL

**PART 5: LITIGATION RELATING TO OUR SUBSIDIARY COMPANIES**

There are no subsidiaries of our Company.

**PART 6: AMOUNTS OWED TO CREDITORS**

The Board of Directors of our Company considers dues exceeding Rs. 10 (Ten) lacs as per last audited financial statements, as material dues for our Company outstanding as below:

S.No.	Name of Creditor	Amount in Lacs
1	A A Industries	28.66
2	A.P. Print N Pack Pvt. Ltd	101.14
3	Allied Engineering Corporation	131.65

S.No.	Name of Creditor	Amount in Lacs
4	Animesh Graphics Engineers	11.81
5	Ashish Papers (P) Ltd	12.44
6	Avon Ispat & Power Ltd (Ldh)	58.16
7	Baba Engineering	20.64
8	Berger Paints India Limited	42.42
9	Bharat Aluminium	30.91
10	Bharat Steel Industries	11.92
11	Bhushan Power & Steel Ltd (Odisha)	55.70
12	C Fan Electrical	52.17
13	Cameo International	85.60
14	Captain Industries.	552.12
15	Chinar Hi Tech Industries	69.98
16	Coating & Chemicals	32.28
17	Damodar Papers	15.26
18	Damodar Tissue Pvt Ltd	14.94
19	Deep Filling Station	15.65
20	Dipti Electricals	48.54
21	Disha Enterprises	59.44
22	Doshi Brothers Marketing (P.) Ltd.	49.97
23	Dynamic Industries	10.64
24	Excellent Moulders - (P)	43.41
25	First World Print Pack	12.31
26	G.N.A. Fan Components	15.94
27	G.S Industries	33.52
28	Ganga Thermopack	18.92
29	Gayatri Packers	20.06
30	Globe Capacitors Ltd	109.76
31	Globe Hi-Tech Industries	320.36
32	Good Luck India Ltd. (New)	22.78
33	Guru Paper Cartons Pvt Ltd.	59.48
34	H.K.Gupta & Co.	12.96
35	Hi -Tech Engineering Industries	11.08
36	Hindustan Plastometals	28.05
37	Irvine Polymer Pvt. Ltd.	39.91
38	Jagdamba Kisshan Sewa Kendra	10.62
39	Jimcap Electronics Pvt Ltd - Goa	18.53



S.No.	Name of Creditor	Amount in Lacs
40	Join Pack Machines Pvt Ltd	11.28
41	Joy Exports	278.94
42	K.J. Industries	19.29
43	K.R Thermopack Pvt. Ltd.	11.85
44	Kansai Nerolac Paints Ltd.	15.94
45	Kiritamh Industries	13.04
46	Kumar Precision Stamping Pvt Ltd (U-2)	305.59
47	Lakshya Enterprises	103.15
48	Lark Packs Pvt. Ltd	17.66
49	Maa Durga Industries	20.00
50	Mds Plastics	24.78
51	Mgv Exports Pvt Ltd	27.66
52	Nishant Industries - Fbd	10.53
53	Nisiki India Pvt Limited	23.92
54	Nivera Paints (India) Private Limited	19.11
55	Ofb Tech Pvt. Ltd.	15.23
56	Parsad Precision Components (P) Ltd.	46.55
57	Perfect Engineering (Kala-Amb)	40.12
58	Poonam Forge	10.86
59	Poonam Industries	11.49
60	Priya Capacitors Pvt.Ltd.	25.33
61	Quality Circles	483.24
62	Quality Components	158.26
63	R N Alloys	83.92
64	R.K. Enterprises (Alu)	30.55
65	Rainbow Packaging Industries	20.18
66	Rsp Electricals (I) Pvt. Ltd	141.51
67	S N Enterprises	38.77
68	Saboo Coatings Pvt. Ltd.	64.20
69	Shakti Industries	29.70
70	Sharda Electricals	352.25
71	Shri Radhey Enterprises	172.96
72	Shri Shyam Industries	125.96
73	Sidak Industries	80.43
74	Sigma Enterprises	11.03
75	Siltronix India	21.91

S.No.	Name of Creditor	Amount in Lacs
76	Stack Components	19.01
77	Super Foundary Works	21.33
78	Surya Roshni Limited (P) (New)	50.83
79	Swastik Wire Product	54.28
80	Symphony India International	22.96
81	T.L.T. Electricals	24.17
82	Tapodhani Techno Cast (India)	18.35
83	U.M.T. Auto Industries (Regd)	24.49
84	U.M.T. Products (India)	46.43
85	Uttaranchal Industries	1338.63
86	Valora Enterprises	35.47
87	Vee- Dee Enterprises	17.13
88	Vgv Industry	13.79
89	Vintee Enterprises	20.22
90	Vipul Distributors Pvt. Ltd.	14.68
91	Vishal Box Company Pvt Ltd	17.56
92	Vishal Enterprises	32.48
93	Vishal Udyog	12.72
94	Vsk Enterprises	28.62

We don't own any amount to small scale undertakings.

For complete details about outstanding dues to creditors of our Company, please see website of our Company, [www.wonderfibromats.com](http://www.wonderfibromats.com).

Information provided on the website of our Company is not a part of this Draft Prospectus and should not be deemed to be incorporated by reference. Anyone placing reliance on any other source of information, including our Company's website [www.wonderfibromats.com](http://www.wonderfibromats.com) would be doing so at their own risk.

#### **PART 7: MATERIAL DEVELOPMENTS OCCURING AFTER LAST BALANCE SHEET DATE**

Except as disclosed in Chapter titled "Management's Discussion & Analysis of Financial Conditions & Results of Operations" beginning on page no. 230, there have been no material developments that have occurred after the Last Balance Sheet Date.

## GOVERNMENT & OTHER APPROVALS

*Our Company has received the necessary licenses, permissions and approvals from the Central and State Governments and other government agencies/regulatory authorities/certification bodies required to undertake the Issue or continue our business activities and except as mentioned below, no further approvals are required for carrying on our present or proposed business activities.*

*In view of the approvals listed below, we can undertake this Issue and our current business activities and no further major approvals from any governmental or regulatory authority or any other entity are required to be undertaken in respect of the Issue or to continue our business activities. It must be distinctly understood that, in granting these approvals, the Government of India does not take any responsibility for our financial soundness or for the correctness of any of the statements made or opinions expressed in this behalf. Unless otherwise stated, these approvals are all valid as of the date of this Draft Prospectus.*

*The object clauses of the Memorandum of Association of Our Company enable us to carry out its activities.*

*The Company has got following licenses/registrations/approvals/consents/permissions from the Government and various other Government agencies required for its present business.*

### APPROVALS FOR THE ISSUE

1. The Board of Directors has, pursuant to resolution passed at its meeting held on 6<sup>th</sup> August, 2018 authorized the Issue.
2. The Shareholders of our Company have, pursuant to a resolution passed at Extra Ordinary General Meeting held on 31<sup>st</sup> August, 2018 authorized the Issue.
3. We have received in-principle approvals from NSE-EMERGE for the listing of our Equity Shares pursuant to letters dated [●].

### INCORPORATION DETAILS

1. Certificate of Incorporation dated 13<sup>th</sup> October, 2009 issued by Asst. Registrar of Companies, NCT of Delhi & Haryana in the name of Wonder Fibromats Private Limited.
2. Certification of Registration of special resolution passed on 13<sup>th</sup> August, 2013 issued by Registrar of Companies, NCT of Delhi & Haryana confirming alteration in object clause.
3. Fresh Certificate of Incorporation dated 5<sup>th</sup> July, 2018 issued by Registrar of Companies, Delhi pursuant to conversion of company to Wonder Fibromats Limited.
4. The Company Identification Number (CIN) is U31900DL2009PLC195174.

## II. APPROVALS /LICENSES/PERMISSIONS PROCURED TO CONDUCT OUR BUSINESS:

S.NO	NATURE OF LICENSE/APPROVAL	REGISTRATION/ LICENSE NO.	ISSUING AUTHORITY	DATE OF GRANTING LICENSE/APPROVAL	VALIDITY
<b><u>A. TAXATION RELATED APPROVALS:</u></b>					
1.	Permanent Account Number ("PAN")	AAACW8980E	Income Tax Department	October 13, 2009	One Time registration
2.	Tax Deduction Account Number ("TAN")	DELW02745B	Income Tax Department	September 03, 2013	One Time Registration
3.	Registration Certificate of Goods & Service Tax ("GST")	05AAACW8980E2Z4	Central Board of Excise and Customs	September 22, 2017	One time Registration
4.	Registration under Central Sales Tax Act, 1956	05009667918 (Central)	Assistant Commissioner, Department of Commercial Tax, Roorkee	Date of issue - April 4, 2014 Valid from - December 23, 2009	Until cancelled
5.	Registration under Uttaranchal Value Added Tax, 2005	05009667918	Assistant Commissioner, Department of Commercial Tax, Roorkee	Date of Issue - April 8, 2010 Valid from - December 23, 2009	One time Registration
6.	Registration under Chapter V of Finance Act, 1994 read with the Service Tax Rules, 1994	AAACW8980ESD001	Superintendent Central Excise, Range -Division - Service Tax Haridwar	Date of Issue - May 28, 2010 Date of Last Amendment - November 20, 2014	One time Registration
<b><u>B. BUSINESS RELATED APPROVALS</u></b>					
7.	Registration Certificate under Shops and Establishments Act	2018037468	Department of Labour, Government of National	29 <sup>th</sup> August, 2018	One Time Registration


			Capital Territory of Delhi		
8.	Registration and License to work as Factory	HWR-1279	Labour Department, Uttarakhand	October 10, 2014	Valid till 31 <sup>st</sup> December, 2018
9.	Registration under the Employees Provident Funds and Miscellaneous Provisions Act, 1952	Code No. - UKDDN1006746	Employee's Provident Fund Organization	January 25, 2015	One time Registration
10.	Registration under Employees' State Insurance Act, 1948	61000410590000604	Assistant/Deputy Director, Employees' State Insurance Corporation	July 1, 2014	One time Registration
11.	Udyog Aadhaar Number	UK06C0001865	Ministry of Micro, Small and Medium Enterprises	October 13, 2009	One Time Registration
12.	Consent to establish/operate under section 25/26 of the Water (Prevention & Control of Pollution) Act, 1974, Section 21 of Air (Prevention and Control) Act, 1981 and Authorization under rule 5(4) of the Hazardous Waste (Management, Handling & Transboundary Movement) Rules-2008, framed under the Environmental (Protection) Act, 1986.	UEPPCB/HO/Con/W-28/2018/760	Head Office, Uttarakhand Environment Protection and Pollution Control Board.	21 <sup>st</sup> July, 2018	Valid upto 31 <sup>st</sup> March, 2019

### III. CERTIFICATES:

S NO.	NATURE OF LICENSE/APPROVAL	REGISTRATION/LICENSE NO.	ISSUING AUTHORITY	DATE OF GRANTING LICENSE/APPROVAL	VALIDITY
1	ISO 14001:2015	1281217053K for the following scope of activities: Manufacture and Supply of Ceiling Fans and Exhaust	Quality Research Organisation Certification LLP	December 20, 2017	December 19, 2020

S NO.	NATURE OF LICENSE/APPROVAL	REGISTRATION/LICENSE NO.	ISSUING AUTHORITY	DATE OF GRANTING LICENSE/APPROVAL	VALIDITY
2	ISO 14001:2015	Fans 1281217052K for the following scope of activities: Manufacture and Supply of Ceiling Fans and Exhaust Fans	Quality Research Organisation Certification LLP	December 20, 2017	December 19, 2020

#### IV APPROVALS OBTAINED IN RELATION TO INTELLECTUAL PROPERTY RIGHTS:

Sr. No.	Trademark/Logo	Trademark Type	Class	Applicant	Application No.	Date of Application	Registration Status
1.		Device	11	WonderFibromats Limited	3929756	August 29, 2018	Marked for Exam

#### V. WEBSITE DETAILS:

The Details of Domain Name registered on the name of the Company is

S. No.	Domain Name and ID	Sponsoring Registrar	Registrant Name	Creation Date	Registration Date	Expiry
1.	<a href="http://www.wonderfibromats.com">www.wonderfibromats.com</a> 2289329154_DOMAIN_COM-VRSN	whois.godaddy.com	Wonder Fibromats Limited	July 24, 2018	July 24, 2019	

## OTHER REGULATORY AND STATUTORY DISCLOSURES

### AUTHORITY FOR THE ISSUE

The Issue has been authorized by a resolution passed by our Board of Directors at its meeting held on 6<sup>th</sup> August, 2018 and by the shareholders of our Company by a special resolution, pursuant to Section 62(1)(c) of the Companies Act, 2013, passed at the Extra Ordinary General Meeting of our Company held on 31<sup>st</sup> August, 2018 at registered office of the Company.

Our Board has approved this Draft Prospectus at its meeting held on 14<sup>th</sup> September, 2018.

We have received approval from NSE-EMERGE vide letter dated [●] to use the name of NSE in this offer document for listing of our Equity Shares on NSE EMERGE. NSE is the Designated Stock Exchange.

### PROHIBITION BY SEBI, RBI OR OTHER GOVERNMENTAL AUTHORITIES

Our Company, our Promoters, our Directors, our Promoter Group and our Group Entities, have not been prohibited from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or Governmental Authority.

The companies with which our Promoters, our Directors or persons in control of our Company are/ were associated as promoters, directors or persons in control have not been prohibited from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or Governmental Authority.

None of our Directors are in any manner associated with the securities market. There has been no action taken by SEBI against any of our Directors or any entity our Directors are associated with as directors.

### PROHIBITION BY RBI

Neither our Company, nor our Promoters, or the relatives (as defined under the Companies Act) of our Promoters or Group Entities have been identified as willful defaulters by the RBI or any other governmental authority. There are no violations of securities laws committed by them in the past or no proceedings thereof are pending against them.

### ELIGIBILITY FOR THE ISSUE

Our Company is an “Unlisted Issuer” in terms of the SEBI (ICDR) Regulations; and this Issue is an “Initial Public Offer” in terms of the SEBI (ICDR) Regulations.

Our Company is eligible for the Issue in accordance with Regulation 106(M) (1) and other provisions of Chapter XB of the SEBI (ICDR) Regulations, as we are an Issuer whose post issue paid up capital do not exceed ten crores rupees shall issue its specified securities in accordance with provisions of chapter XB Issue of specified securities by small and medium enterprises] of ICDR regulations. (In this case being the “SME Platform of NSE EMERGE”). Our Company also complies with the eligibility conditions laid by the NSE Emerge Platform for listing of our Equity Shares.

1. In accordance with regulation 106(P) of the SEBI ICDR Regulations, this Issue will be 100% underwritten and that the LM will underwrite at least 15% of the total issue size. For further details pertaining to underwriting please refer to chapter titled “General Information” beginning on page 68 of this Draft

Prospectus.

2. In accordance with Regulation 106(R) of the SEBI (ICDR) Regulations, we shall ensure that the total number of proposed allottees in the Issue is greater than or equal to fifty, otherwise, the entire application money will be refunded forthwith. If such money is not repaid within eight days from the date our company becomes liable to repay it, than our company and every officer in default shall, on and from expiry of eight days, be liable to repay such application money, with interest as prescribed u/s 40 of the Companies Act, 2013
3. In accordance with Regulation 106(O) the SEBI (ICDR) Regulations, we have not filed any Draft Offer Document with SEBI nor has SEBI issued any observations on our Offer Document. Also, we shall ensure that our Lead Manager submits the copy of Prospectus along with a Due Diligence Certificate including additional confirmations as required to SEBI at the time of filing the Draft Prospectus with Stock Exchange and the Registrar of Companies.
4. In accordance with Regulation 106(V) of the SEBI ICDR Regulations, the Lead Manager will 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 of the market making arrangement see chapter titled “General Information” beginning on page 68 of this Draft Prospectus.
5. The Company has Net Tangible assets of at least Rs. 1 crore as per the latest audited financial results.
6. The Net worth (excluding revaluation reserves) of the Company is at least Rs. 1 crore as per the latest audited financial results.
7. The Company has been incorporated on 13<sup>th</sup> October, 2009 and has track record of over three years and have positive cash accruals (earnings before depreciation and tax) from operations for atleast 2 financial years.
8. The Post-issue paid up capital of the Company shall be at least Rs. 1 Crore.
9. The Company shall mandatorily facilitate trading in demat securities and has entered into agreements with both the depositories.
10. The Company has not been referred to Board for Industrial and Financial Reconstruction.
11. No petition for winding up is admitted by a court of competent jurisdiction or a liquidator has been appointed against the Company.
12. No material regulatory or disciplinary action has been taken by any stock exchange or regulatory authority in the past three years against the Company.
13. The Company has a website: [www.wonderfibromats.com](http://www.wonderfibromats.com)
14. There has been no change in the Promoter(s) of the Company in the preceding one year from the date of filling application to NSE-Emerge Platform.
15. There is no defaults in respect of payment of interest and/or principal to the debenture/bond/fixed deposit holders, banks, FIs by the applicant, promoters/promoting company(ies), group companies,



companies promoted by the promoters/promoting company(ies) during the past three years.

16. No material regulatory or disciplinary action has been taken by a stock exchange or regulatory authority in the past one year in respect of promoters/promoting company(ies), group companies, companies promoted by the promoters/promoting company(ies) of the applicant company

We further confirm that we shall be complying with all the other requirements as laid down for such an Issue under Chapter X-B of SEBI (ICDR) Regulations and subsequent circulars and guidelines issued by SEBI and the Stock Exchange.

As per Regulation 106(M)(3) of SEBI (ICDR) Regulations, 2009, the provisions of Regulations 6(1), 6(2), 6(3), Regulation 7, Regulation 8, Regulation 9, Regulation 10, Regulation 25, Regulation 26, Regulation 27 and Sub regulation (1) of Regulation 49 of SEBI (ICDR) Regulations, 2009 shall not apply to us in this Issue.

#### **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 TO MEAN 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 THIS ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE OFFER DOCUMENT. THE LEAD MANAGER, NAVIGANT CORPORATE ADVISORS LIMITED HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THE OFFER DOCUMENT ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, AS FOR THE TIME BEING IN FORCE. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED ISSUE.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS DRAFT PROSPECTUS, THE LEAD MANAGER, NAVIGANT CORPORATE ADVISORS LIMITED, IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE LEAD MANAGER, NAVIGANT CORPORATE ADVISORS LIMITED, HAS FURNISHED TO SEBI A DUE DILIGENCE CERTIFICATE DATED [●], IN ACCORDANCE WITH THE SEBI (MERCHANT BANKERS) REGULATIONS, 1992.

“WE, THE UNDER NOTED LEAD MANAGER TO THE ABOVE MENTIONED FORTHCOMING ISSUE STATE AS FOLLOWS:

1. WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION LIKE COMMERCIAL DISPUTES, CIVIL LITIGATIONS, DISPUTES WITH COLLABORATORS, CRIMINAL LITIGATIONS ETC. AND OTHER MATERIAL IN CONNECTION WITH THE FINALISATION OF THE DRAFT PROSPECTUS PERTAINING TO THE SAID ISSUE;
2. ON THE BASIS OF SUCH EXAMINATION AND THE DISCUSSIONS WITH THE ISSUER, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES, AND INDEPENDENT VERIFICATION OF THE STATEMENTS CONCERNING THE OBJECTS OF THE ISSUE, PRICE JUSTIFICATION AND THE CONTENTS OF THE DOCUMENTS AND OTHER PAPERS FURNISHED BY THE ISSUER, WE CONFIRM THAT:
  - A. THE DRAFT PROSPECTUS FILED WITH THE BOARD IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS RELEVANT TO THE ISSUE;

- 
- B. ALL THE LEGAL REQUIREMENTS RELATING TO THE ISSUE AS ALSO THE REGULATIONS GUIDELINES, INSTRUCTIONS, ETC. FRAMED/ISSUED BY THE BOARD, THE CENTRAL GOVERNMENT AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH; AND
- C. THE DISCLOSURES MADE IN THE DRAFT PROSPECTUS ARE TRUE, FAIR AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL INFORMED DECISION AS TO THE INVESTMENT IN THE PROPOSED ISSUE AND SUCH DISCLOSURES ARE IN ACCORDANCE WITH THE REQUIREMENTS OF THE COMPANIES ACT, 1956, 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 DRAFT PROSPECTUS ARE REGISTERED WITH THE BOARD AND THAT TILL DATE SUCH REGISTRATION IS VALID.
  4. WE HAVE SATISFIED OURSELVES ABOUT THE CAPABILITY OF THE UNDERWRITERS TO FULFILL THEIR UNDERWRITING COMMITMENTS.
  5. WE CERTIFY THAT WRITTEN CONSENT FROM PROMOTER HAS BEEN OBTAINED FOR INCLUSION OF THEIR SPECIFIED SECURITIES AS PART OF PROMOTERS' CONTRIBUTION SUBJECT TO LOCK IN AND THE SPECIFIED SECURITIES PROPOSED TO FORM PART OF PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN SHALL NOT BE DISPOSED / SOLD / TRANSFERRED BY THE PROMOTER DURING THE PERIOD STARTING FROM THE DATE OF FILING THE DRAFT PROSPECTUS WITH THE BOARD TILL THE DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THE DRAFT PROSPECTUS.
  6. WE CERTIFY THAT REGULATION 33 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, WHICH RELATES TO SPECIFIED SECURITIES INELIGIBLE FOR COMPUTATION OF PROMOTERS CONTRIBUTION, HAS BEEN DULY COMPLIED WITH AND APPROPRIATE DISCLOSURES AS TO COMPLIANCE WITH THE SAID REGULATION HAVE BEEN MADE IN THE DRAFT PROSPECTUS.
  7. WE UNDERTAKE THAT SUB-REGULATION (4) OF REGULATION 32 AND CLAUSE (C) AND (D) OF SUB-REGULATION (2) OF REGULATION 8 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 SHALL BE COMPLIED WITH. WE CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE RECEIVED AT LEAST ONE DAY BEFORE THE OPENING OF THE ISSUE. WE UNDERTAKE THAT AUDITORS' CERTIFICATE TO THIS EFFECT SHALL BE DULY SUBMITTED TO THE BOARD. WE FURTHER CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE KEPT IN AN ESCROW ACCOUNT WITH A SCHEDULED COMMERCIAL BANK AND SHALL BE RELEASED TO THE ISSUER ALONG WITH THE PROCEEDS OF THE PUBLIC ISSUE. - NOT APPLICABLE
  8. WE CERTIFY THAT THE PROPOSED ACTIVITIES OF THE ISSUER FOR WHICH THE FUNDS ARE BEING RAISED IN THE PRESENT ISSUE FALL WITHIN THE 'MAIN OBJECTS' LISTED IN THE OBJECT CLAUSE OF THE MEMORANDUM OF ASSOCIATION OR OTHER CHARTER OF THE ISSUER AND THAT THE ACTIVITIES WHICH HAVE BEEN CARRIED OUT UNTIL NOW ARE VALID IN TERMS OF THE OBJECT CLAUSE OF ITS MEMORANDUM OF ASSOCIATION.
  9. WE CONFIRM THAT NECESSARY ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT THE MONEYS RECEIVED PURSUANT TO THE ISSUE ARE KEPT IN A SEPARATE BANK ACCOUNT AS PER THE PROVISIONS

OF SUB-SECTION (3) OF SECTION 40 OF THE COMPANIES ACT, 2013 AND THAT SUCH MONEYS SHALL BE RELEASED BY THE SAID BANK ONLY AFTER PERMISSION IS OBTAINED FROM ALL THE STOCK EXCHANGES MENTIONED IN THE DRAFT PROSPECTUS. WE FURTHER CONFIRM THAT THE AGREEMENT ENTERED INTO BETWEEN THE BANKERS TO THE ISSUE AND THE ISSUER SPECIFICALLY CONTAINS THIS CONDITION - NOTED FOR COMPLIANCE, SUBJECT TO COMPLIANCE WITH REGULATION 56 OF THE SEBI REGULATIONS

10. WE CERTIFY THAT A DISCLOSURE HAS BEEN MADE IN THE DRAFT PROSPECTUS THAT THE INVESTORS SHALL BE GIVEN AN OPTION TO GET THE SHARES IN DEMAT OR PHYSICAL MODE. - NOT APPLICABLE\*\*
11. WE CERTIFY THAT ALL THE APPLICABLE DISCLOSURES MANDATED IN THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 HAVE BEEN MADE IN ADDITION TO DISCLOSURES WHICH, IN OUR VIEW, ARE FAIR AND ADEQUATE TO ENABLE THE INVESTOR TO MAKE A WELL INFORMED DECISION.
12. WE CERTIFY THAT THE FOLLOWING DISCLOSURES HAVE BEEN MADE IN THE DRAFT PROSPECTUS:
  - A. AN UNDERTAKING FROM THE ISSUER THAT AT ANY GIVEN TIME, THERE SHALL BE ONLY ONE DENOMINATION FOR THE EQUITY SHARES OF THE ISSUER AND
  - B. AN UNDERTAKING FROM THE ISSUER THAT IT SHALL COMPLY WITH SUCH DISCLOSURE AND ACCOUNTING NORMS SPECIFIED BY THE BOARD FROM TIME TO TIME.
13. WE UNDERTAKE TO COMPLY WITH THE REGULATIONS PERTAINING TO ADVERTISEMENT IN TERMS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 WHILE MAKING THE ISSUE.
14. WE ENCLOSE A NOTE EXPLAINING HOW THE PROCESS OF DUE DILIGENCE THAT HAS BEEN EXERCISED BY US IN VIEW OF THE NATURE OF CURRENT BUSINESS BACKGROUND OF THE ISSUER, SITUATION AT WHICH THE PROPOSED BUSINESS STANDS, THE RISK FACTORS, PROMOTERS EXPERIENCE, ETC.
15. WE ENCLOSE A CHECKLIST CONFIRMING REGULATION-WISE COMPLIANCE WITH THE APPLICABLE PROVISIONS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, CONTAINING DETAILS SUCH AS THE REGULATION NUMBER, ITS TEXT, THE STATUS OF COMPLIANCE, PAGE NUMBER OF THE DRAFT PROSPECTUS WHERE THE REGULATION HAS BEEN COMPLIED WITH AND OUR COMMENTS, IF ANY.
16. WE ENCLOSE STATEMENT ON PRICE INFORMATION OF PAST ISSUES HANDLED BY MERCHANT BANKERS AS PER FORMAT SPECIFIED BY THE BOARD (SEBI) THROUGH CIRCULAR - DETAILS ARE ENCLOSED IN "ANNEXURE A"
17. WE CERTIFY THAT PROFITS FROM RELATED PARTY TRANSACTION HAVE ARISEN FROM LEGITIMATE BUSINESS TRANSACTIONS."

*\*Section 29 of the Companies Act, 2013 provides inter alia that every company making public offers shall issue securities only in dematerialised form by complying with the provisions of the Depositories Act, 1996 and the regulations made thereunder.*

ADDITIONAL CONFIRMATIONS/ CERTIFICATION TO BE GIVEN BY MERCHANT BANKER IN DUE DILIGENCE CERTIFICATE TO BE GIVEN ALONG WITH OFFER DOCUMENT REGARDING NSE EMERGE

- 1) “WE CONFIRM THAT NONE OF THE INTERMEDIARIES NAMED IN THE DRAFT PROSPECTUS HAVE BEEN DEBARRED FROM FUNCTIONING BY ANY REGULATORY AUTHORITY.
- 2) WE CONFIRM THAT ALL THE MATERIAL DISCLOSURES IN RESPECT OF THE ISSUER HAVE BEEN MADE IN DRAFT PROSPECTUS AND CERTIFY THAT ANY MATERIAL DEVELOPMENT IN THE ISSUER OR RELATING TO THE ISSUE UP TO THE COMMENCEMENT OF LISTING AND TRADING OF THE SPECIFIED SECURITIES OFFERED THROUGH THIS ISSUE SHALL BE INFORMED THROUGH PUBLIC NOTICES/ ADVERTISEMENTS IN ALL THOSE NEWSPAPERS IN WHICH PRE-ISSUE ADVERTISEMENT AND ADVERTISEMENT FOR OPENING OR CLOSURE OF THE ISSUE HAVE BEEN GIVEN.
- 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 OF REGULATION 32 OF SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, CASH FLOW STATEMENT HAS BEEN PREPARED AND DISCLOSED IN THE DRAFT PROSPECTUS.
- 6) WE CONFIRM THAT UNDERWRITING AND MARKET MAKING ARRANGEMENTS AS PER REQUIREMENTS OF REGULATION [106P] AND [106V] OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 HAVE BEEN MADE. - NOTED FOR COMPLIANCE.”
- 7) WE CONFIRM THAT THE ISSUER HAS REDRESSED AT LEAST NINETY FIVE PER CENT OF THE COMPLAINTS RECEIVED FROM THE INVESTORS TILL THE END OF THE QUARTER IMMEDIATELY PRECEDING THE MONTH OF THE FILING OF THE PROSPECTUS WITH THE REGISTRAR OF COMPANIES. - NOT APPLICABLE

**Note:**

The filing of this Draft Prospectus does not, however, absolve our Company from any liabilities under section 34, section 35, section 36 OR section 38(1) of the Companies Act, 2013 or from the requirement of obtaining such statutory and other clearances as may be required for the purpose of the proposed Issue. SEBI further reserves the right to take up at any point of time, with the Lead manager any irregularities or lapses in the Draft Prospectus.

All legal requirements pertaining to the Issue will be complied with at the time of registration of the Draft Prospectus with the Registrar of Companies, Delhi in terms of sections 26, 32 and 33 of the Companies Act, 2013.

**DISCLAIMER FROM OUR COMPANY AND THE LEAD MANAGER**

Our Company, our Directors and the Lead Manager accept no responsibility for statements made otherwise than in this Draft Prospectus or in the advertisements or any other material issued by or at instance of our Company and anyone placing reliance on any other source of information, including our website, [www.wonderfibromats.com](http://www.wonderfibromats.com) would be doing so at his or her own risk.

## **CAUTION**

The Lead Manager accepts no responsibility, save to the limited extent as provided in the MOU for Issue Management entered into among the Lead Manager and our Company dated 11<sup>th</sup> September, 2018, the Underwriting Agreement [●] entered into among the Underwriters and our Company and the Market Making Agreement dated [●] entered into among the Lead Manager, Market Maker and our Company.

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, etc.

Investors who apply in this Issue will be required to confirm and will be deemed to have represented to our Company and the Underwriter and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares and will not offer, sell, pledge or transfer the Equity Shares to any person who is not eligible under applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares. Our Company and 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.

## **PRICE INFORMATION AND THE TRACK RECORD OF THE PAST ISSUES HANDLED BY THE LEAD MANAGER**

For details regarding the price information and track record of the past issue handled by M/s Navigant Corporate Advisors Limited, as specified in Circular reference CIR/MIRSD/1/2012 dated January 10, 2012 issued by SEBI, please refer to the website of the Book Running Lead Manager at [www.navigantcorp.com](http://www.navigantcorp.com).

## **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, HUFs, companies, corporate bodies and societies registered under the applicable laws in India and authorized 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), or trusts under applicable trust law and who are authorized under their constitution to hold and invest in shares, public financial institutions as specified in Section 2(72) of the Companies Act, 2013, VCFs, state industrial development corporations, insurance companies registered with Insurance Regulatory and Development Authority, provident funds (subject to applicable law) with minimum corpus of Rs. 2,500 Lacs, pension funds with minimum corpus of Rs. 2,500 Lacs and the National Investment Fund, and permitted non residents including FIIs, Eligible NRIs, QFIs, multilateral and bilateral development financial institutions, FVCIs and eligible foreign investors, provided that they are eligible under all applicable laws and regulations to hold Equity Shares of the Company. The Draft Prospectus does not, however, constitute an invitation to purchase shares offered hereby in any jurisdiction other than India to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession this Draft Prospectus comes is required to inform 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 Delhi 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 Draft Prospectus has been filed with NSE for its observations and NSE shall give its observations in due course. Accordingly, the Equity Shares represented hereby may not be offered or sold, directly or indirectly, and this Draft Prospectus may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of this Draft Prospectus nor any sale hereunder shall, under any circumstances, create any implication that there has been no

change in the affairs of our Company since the date hereof or that the information contained herein is correct as of any time subsequent to this date.

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

Further, each applicant where required agrees that such applicant will not sell or transfer any Equity Shares or create any economic interest therein, including any off-shore derivative instruments, such as participatory notes, issued against the Equity Shares or any similar security, other than pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with applicable laws and legislations in each jurisdiction, including India.

#### **DISCLAIMER CLAUSE OF NSE EMERGE PLATFORM**

As required, a copy of this Draft Prospectus has been submitted to NSE. NSE has given vide its letter Ref.: [•] dated [•] 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 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 shall not be filed with SEBI, nor will SEBI issue any observation on the offer document in term of Reg. 106(M)(3). However, a copy of the Prospectus shall be filed with SEBI at the 5th Floor, Bank of Baroda Building, 16, Sansad Marg, New Delhi - 110 001. A copy of the Prospectus, along with the documents required to be filed under Section 26 of the Companies Act, 2013 will be delivered to the ROC situated at 4th Floor, IFCI Tower, 61, Nehru Place, New Delhi - 110019.

#### **LISTING**

In terms of Chapter XB of the SEBI (ICDR) Regulations, there is no requirement of obtaining in- principle approval from NSE-Emerge Platform. However application will be made to the NSE-Emerge Platform for obtaining permission to deal in and for an official quotation of our Equity Shares. NSE will be the Designated Stock Exchange, with which the Basis of Allotment will be finalized.

The NSE-Emerge Platform has given its in-principal approval for using its name in our Draft Prospectus vide its letter dated [•].



If the permissions to deal in and for an official quotation of our Equity Shares are not granted by the NSE-Emerge Platform, our Company will forthwith repay, without interest, all moneys received from the applicants in pursuance of the Draft Prospectus. If such money is not repaid within 8 days after our Company becomes liable to repay it (i.e. from the date of refusal or within 6 working days from the Issue Closing Date), then our Company and every Director of our Company who is an officer in default shall, on and from such expiry of 8 days, be liable to repay the money, with interest at the rate of 15% per annum on application money, as prescribed under section 40 of the Companies Act, 2013.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the NSE-Emerge Platform mentioned above are taken within twelve Working Days from the Issue Closing Date.

## **CONSENTS**

Consents in writing of: (a) the Directors, the Promoters, the Company Secretary and Compliance Officer, Chief Financial Officer, the Auditors, Peer Review Auditor, Banker to the Company; and (b) Lead manager, Underwriters, Market Makers Registrar to the Issue, Legal Advisor to the Issue, Banker to the Issue to act in their respective capacities have been obtained and shall be filed along with a copy of the Prospectus with the RoC, as required under Section 26 & 32 of Companies Act, 2013 and such consents shall not be withdrawn up to the time of delivery of the Prospectus for registration with the RoC. Our Auditors have given their written consent to the inclusion of their report in the form and context in which it appears in this Draft Prospectus and such consent and report is not withdrawn up to the time of delivery of this Draft Prospectus with NSE.

## **EXPERT OPINION**

Except as stated below, our Company has not obtained any expert opinions:

1. Report of the Statutory Auditor on Statement of Tax Benefits;
2. Report of the Peer Reviewed Auditor on the Restated Financial Statements for the financial year ended on March 31, 2018, 2017, 2016, 2015 and 2014 of our Company.

## **PUBLIC ISSUE EXPENSES**

The expenses of this Issue include, among others, underwriting and management fees, printing and distribution expenses, legal fees, statutory advertisement expenses and listing fees. For details of total expenses of the Issue, refer to chapter "Objects of the Issue" beginning on page 102 of this Draft Prospectus.

## **FEES PAYABLE TO LEAD MANAGER TO THE ISSUE**

The total fees payable to the Lead Manager will be as per the Engagement Letters from our Company and Lead Manager and Memorandum of Understanding signed with the Lead Manager, copy of which is available for inspection at the Registered Office of our Company.

## **FEES PAYABLE TO THE REGISTRAR TO THE ISSUE**

The fees payable by the Company to the Registrar to the Issue for processing of application, data entry, printing of CAN, preparation of refund data on magnetic tape, printing of bulk mailing register will be as per the Memorandum of Understanding signed with the Company, copy of which is available for inspection at the Registered Office of our Company.

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 by the Company to the Registrar to the Issue to enable them to send refund orders or allotment advice by registered post/ speed post/ under certificate of posting.

#### **FEES PAYABLE TO OTHERS**

The total fees payable to the Legal Advisor, Auditor and Advertiser, etc. will be as per the terms of their respective engagement letters.

#### **UNDERWRITING COMMISSION, BROKERAGE AND SELLING COMMISSION**

The underwriting commission and the selling commission for the Issue are as set out in the Underwriting Agreement amongst the Company and Underwriters. The underwriting commission shall be paid as set out in the Underwriting Agreement based on the Issue price and the amount underwritten in the manner mentioned on page 72 of this Draft Prospectus.

#### **CAPITAL ISSUE DURING THE LAST THREE YEARS**

Wonder Fibromats Limited and its Group Companies have not made any capital issue viz. initial public offering, rights issue or composite issue during the last three years.

#### **PREVIOUS PUBLIC OR RIGHTS ISSUE**

There have been no public or rights issue by our Company during the last five years.

#### **PREVIOUS ISSUES OF EQUITY SHARES OTHERWISE THAN FOR CASH**

Except as stated in the section titled “Capital Structure” on page 76 of this Draft Prospectus, we have not made any previous issues of shares for consideration otherwise than for cash.

#### **COMMISSION AND BROKERAGE PAID ON PREVIOUS ISSUES OF OUR EQUITY SHARES**

Since this is the Initial Public Offer of the Company, no sum has been paid or has been payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of the Equity Shares since inception of the Company.

#### **PROMISE VIS-À-VIS PERFORMANCE**

Our Company has not made any public or rights issue since its inception.

#### **PARTICULARS IN REGARD TO OUR COMPANY AND OTHER LISTED COMPANIES UNDER THE SAME MANAGEMENT WITHIN THE MEANING OF SECTION 370(1) (B) OF THE COMPANIES ACT, 1956 / SECTION 186 OF THE COMPANIES ACT, 2013 WHICH MADE ANY CAPITAL ISSUE DURING THE LAST THREE YEARS**

There are no listed companies under the same management within the meaning of Section 370(1)(b) of the Companies Act, 1956 / Section 186 of the Companies Act, 2013 that made any capital issue viz. initial public offering, rights issue or composite issue during the last three years.



## **OUTSTANDING DEBENTURES OR BONDS AND REDEEMABLE PREFERENCE SHARES AND OTHER INSTRUMENTS**

There are no outstanding debentures or bonds or redeemable preference shares and other instruments issued by the Company as on the date of this Draft Prospectus.

## **STOCK MARKET DATA FOR OUR EQUITY SHARES**

This being an Initial Public Offering of the Equity Shares of our Company, the Equity Shares are not listed on any stock exchange.

## **INVESTOR GRIEVANCES AND REDRESSAL SYSTEM**

The Company has appointed Karvy Computershare Private Limited as the Registrar to the Issue, to handle the investor grievances in co-ordination with the Compliance Officer of the Company. All grievances relating to the present Issue may be addressed to the Registrar with a copy to the Compliance Officer, giving full details such as name, address of the applicant, number of Equity Shares applied for, amount paid on application and name of bank and branch. The Company would monitor the work of the Registrar to ensure that the investor grievances are settled expeditiously and satisfactorily.

The Registrar to the Issue, namely, Karvy Computershare Private Limited, will handle investor's grievances pertaining to the Issue. A fortnightly status report of the complaints received and redressed by them would be forwarded to the Company. The Company would also be co-coordinating with the Registrar to the Issue in attending to the grievances to the investor. The Company assures that the Board of Directors in respect of the complaints, if any, to be received shall adhere to the following schedules:

<b>Sr. No.</b>	<b>Nature of Complaint</b>	<b>Time Table</b>
1.	Non-receipt of refund	Within 7 days of receipt of complaint subject to production of satisfactory evidence
2.	Non receipt of share certificate/Demat Credit	Within 7 days of receipt of complaint subject to production of satisfactory evidence
3.	Any other complaint in relation to Public Issue	Within 7 days of receipt of complaint with all relevant details.

Redressal of investors' grievance is given top priority by the Company. The Committee oversees redressal of complaints of shareholders/investors and other important investor related matters. The Company has adequate arrangements for redressal of investor complaints as follows:

Share transfer/ dematerialization/ rematerialization are handled by professionally managed Registrar and Transfer Agent, appointed by the Company in terms of SEBI's direction for appointment of Common Agency for physical as well as demat shares. The Registrars are constantly monitored and supported by qualified and experienced personnel of the Company.

We have appointed Ms. Nikita as Company Secretary and Compliance Officer and she may be contacted in case of any pre-issue or post-issue problems. She can be contacted at the following address:

Ms. Nikita  
Company Secretary and Compliance officer  
45, Okhla Industrial Estate,  
Phase-III,

New Delhi - 110020  
Tel: + 011 66058952  
Email: [cs@wonderfibromats.com](mailto:cs@wonderfibromats.com)  
Website: [www.wonderfibromats.com](http://www.wonderfibromats.com)

#### **CHANGES IN AUDITORS**

There has been no change in the auditors of our Company for the last three years.

#### **CAPITALIZATION OF RESERVES OR PROFITS DURING LAST FIVE (5) YEARS**

Except as provided in the Chapter titled Capital Structure beginning on page 76 of the Draft Prospectus, Our Company has not capitalized its reserves or profits at any time during the last five (5) years.

#### **REVALUATION OF ASSETS DURING THE LAST FIVE (5) YEARS**

Our Company has not revalued its assets during the last five (5) years.

#### **PURCHASE OF PROPERTY**

Other than as disclosed in this Draft Prospectus, there is no property which has been purchased or acquired or is proposed to be purchased or acquired which is to be paid for wholly or partly from the proceeds of the present Issue or the purchase or acquisition of which has not been completed on the date of this Draft Prospectus. Except as stated elsewhere in this Draft Prospectus, our Company has not purchased any property in which the Promoters and/or Directors have any direct or indirect interest in any payment made thereunder.

#### **SERVICING BEHAVIOR**

There has been no default in payment of statutory dues or of interest or principal in respect of our borrowings or deposits.

## SECTION VII

### ISSUE RELATED INFORMATION

#### TERMS OF THE ISSUE

*The Equity Shares being issued and transferred are subject to the provisions of the Companies Act, 2013, SEBI ICDR Regulations, our Memorandum and Articles of Association, the SEBI Listing Regulations, the terms of the Draft Prospectus, the Prospectus, Application Form, the Revision Form, the Confirmation of Allocation Note and other terms and conditions as may be incorporated in the allotment advices and other documents/certificates that may be executed in respect of the Issue. The Equity Shares shall also be subject to laws 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 RBI, RoC and/or other authorities, as in force on the date of the Issue and to the extent applicable.*

*Please note that, in terms of SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 All the investors applying in a public issue shall use only Application Supported by Blocked Amount (ASBA) facility for making payment.*

*Further vide the said circular Registrar to the Issue and Depository Participants have been also authorised to collect the Application forms. Investors may visit the official websites of the concerned stock exchanges for any information on operationalization of this facility of form collection by Registrar to the Issue and DPs as and when the same is made available*

#### RANKING OF EQUITY SHARES

The Equity Shares being issued in the Issue shall be subject to the provisions of the Companies Act, 2013 and the Memorandum and Articles of Association and shall rank pari-passu with the existing Equity Shares of our Company including rights in respect of dividend. The Allottees in receipt of Allotment of Equity Shares under this Issue will be entitled to dividends and other corporate benefits, if any, declared by our Company after the date of Allotment in accordance with Companies Act, 1956 and Companies Act, 2013 and the Articles. For further details, please refer to the section titled "Main Provisions of Articles of Association" beginning on page 325 of this Draft Prospectus.

#### MODE OF PAYMENT OF DIVIDEND

The declaration and payment of dividend will be as per the provisions of Companies Act, SEBI Listing Regulations and recommended by the Board of Directors at their discretion and approved by the shareholders and will depend on a number of factors, including but not limited to earnings, capital requirements and overall financial condition of our Company. We shall pay dividend, if declared, to our Shareholders as per the provisions of the Companies Act, SEBI Listing Regulations and our Articles of Association. For further details, please refer to the chapter titled "Dividend Policy" on page 201 of this Draft Prospectus.

#### FACE VALUE AND ISSUE PRICE

The Equity Shares having a Face Value of Rs.10 each are being offered in terms of this Draft Prospectus at the price of Rs. [●] per Equity Share. The Issue Price is determined by our Company in consultation with the Lead Manager and is justified under the section titled "Basis for Issue Price" on page 112 of this Draft Prospectus. At

any given point of time there shall be only one denomination of the Equity Shares of our Company, subject to applicable laws.

#### **COMPLIANCE WITH SEBI (ICDR) REGULATIONS**

We shall comply with all requirements of SEBI (ICDR) Regulations, all disclosure and accounting norms as specified by SEBI from time to time.

#### **RIGHTS OF THE EQUITY SHAREHOLDERS**

Subject to applicable laws, rules, regulations and guidelines and the Articles of Association, the equity shareholders shall have the following rights:

- Right to receive dividend, if declared;
- Right to 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 annual reports and notices to members;
- 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, 2013 and the Memorandum and Articles of Association of the Company.

*For a detailed description of the main provisions of the Articles of Association relating to voting rights, dividend, forfeiture and lien and/or consolidation/splitting, please refer to the section titled "Main Provisions of Articles of Association" on page 325 of this Draft Prospectus.*

#### **MINIMUM APPLICATION VALUE; MARKET LOT AND TRADING LOT**

In terms of the provision of the Depositories Act, 1996 (22 of 1996) & the regulations made under and Section 29 (1) of the Companies Act, 2013 the Equity Shares of our Company shall be allotted only in dematerialized form i.e. not in the form of physical certificates but be fungible and be represented by the statement issued through electronic mode. Hence, the Equity Shares being offered can be applied for in the dematerialized form only.

The trading of the Equity Shares will happen be in dematerialized form and in the minimum contract size of [●] Equity Shares and the same may be modified by the NSE EMERGE from time to time by giving prior notice to investors at large.

Allocation and allotment of Equity Shares through the Issue will be done in multiples of [●] Equity Shares subject to a minimum allotment of [●] Equity Shares to the successful Applicants.

#### **MINIMUM NUMBER OF ALLOTTEES**

The minimum number of Allottees in this Issue shall be 50 shareholders. In case the minimum number of prospective allottees is less than 50, no allotment will be made pursuant to this Issue and the monies blocked by the SCSBs shall be unblocked within 6 working days of closure of issue.

## **JURISDICTION**

Exclusive jurisdiction for the purpose of this Issue is with the competent courts / authorities in Delhi.

The Equity Shares have not been and will not be registered under the U.S. Securities Act or any state securities laws in the United States and may not be offered or sold within the United States or to, or for the account or benefit of, “U.S. persons” (as defined in Regulation S), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. Accordingly, the Equity Shares are being offered and sold only outside the United States in offshore transactions in reliance on Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those 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.

## **JOINT HOLDERS**

Where two or more persons are registered as the holders of any Equity Shares, they will be deemed to hold such Equity Shares as joint-holders with benefits of survivorship.

## **NOMINATION FACILITY TO INVESTOR**

In accordance with Section 72 of the Companies Act, 2013 the sole or first applicant, along with other joint applicant, may nominate any one person in whom, in the event of the death of sole applicant or in case of joint applicant, death of all the applicants, as the case may be, the Equity Shares allotted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall in accordance with Section 72 of the Companies Act, 2013 be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale of equity share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at the Registered Office of our Company or to the Registrar and Transfer Agents of our Company.

Any person who becomes a nominee by virtue of Section 72 of the Companies Act, 2013 shall upon the production of such evidence as may be required by the Board, elect either:

- to register himself or herself as the holder of the Equity Shares; or
- to make such transfer of the Equity Shares, as the deceased holder could have made.

Further, the Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the allotment of Equity Shares in the Issue will be made only in dematerialized form, there is no need to make a separate nomination with us. Nominations registered with the respective depository participant of the

applicant would prevail. If the investors require changing the nomination, they are requested to inform their respective depository participant.

#### **MINIMUM SUBSCRIPTION**

This Issue is not restricted to any minimum subscription level. This Issue is 100% underwritten.

As per Section 39 of the Companies Act, 2013, if the "stated minimum amount" has not been subscribed and the sum payable on application is not received within a period of 30 days from the date of the Prospectus, the application money has to be returned within such period as may be prescribed. If our Company does not receive the 100% subscription of the offer through the Offer Document including devolvement of Underwriters, if any, within sixty (60) days from the date of closure of the issue, our Company shall forthwith refund the entire subscription amount received. If there is a delay beyond eight days after our Company becomes liable to pay the amount, our Company and every officer in default will, on and from the expiry of this period, be jointly and severally liable to repay the money, with interest or other penalty as prescribed under the SEBI Regulations, the Companies Act 2013 and applicable law.

The minimum number of allottees in this Issue shall be 50 shareholders. In case the minimum number of prospective allottees is less than 50, no allotment will be made pursuant to this Issue and the monies blocked by the SCSBs shall be unblocked within 6 working days of closure of issue.

Further, in accordance with Regulation 106(R) of the SEBI (ICDR) Regulations, our Company shall ensure that the minimum application size in terms of number of specified securities shall not be less than Rs.1,00,000/- (Rupees One Lac) per application.

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

#### **MIGRATION TO MAIN BOARD**

Our Company may migrate to the main board of NSE from NSE EMERGE platform of NSE on a later date subject to the following:

a) If the Paid up Capital of the Company is likely to increase above Rs. 25 crores by virtue of any further issue of capital by way of rights, preferential issue, bonus issue etc (which has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the Promoters in favour of the proposal amount to at least two times the number of votes cast by shareholders other than Promoter shareholders against the proposal and for which the Company has obtained in-principal approval from the main board), Company shall have to apply to NSE for listing our shares on its main board subject to the fulfillment of the eligibility criteria for listing of specified securities laid down by the main board.

OR

b) If the Paid up Capital of the Company is more than 10 crores but below Rs. 25 crores, Company may still apply for migration to the main board if the same has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the promoters in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal.

## **MARKET MAKING**

The shares offered through this Issue are proposed to be listed on the NSE EMERGE Platform, wherein the Lead Manager to this Issue shall ensure compulsory Market Making through the registered Market Makers of the NSE-EMERGE for a minimum period of three years from the date of listing of shares offered through this Draft Prospectus. For further details of the agreement entered into between our Company, the Lead Manager and the Market Maker please refer to “General Information - Details of the Market Making Arrangements for this Issue” on page 73 of this Draft Prospectus.

## **ARRANGEMENTS FOR DISPOSAL OF ODD LOTS**

The trading of the equity shares will happen in the minimum contract size of [●] shares in terms of the SEBI circular no. CIR/MRD/DSA/06/2012 dated February 21, 2012. However, the market maker shall buy the entire shareholding of a shareholder in one lot, where value of such shareholding is less than the minimum contract size allowed for trading on the NSE-EMERGE.

## **AS PER THE EXISTING POLICY OF THE GOVERNMENT OF INDIA, OCBS CANNOT PARTICIPATE IN THIS ISSUE.**

The current provisions of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, provides a general permission for the NRIs, FPIs and foreign venture capital investors registered with SEBI to invest in shares of Indian companies by way of subscription in an IPO. However, such investments would be subject to other investment restrictions under the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, RBI and/or SEBI regulations as may be applicable to such investors.

The Allotment of the Equity Shares to Non-Residents shall be subject to the conditions, if any, as may be prescribed by the Government of India/RBI while granting such approvals.

## **OPTION TO RECEIVE EQUITY SHARES IN DEMATERIALIZED FORM**

In accordance with the SEBI ICDR Regulations, Allotment of Equity Shares to successful applicants will only be in the dematerialized form. Applicants will not have the option of Allotment of the Equity Shares in physical form. The Equity Shares on Allotment will be traded only on the dematerialized segment of the Stock Exchange. Allottees shall have the option to re-materialise the Equity Shares, if they so desire, as per the provisions of the Companies Act and the Depositories Act.

## **NEW FINANCIAL INSTRUMENTS**

The Issuer Company is not issuing any new financial instruments through this Issue.

## **APPLICATION BY ELIGIBLE NRIS, FPIs/FIIS REGISTERED WITH SEBI, VCFS REGISTERED WITH SEBI AND QFIS**

It is to be understood that there is no reservation for Eligible NRIs or FPIs/FIIs registered with SEBI or VCFs or QFIs. Such Eligible NRIs, QFIs, FPIs/FIIs registered with SEBI will be treated on the same basis with other categories for the purpose of Allocation.



## **RESTRICTIONS, IF ANY, ON TRANSFER AND TRANSMISSION OF EQUITY SHARES OR DEBENTURES AND ON THEIR CONSOLIDATION OR SPLITTING**

Except for lock-in of the pre-Issue Equity Shares and Promoter's minimum contribution in the Issue as detailed in the chapter "Capital Structure" beginning on page 76 of this Draft Prospectus and except as provided in the Articles of Association, there are no restrictions on transfers of Equity Shares. There are no restrictions on transmission of shares and on their consolidation / splitting except as provided in the Articles of Association. For details please refer to the section titled "Main Provisions of the Articles of Association" beginning on page 325 of this Draft Prospectus.

*The above information is given for the benefit of the Applicants. The Applicants are advised to make their own enquiries about the limits applicable to them. Our Company and the 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 the Draft Prospectus. Applicants are advised to make their independent investigations and ensure that the number of Equity Shares Applied for do not exceed the applicable limits under laws or regulations.*

## **WITHDRAWAL OF THE ISSUE**

In accordance with the SEBI ICDR Regulations, our Company, in consultation with Lead Manager, reserves the right not to proceed with this Issue at any time after the Issue Opening Date, but before our Board meeting for Allotment, without assigning reasons thereof. However, if our Company withdraws the Issue after the Issue Closing Date, we will give reason thereof within two days by way of a public notice which shall be published in the same newspapers where the pre-Issue advertisements were published.

Further, the Stock Exchange shall be informed promptly in this regard and the Lead Manager, through the Registrar to the Issue, shall notify the SCSBs to unblock the Bank Accounts of the Applicants within one Working Day from the date of receipt of such notification. In case our Company withdraws the Issue after the Issue Closing Date and subsequently decides to undertake a public offering of Equity Shares, our Company will file a fresh offer document with the stock exchange where the Equity Shares may be proposed to be listed.

Notwithstanding the foregoing, the Issue is also subject to obtaining the final listing and trading approvals of the Stock Exchange, which the Company shall apply for after Allotment. In terms of the SEBI Regulations, Non retail applicants shall not be allowed to withdraw their Application after the Issue Closing Date.



## ISSUE STRUCTURE

This Issue is being made in terms of Regulation 106(M)(1) of Chapter X-B of SEBI (ICDR) Regulations, 2009, as amended from time to time, whereby, An issuer whose post-issue face value capital do not exceed ten crores rupees shall issue shares to the public and propose to list the same on the Small and Medium Enterprise Exchange (“SME Exchange”, in this case being the SME Platform of NSE i.e. NSE-EMERGE). For further details regarding the salient features and terms of such an Issue please refer the section titled “*Terms of the Issue*” and “*Issue Procedure*” on page 271 and 280 of this Draft Prospectus.

### Following is the Issue structure:

Public Issue of upto 22,51,200 equity shares of Rs. 10 each (the “Equity Shares”) for cash at a price of Rs. [●] per Equity Share (including a share premium of Rs. [●] per Equity Share) aggregating to Rs. [●] lacs (“the Issue”) by Wonder Fibromats Limited (“WFL” or the “Company” or the “Issuer”).

The Issue comprises reservation of upto 1,12,800 Equity Shares for subscription by the designated Market Maker (“the Market Maker Reservation Portion”) and Net Issue to Public of upto 21,38,400 Equity Shares (“the Net Issue”).

Particulars of the Issue	Net Issue to Public*	Market Maker Reservation Portion
<b>Number of Equity Shares available for allocation</b>	Upto 21,38,400 Equity Shares	1,12,800 Equity Shares
<b>Percentage of Issue Size available for allocation</b>	94.99% of the Issue size	5.01% of the Issue size
<b>Basis of Allotment</b>	Proportionate subject to minimum allotment of [●] Equity Shares and further allotment in multiples of [●] Equity Shares each.  For further details please refer to the section titled “ <i>Issue Procedure Basis of Allotment</i> ” on page 292 of this Draft Prospectus.	Firm Allotment
<b>Mode of Application</b>	All the applicants shall make the application (Online or Physical) through the ASBA Process	Through ASBA Process Only
<b>Minimum Application Size</b>	<b>For QIB and NII:</b> Such number of Equity Shares in multiples of [●] Equity Shares such that the Application Value exceeds Rs. 2,00,000/-  <b>For Retail Individuals:</b> [●] Equity Shares	[●] Equity Shares
<b>Maximum Application Size</b>	<b>For QIB and NII:</b> Such number of equity shares in multiples of [●] Equity Shares such that the Application Size does not	[●] Equity Shares

Particulars of the Issue	Net Issue to Public*	Market Maker Reservation Portion
	exceed [●] Shares.  <i>For Retail Individuals:</i> [●] Equity Shares	
<b>Mode of Allotment</b>	Compulsorily in Dematerialized mode	Compulsorily in Dematerialized mode
<b>Trading Lot</b>	[●] Equity Shares	[●] Equity Shares, However, the Market Makers may accept odd lots if any in the market as required under the SEBI (ICDR) Regulations, 2009.
<b>Terms of Payment</b>	The entire Application Amount will be payable at the time of submission of the Application Form and accordingly ASBA Banks will block the entire Application Amount.	

\*50 % of the shares offered are reserved for applications below Rs. 2 Lacs and the balance for higher amount applications.

#### WITHDRAWAL OF THE ISSUE

In accordance with the SEBI ICDR Regulations, our Company, in consultation with Lead Manager, reserves the right not to proceed with this Issue at any time after the Issue Opening Date, but before our Board meeting for Allotment, without assigning reasons thereof. However, if our Company withdraws the Issue after the Issue Closing Date, we will give reason thereof within two days by way of a public notice which shall be published in the same newspapers where the pre-Issue advertisements were published.

Further, the Stock Exchange shall be informed promptly in this regard and the Lead Manager, through the Registrar to the Issue, shall notify the SCSBs to unblock the Bank Accounts of the Applicants within one Working Day from the date of receipt of such notification. In case our Company withdraws the Issue after the Issue Closing Date and subsequently decides to undertake a public offering of Equity Shares, our Company will file a fresh offer document with the stock exchange where the Equity Shares may be proposed to be listed.

Notwithstanding the foregoing, the Issue is also subject to obtaining the final listing and trading approvals of the Stock Exchange, which the Company shall apply for after Allotment. In terms of the SEBI Regulations, Non retail applicants shall not be allowed to withdraw their Application after the Issue Closing Date.

#### ISSUE PROGRAMME

<b>ISSUE OPENING DATE</b>	[●]
<b>ISSUE CLOSING DATE</b>	[●]

Applications and any revision to the same (except that on the Issue Closing Date) will be accepted only between 10.00 a.m. and 5.00 p.m. (Indian Standard Time) during the Issue Period at the Application Centres mentioned in the Application Form. On the Issue Closing date application and revision to the same will be accepted between 10.00 a.m and 3.00 p.m. Applications will be accepted during Issue period on Working Days.

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## 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. The Government has from time to time made policy pronouncements on FDI through press notes and press releases. The Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India (DIPPI), issued Consolidated FDI Policy Circular of 2015 ("FDI Policy 2015"), which with effect from May 12, 2015, consolidates and supersedes all previous press notes, press releases and clarifications on FDI Policy issued by the DIPP that were in force and effect as on May 11, 2015. However, press note 4 of (2015 Series), dated April 24, 2015, regarding policy on foreign investment in pension sector, will remain effective. The Government proposes to update the consolidated circular on FDI policy once every year and therefore, FDI Policy 2015 will be valid until the DIPP issues an updated circular. The transfer of shares between an Indian resident and a non-resident does not require the prior approval of the FIPB or the RBI, provided that (i) the activities of the investee company are under the automatic route under the FDI Policy and transfer does not attract the provisions of the Takeover Regulations; (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. As per the existing policy of the Government of India, OCBs cannot participate in this Issue and in accordance with the extant FDI guidelines on sectoral caps, pricing guidelines etc. as amended by Reserve bank of India, from time to time.

The Equity Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended ("US Securities Act") or any other state securities laws in the United States of America and may not be sold or offered within the United States of America, or to, or for the account or benefit of "US Persons" as defined in Regulation S, except pursuant to exemption from, or in a transaction not subject to the registration requirements of US Securities Laws. Accordingly, the equity shares are being offered and sold only outside the United States of America in an offshore transaction in reliance upon Regulation S under the US Securities Act and the applicable laws of the jurisdiction where those offers and sale occur.

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.

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 Draft Prospectus. Applicants are advised to make their independent investigations and ensure that the Application is not in violation of laws or regulations applicable to them and do not exceed the applicable limits under the laws and regulations.

## ISSUE PROCEDURE

*All Applicants should review the General Information Document for Investing in Public Issues prepared and issued in accordance with the circular (CIR/CFD/DIL/12/2013) dated October 23, 2013 notified by SEBI (the "General Information Document") included below under section "Part B-General Information Document", which highlights the key rules, processes and procedures applicable to public issues in general in accordance with the provisions of the Companies Act, 1956, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957 and the SEBI Regulations. The General Information Document has been updated to include reference to the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014, SEBI Listing Regulations and certain notified provisions of the Companies Act, 2013, to the extent applicable to a public issue. The General Information Document is also available on the websites of the Stock Exchange and the Lead Manager. Please refer to the relevant provisions of the General Information Document which are applicable to the Issue.*

*Please note that the information stated/covered in this section may not be complete and/or accurate and as such would be subject to modification/change. Our Company and the Lead Manager do not accept any responsibility for the completeness and accuracy of the information stated in this section and the General Information Document. Our Company and the Lead Manager would not be liable for any amendment, modification or change in applicable law, which may occur after the date of this Draft Prospectus. Applicants are advised to make their independent investigations and ensure that their Applications do not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or as specified in this Draft Prospectus and the Prospectus.*

*This section applies to all the Applicants, please note that all the Applicants are required to make payment of the full Application Amount along with the Application Form.*

### **FIXED PRICE ISSUE PROCEDURE**

The Issue is being made under Regulation 106(M)(1) of Chapter XB of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 via Fixed Price Process.

Applicants are required to submit their Applications to the Application Collecting Intermediaries. In case of QIB Applicants, the Company in consultation with the Lead Manager may reject Applications at the time of acceptance of Application Form provided that the reasons for such rejection shall be provided to such Applicant in writing.

In case of Non Institutional Applicants and Retail Individual Applicants, our Company would have a right to reject the Applications only on technical grounds.

Investors should note that the Equity Shares will be allotted to all successful Applicants only in dematerialized form. Applicants will not have the option of being Allotted Equity Shares in physical form.

Further the Equity shares on allotment shall be trade only in the dematerialized segment of the Stock Exchange, as mandated by SEBI.

### **APPLICATION FORM**

Pursuant to SEBI Circular dated September 27, 2011 and bearing No. CIR/CFD/DIL/4/2011, the Application Form has been standardized. Also please note that pursuant to SEBI Circular CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 investors in public issues can only invest through ASBA Mode.

The prescribed colours of the Application Form for various investors applying in the Issue are as follows:

Category	Color of Application Form
Resident Indians and Eligible NRIs applying on a non-repatriation basis (ASBA)	White
Non-Residents and Eligible NRIs applying on a repatriation basis (ASBA)	Blue

Applicants shall only use the specified Application Form for the purpose of making an application in terms of the Prospectus. The Application Form shall contain information about the Applicant and the price and the number of Equity Shares that the Applicants wish to apply for. Application Forms downloaded and printed from the websites of the Stock Exchange shall bear a system generated unique application number.

Applicants are required to submit their applications only through any of the following Application Collecting Intermediaries

- an SCSB, with whom the bank account to be blocked, is maintained
- a syndicate member (or sub-syndicate member) : Not Applicable being Fixed Priced Issue
- a stock broker registered with a recognised stock exchange (and whose name is mentioned on the website of the stock exchange as eligible for this activity) ("broker")
- a depository participant ("DP") (whose name is mentioned on the website of the stock exchange as eligible for this activity)
- a registrar to an issue and share transfer agent ("RTA") (whose name is mentioned on the website of the stock exchange as eligible for this activity)

The aforesaid intermediaries shall, at the time of receipt of application, give an acknowledgement to investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the application form, in physical or electronic mode, respectively.

The upload of the details in the electronic bidding system of stock exchange will be done by:

<b>For applications submitted by investors to SCSB:</b>	After accepting the form, SCSB shall capture and upload the relevant details in the electronic bidding system as specified by the stock exchange(s) and may begin blocking funds available in the bank account specified in the form, to the extent of the application money specified.
<b>For applications submitted by investors to intermediaries other than SCSBs:</b>	After accepting the application form, respective intermediary shall capture and upload the relevant details in the electronic bidding system of stock exchange(s). Post uploading, they shall forward a schedule as per prescribed format along with the application forms to designated branches of the respective SCSBs for blocking of funds within one day of closure of Issue.

Upon completion and submission of the Application Form to Application Collecting intermediaries, 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.

## AVAILABILITY OF PROSPECTUS AND APPLICATION FORMS

The Application Forms and copies of the Prospectus may be obtained from the Registered Office of our Company, Lead Manager to the Issue, Registrar to the Issue as mentioned in the Application Form. The application forms may also be downloaded from the website of NSE i.e. [www.nseindia.com](http://www.nseindia.com)

## WHO CAN APPLY?

In addition to the category of Applicants set forth under **"-General Information Document for Investing in Public Issues - Category of Investors Eligible to participate in an Issue"**, the following persons are also eligible to invest in the Equity Shares under all applicable laws, regulations and guidelines, including:

- FPIs and sub-accounts registered with SEBI other than Category III foreign portfolio investor;
- Category III foreign portfolio investors, which are foreign corporates or foreign individuals only under the Non Institutional Investors (NIIs) category;
- Scientific and/or industrial research organisations authorised in India to invest in the Equity Shares.

## OPTION TO SUBSCRIBE IN THE ISSUE

- a) As per Section 29(1) of the Companies Act, 2013 allotment of Equity Shares shall be in dematerialized form only.
- b) The equity shares, on allotment, shall be traded on Stock Exchange in demat segment only.
- c) A single application from any investor shall not exceed the investment limit/minimum number of specified securities that can be held by him/her/it under the relevant regulations/statutory guidelines.

## PARTICIPATION BY ASSOCIATES / AFFILIATES OF LEAD MANAGER

The Lead Manager, if any, shall not be allowed to purchase in this Issue in any manner, except towards fulfilling their underwriting obligations. However, the associates and affiliates of the Lead Manager, if any, may purchase the Equity Shares in the Issue, either in the QIB Category or in the Non-Institutional Category as may be applicable to such Applicants, where the allocation is on a proportionate basis and such subscription may be on their own account or on behalf of their clients.

## APPLICATION BY INDIAN PUBLIC INCLUDING ELIGIBLE NRI'S APPLYING ON NON REPATRIATION

Application must be made only in the names of individuals, limited companies or statutory corporations/institutions and not in the names of minors, foreign nationals, non residents (except for those applying on non repatriation), trusts, (unless the trust is registered under the Societies Registration Act, 1860 or any other applicable trust laws and is authorized under its constitution to hold shares and debentures in a company), Hindu undivided families, partnership firms or their nominees. In case of HUFs, application shall be made by the Karta of the HUF. An applicant in the Net Public Category cannot make an application for that number of Equity Shares exceeding the number of Equity Shares offered to the public. Eligible NRIs applying on a non repatriation basis may make payments by inward remittance in foreign exchange through normal banking channels or by debits to NRE/FCNR accounts as well as NRO accounts.

## APPLICATIONS BY ELIGIBLE NRI'S/RFPI's ON REPATRIATION BASIS

Application Forms have been made available for eligible NRIs at our Registered Office and at the Corporate Office



of the Lead manager. Eligible NRI Applicants may please note that only such applications as are accompanied by payment in free foreign exchange shall be considered for Allotment under the reserved category. The eligible NRIs who intend to make payment through Non Resident Ordinary (NRO) accounts shall use the Forms meant for Resident Indians and should not use the forms meant for the reserved category. Under FEMA, general permission is granted to companies vide notification no. FEMA/20/2000 RB dated 03/05/2000 to issue securities to NRIs subject to the terms and conditions stipulated therein. Companies are required to file the declaration in the prescribed form to the concerned Regional Office of RBI within 30 days from the date of issue of shares for allotment to NRIs on repatriation basis. Allotment of equity shares to Non Resident Indians shall be subject to the prevailing Reserve Bank of India Guidelines. Sale proceeds of such investments in equity shares will be allowed to be repatriated along with the income thereon subject to permission of the RBI and subject to the Indian tax laws and regulations and any other applicable laws.

**As per the current regulations, the following restrictions are applicable for investments by FPIs:**

1. A foreign portfolio investor shall invest only in the following securities, namely- (a) Securities in the primary and secondary markets including shares, debentures and warrants of companies, listed or to be listed on a recognized stock exchange in India; (b) Units of schemes floated by 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 (IFCs) 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, holds 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 for 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 for Disinvestment of Shares by Indian Companies in the overseas market through issue of American Depository Receipts or Global Depository Receipts as notified by the Government of India and directions issued by Reserve Bank of India from time to time;
  - (vi) Any bid for, or acquisition of, securities in response to an offer for disinvestment of shares made by the Central Government or any State Government;
  - (vii) Any transaction in securities pursuant to an agreement entered into with merchant banker in the process of market making 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;
  - (viii) Any other transaction specified by the 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 derivative instruments are issued after compliance with "know your client" norms. Provided that those unregulated broad based funds, which are classified as Category II foreign portfolio investor by virtue of their investment manager being appropriately regulated shall not issue, subscribe or otherwise deal in offshore derivatives instruments directly or indirectly. Provided further that no Category III foreign portfolio investor shall issue, subscribe to or otherwise deal in offshore derivatives instruments directly or indirectly.

A foreign portfolio investor shall ensure that further issue or transfer of any offshore derivative instruments issued by or on behalf of it is made only to persons who are regulated by an appropriate foreign regulatory authority. Foreign portfolio investors shall fully disclose to the Board any information concerning the terms of and parties to off-shore derivative instruments such as participatory notes, equity linked notes or any other such instruments, by whatever names they are called, entered into by it relating to any securities listed or proposed to be listed in any stock exchange in India, as and when and in such form as the Board may specify.

Any offshore derivative instruments issued under the Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995 before commencement of SEBI (Foreign Portfolio Investors) Regulations, 2014 shall be deemed to have been issued under the corresponding provisions of SEBI (Foreign Portfolio Investors) Regulations, 2014.

The purchase of equity shares of each company by a single foreign portfolio investor or an investor group shall be below 10% of the total issued capital of the company.

An FII or its subaccount which holds a valid certificate of registration shall, subject to payment of conversion fees, be eligible to continue to buy, sell or otherwise deal in securities till the expiry of its registration as a foreign institutional investor or sub-account, or until it obtains a certificate of registration as foreign portfolio investor, whichever is earlier.

A qualified foreign investor may continue to buy, sell or otherwise deal in securities subject to the provisions of the SEBI (Foreign Portfolio Investors) Regulations, 2014, for a period of one year from the date of commencement of the aforesaid regulations, or until it obtains a certificate of registration as foreign portfolio investor, whichever is earlier.

#### **APPLICATION BY MUTUAL FUNDS**

No Mutual Fund scheme shall invest more than 10% of its net asset value in equity shares or equity related instruments of any single company provided that the limit of 10% shall not be applicable for investments in index funds or sector or industry specific funds. No Mutual Fund under all its schemes should own more than 10% of any company's paid-up share capital carrying voting rights.

With respect to Applications by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged with the Application Form. Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason thereof.

In case of a mutual fund, a separate Application can be made in respect of each scheme of the mutual fund registered with SEBI and such Applications in respect of more than one scheme of the mutual fund will not be treated as multiple applications provided that the Applications clearly indicate the scheme concerned for which the Application has been made.

The Applications made by the asset management companies or custodians of Mutual Funds shall specifically state

the names of the concerned schemes for which the Applications are made.

#### **APPLICATION 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. Limited liability partnerships can participate in the Issue only through the ASBA process.

#### **APPLICATIONS BY INSURANCE COMPANIES**

In case of applications made by insurance companies registered with the IRDA, a certified copy of certificate of registration issued by IRDA must be attached to the Application Form. Failing this, our Company reserves the right to reject any application, without assigning any reason thereof.

The exposure norms for insurers, prescribed under the Insurance Regulatory and Development Authority (Investment) Regulations, 2000, as amended (the "IRDA Investment Regulations"), are broadly set forth below:

- (a) equity shares of a company: the least of 10% of the investee company's subscribed capital (face value) or 10% of the respective fund in case of life insurer or 10% of investment assets in case of general insurer or reinsurer;
- (b) the entire group of the investee company: the least of 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
- (c) The industry sector in which the investee company operates: 10% of the insurer's total investment exposure to the industry sector (25% in case of ULIPS).

In addition, the IRDA partially amended the exposure limits applicable to investments in public limited companies in the infrastructure and housing sectors, *i.e.* 26<sup>th</sup> December, 2008, providing, among other things, that the exposure of an insurer to an infrastructure company may be increased to not more than 20%, provided that in case of equity investment, a dividend of not less than 4% including bonus should have been declared for at least five preceding years. This limit of 20% would be combined for debt and equity taken together, without sub ceilings.

Further, investments in equity including preference shares and the convertible part of debentures shall not exceed 50% of the exposure norms specified under the IRDA Investment Regulations.

#### **APPLICATION BY PROVIDENT FUNDS/ PENSION FUNDS**

In case of Applications made by provident funds with minimum corpus of Rs. 25 Crore (subject to applicable law) and pension funds with minimum corpus of Rs. 25 Crore, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/ pension fund must be lodged along with the Application Form. Failing this, the Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason thereof.

The above information is given for the benefit of the Applicants. Our Company and Lead Manager are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of the Prospectus. Applicants are advised to make their independent investigations and ensure that any single

application from them does not exceed the applicable investment limits or maximum number of the Equity Shares that can be held by them under applicable law or regulation or as specified in this Draft Prospectus/ Prospectus.

#### **APPLICATION UNDER POWER OF ATTORNEY**

In case of Applications made pursuant to a power of attorney or by limited companies, corporate bodies, registered societies, FPI's, Mutual Funds, insurance companies and provident funds with minimum corpus of Rs. 2500 Lacs (subject to applicable law) and pension funds with a minimum corpus of Rs. 2500 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, the Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason thereof. With respect to applications by VCFs, FVCIs, and FPIs, a certified copy of the power of attorney or the relevant resolution or authority, as the case may belong with a certified copy of their SEBI registration certificate must be lodged along with the Application Form. Failing this, the Company reserves the right to accept or reject any application, in whole or in part, in either case without assigning any reasons thereof.

In case of Applications made pursuant to a power of attorney by Mutual Funds, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with the certified copy of their SEBI registration certificate must be lodged along with the Application Form. Failing this, the Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason thereof.

In case of Applications made by insurance companies registered with the Insurance Regulatory and Development Authority, a certified copy of certificate of registration issued by Insurance Regulatory and Development Authority must be lodged along with the Application Form. Failing this, the Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason thereof.

In case of Applications made pursuant to a power of attorney by FIIs, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of their SEBI registration certificate must be lodged along with the Application Form. Failing this, the Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason thereof.

In case of Applications made by provident funds with minimum corpus of Rs. 25 crore (subject to applicable law) and pension funds with minimum corpus of Rs. 25 crore, a certified copy of certificate from a Chartered Accountant certifying the corpus of the provident fund/ pension fund must be lodged along with the Application Form. Failing this, the Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason thereof.

#### **INFORMATION FOR THE APPLICANTS**

1. Our Company and the Lead Managers shall declare the Issue Opening Date and Issue Closing Date in the Prospectus to be registered with the RoC and also publish the same in two national newspapers (one each in English and Hindi) and in one regional 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. Any Applicant who would like to obtain the Prospectus and/or the Application Form can obtain the same from our Registered Office.

4. Applicants who are interested in subscribing to the Equity Shares should approach any of the Application Collecting Intermediaries or their authorised agent(s).
5. Applications should be submitted in the prescribed Application Form only. Application Forms submitted to the SCSBs should bear the stamp of the respective intermediary to whom the application form is submitted. 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.
6. the Application Form can be submitted either in physical or electronic mode, to the Application Collecting Intermediaries . Further Application Collecting Intermediary 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.
7. 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.
8. 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. Applicants are required to submit their applications during the Issue Period only through the following Application Collecting intermediary
  - (i) an SCSB, with whom the bank account to be blocked, is maintained
  - (ii) a syndicate member (or sub-syndicate member)
  - (iii) a stock broker registered with a recognised stock exchange (and whose name is mentioned on the website of the stock exchange as eligible for this activity) ("broker")
  - (iv) a depository participant ("DP") (whose name is mentioned on the website of the stock exchange as eligible for this activity)
  - (v) a registrar to an issue and share transfer agent ("RTA") (whose name is mentioned on the website of the stock exchange as eligible for this activity)
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. The Intermediaries 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.

4. The Applicant cannot apply on another Application Form after applications on one Application Form have been submitted to Application Collecting intermediaries Submission of a second Application Form to either the same or to another Application Collecting Intermediary 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 intermediaries shall, at the time of receipt of application, give an acknowledgement to investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the application form, in physical or electronic mode, respectively. The upload of the details in the electronic bidding system of stock exchange and post that blocking of funds will be done by as given below:

<b>For applications submitted by investors to SCSB:</b>	After accepting the form, SCSB shall capture and upload the relevant details in the electronic bidding system as specified by the stock exchange(s) and may begin blocking funds available in the bank account specified in the form, to the extent of the application money specified.
<b>For applications submitted by investors to intermediaries other than SCSBs:</b>	After accepting the application form, respective intermediary shall capture and upload the relevant details in the electronic bidding system of stock exchange(s). Post uploading, they shall forward a schedule as per prescribed format along with the application forms to designated branches of the respective SCSBs for blocking of funds within one day of closure of Issue.

6. Upon receipt of the Application Form directly or through other intermediary, 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, and If sufficient funds are not available in the ASBA Account the application will be rejected.
7. 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.
8. The Application Amount shall remain blocked in the aforesaid ASBA Account until finalization of the Basis of Allotment and consequent transfer of the Application Amount against the Allotted Equity Shares to the Public Issue Account, or until withdrawal/failure of the Issue or until withdrawal/rejection of the Application Form, as the case may be. Once the Basis of Allotment is finalized, the Registrar to the Issue shall send an appropriate request to the Controlling Branch of the SCSB for unblocking the relevant ASBA Accounts and for transferring the amount allocable to the successful Applicants to the Public Issue Account. In case of withdrawal / failure of the Issue, the blocked amount shall be unblocked on receipt of such information from the Registrar to the Issue.

## **TERMS OF PAYMENT**

The entire Issue price of Rs. [●] per share is payable on application. In case of allotment of lesser number of Equity Shares than the number applied, The Registrar shall instruct the SCSBs to unblock the excess amount paid on Application to the Applicants.

SCSBs will transfer the amount as per the instruction received by the Registrar to the Public Issue Bank Account. The balance amount after transfer to the Public Issue Account shall be unblocked by the SCSBs.

The Applicants should note that the arrangement with Bankers to the Issue or the Registrar is not prescribed by SEBI and has been established as an arrangement between our Company, the Bankers to the Issue and the Registrar to the Issue to facilitate collections from the Applicants.

## **PAYMENT MECHANISM FOR APPLICANTS**

The 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/POLICYCELL/11/2015 dated November 10, 2015, all Investors are applying in this Issue shall mandatorily make use of ASBA facility.

## **ELECTRONIC REGISTRATION OF APPLICATIONS**

1. The Application Collecting Intermediary will register the applications using the on-line facilities of the Stock Exchange.
2. The Application Collecting Intermediary will undertake modification of selected fields in the application details already uploaded before 1.00 p.m of the next Working day from the Issue Closing Date.
3. The Application collecting Intermediary shall be responsible for any acts, mistakes or errors or omission and commissions in relation to, (i) the applications accepted by them, (ii) the applications uploaded by them, (iii) the applications accepted but not uploaded by them or (iv) In case the applications accepted and uploaded by any Application Collecting Intermediary other than SCSBs, the Application form along with relevant schedules shall be sent to the SCSBs or the Designated Branch of the relevant SCSBs for blocking of funds and they will be responsible for blocking the necessary amounts in the ASBA Accounts. In case of Application accepted and Uploaded by SCSBs, the SCSBs or the Designated Branch of the relevant SCSBs will be responsible for blocking the necessary amounts in the ASBA Accounts.
4. Neither the Lead Managers nor our Company, shall be responsible for any acts, mistakes or errors or omission and commissions in relation to, (i) the applications accepted by any Application Collecting Intermediaries, (ii) the applications uploaded by any Application Collecting Intermediaries or (iii) the



applications accepted but not uploaded by the Application Collecting Intermediaries.

5. The Stock Exchange will offer an electronic facility for registering applications for the Issue. This facility will be available at the terminals of the Application Collecting Intermediaries and their authorized agents during the Issue Period. The Designated Branches or the Agents of the Application Collecting Intermediaries can also set up facilities for off-line electronic registration of applications subject to the condition that they will subsequently upload the off-line data file into the online facilities on a regular basis. On the Issue Closing Date, the Application Collecting Intermediaries shall upload the applications till such time as may be permitted by the Stock Exchange. This information will be available with the Lead Manager on a regular basis.
6. With respect to applications by Applicants, at the time of registering such applications, the Application Collecting Intermediaries shall enter the following information pertaining to the Applicants into the on-line system:
  - Name of the Applicant;
  - IPO Name;
  - Application Form number;
  - Investor Category;
  - PAN (of First Applicant, if more than one Applicant);
  - DP ID of the demat account of the Applicant;
  - Client Identification Number of the demat account of the Applicant;
  - Numbers of Equity Shares Applied for;
  - Location of the Banker to the Issue or Designated Branch, as applicable, and bank code of the SCSB branch where the ASBA Account is maintained; and
  - Bank account number.
7. In case of submission of the Application by an Applicant through the Electronic Mode, the Applicant shall complete the above mentioned details and mention the bank account number, except the Electronic Application Form number which shall be system generated.
8. The aforesaid intermediaries shall, at the time of receipt of application, give an acknowledgement to investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the application form, in physical or electronic mode, respectively. The registration of the Application by the Application Collecting Intermediaries does not guarantee that the Equity Shares shall be allocated / allotted either by our Company.
9. Such acknowledgment will be non-negotiable and by itself will not create any obligation of any kind.
10. In case of Non Retail Applicants and Retail Individual Applicants, applications would not be rejected except on the technical grounds as mentioned in the Draft Prospectus. The Application Collecting Intermediaries shall have no right to reject applications, except on technical grounds.
11. The permission given by the Stock Exchanges to use their network and software of the Online IPO system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company and/or the Lead Manager are cleared or approved by the Stock Exchanges; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the compliance with the statutory and other requirements nor does it take any responsibility for the financial or other soundness of our Company, our Promoter, our management or any scheme or project of our Company; nor does it in any manner warrant, certify or endorse the correctness or completeness of



any of the contents of this Draft Prospectus; nor does it warrant that the Equity Shares will be listed or will continue to be listed on the Stock Exchanges.

12. The Application Collecting Intermediaries will be given time till 1.00 P.M on the next working day after the Issue Closing Date to verify the PAN No, 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.
13. The details uploaded in the online IPO system shall be considered as final and Allotment will be based on such details for ASBA applications

#### **BASIS OF ALLOTMENT**

Allotment will be made in consultation with NSE EMERGE (The Designated Stock Exchange). In the event of oversubscription, the allotment will be made on a proportionate basis in marketable lots as set forth here:

1. The total number of Shares to be allocated to each category as a whole shall be arrived at on a proportionate basis i.e. the total number of Shares applied for in that category multiplied by the inverse of the over subscription ratio (number of applicants in the category x number of Shares applied for).
2. The number of Shares to be allocated to the successful applicants will be arrived at on a proportionate basis in marketable lots (i.e. Total number of Shares applied for into the inverse of the over subscription ratio).
3. For applications where the proportionate allotment works out to less than [●] equity shares the allotment will be made as follows:
  - a) Each successful applicant shall be allotted [●] equity shares; and
  - b) The successful applicants out of the total applicants for that category shall be determined by the drawal of lots in such a manner that the total number of Shares allotted in that category is equal to the number of Shares worked out as per (2) above.
4. If the proportionate allotment to an applicant works out to a number that is not a multiple of [●] equity shares, the number in excess of the multiple of [●] would be rounded off to the higher multiple of [●] if that number is [●] or higher. If that number is lower than [●], it would be rounded off to the lower multiple of [●]. All Applicants in such categories would be Allotted Equity Shares arrived at after such rounding off.
5. If the Shares allotted on a proportionate basis to any category is more than the Shares allotted to the applicants in that category, the balance available Shares for allocation shall be first adjusted against any category, where the allotted Shares are not sufficient for proportionate allotment to the successful applicants in that category, the balance Shares, if any, remaining after such adjustment will be added to the category comprising of applicants applying for the minimum number of Shares. If as a result of the process of rounding off to the lower nearest multiple of [●] equity shares, results in the actual allotment being higher than the shares offered, the final allotment may be higher at the sole discretion of the Board of Directors, up to 110% of the size of the offer specified under the Capital Structure mentioned in this Draft Prospectus.
6. The above proportionate allotment of shares in an Issue that is oversubscribed shall be subject to the reservation for small individual applicants as described below:

(a) A minimum of 50% of the net offer of shares to the Public shall initially be made available for allotment to retail individual investors as the case may be.

(b) The balance net offer of shares to the public shall be made available for allotment to a) individual applicants other than retail individual investors and b) other investors, including Corporate Bodies/ Institutions irrespective of number of shares applied for.

(c) The unsubscribed portion of the net offer to any one of the categories specified in (a) or (b) shall/may be made available for allocation to applicants in the other category, if so required.

(d) As per Regulation 43 (4) of SEBI (ICDR) Regulations, 2009 as amended, if the retail individual investor category is entitled to more than fifty per cent on proportionate basis, the retail individual investors shall be allocated that higher percentage.

'Retail Individual Investor' means an investor who applies for shares of value of not more than Rs. 2,00,000/- Investors may note that in case of over subscription allotment shall be on proportionate basis and will be finalized in consultation with NSE.

The Executive Director / Managing Director of NSE - the Designated Stock Exchange in addition to Lead Manager and Registrar to the Public Issue shall be responsible to ensure that the basis of allotment is finalized in a fair and proper manner in accordance with the SEBI (ICDR) Regulations, 2009.

#### **SIGNING OF UNDERWRITING AGREEMENT**

Vide an Underwriting agreement dated [●] this issue is 100% Underwritten.

#### **FILING OF THE PROSPECTUS WITH THE ROC**

The Company will file a copy of the Prospectus with the RoC in terms of Section 26 of the Companies Act, 2013.

#### **PRE-ISSUE ADVERTISEMENT**

Subject to Section 30 of the Companies Act, the Company shall, after registering the Prospectus with the RoC, publish a pre-Issue advertisement, in the form prescribed by the SEBI Regulations, in one widely circulated English language national daily newspaper; one widely circulated Hindi language national daily newspaper and one regional newspaper with wide circulation.

#### **ISSUANCE OF ALLOTMENT ADVICE**

1. Upon approval of the Basis of Allotment by the Designated Stock Exchange.
2. The Lead Managers or the Registrar to the Issue will dispatch an Allotment Advice to their Applicants who have been allocated Equity Shares in the Issue.

The dispatch of Allotment Advice shall be deemed a valid, binding and irrevocable contract for the Allotment to such Applicant.

## DESIGNATED DATE AND ALLOTMENT OF EQUITY SHARES

The Company will issue and dispatch letters of allotment/ or letters of regret along with refund order or credit the allotted securities to the respective beneficiary accounts, if any within a period of four (4) working days of the Issue Closing Date.

After the funds are transferred from the ASBA Public Issue Account to the Public Issue Account on the Designated Date, the Company would ensure the credit to the successful Applicants depository account. Allotment of the Equity Shares to the Allottees shall be within one working days of the date of Allotment. Investors are advised to instruct their Depository Participant to accept the Equity Shares that may be allocated/ Allotted to them pursuant to this Issue.

## GENERAL INSTRUCTIONS

### Do's

- Check if you are eligible to apply;
- Read all the instructions carefully and complete the applicable Application Form;
- Ensure that the details about Depository Participant and Beneficiary Account are correct as Allotment of Equity Shares will be in the dematerialized form only;
- Each of the Applicants should mention their Permanent Account Number (PAN) allotted under the Income Tax Act, 1961;
- Ensure that the demographic details are updated, true and correct in all respects;
- Ensure that the name(s) given in the Application Form is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant.
- Ensure that you have funds equal to the Application Amount in your bank account maintained with the SCSB before submitting the Application Form to the respective Designated Branch of the SCSB;
- With respect to ASBA Applications ensure that the Application Form is signed by the account holder in case the applicant is not the account holder. Ensure that you have mentioned the correct bank account number in the Application Form;
- Ensure that you have requested for and receive a acknowledgement;
- All applicants should submit their applications through the ASBA process only.

### Dont's

- Do not apply for lower than the minimum Application size;
- Do not apply at a Price Different from the Price mentioned herein or in the Application Form
- Do not apply on another Application Form after you have submitted an Application to the Banker to of the Issue.
- Do not pay the Application Price in cash, by money order or by postal order or by stock invest;
- Do not send Application Forms by post; instead submit the same to the Selected Branches / Offices of the Banker to the Issue.
- Do not fill in the Application Form such that the Equity Shares applied for exceeds the Issue Size and/ or investment limit or maximum number of Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations;

- Do not submit the GIR number instead of the PAN as the Application is liable to be rejected on this ground.
- Do not submit incorrect details of the DP ID, beneficiary account number and PAN or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar to the Issue
- Do not submit Applications on plain paper or incomplete or illegible Application Forms in a colour prescribed for another category of Applicant
- Do not make Applications if you are not competent to contract under the Indian Contract Act, 1872, as amended.

#### **INSTRUCTIONS FOR COMPLETING THE APPLICATION FORM**

The Applications should be submitted on the prescribed Application Form and in BLOCK LETTERS in ENGLISH only in accordance with the instructions contained herein and in the Application Form. Applications not so made are liable to be rejected. Application Forms should bear the stamp of the Application Collecting Intermediaries. ASBA Application Forms, which do not bear the stamp of the Application Collecting Intermediaries, will be rejected.

SEBI, vide Circular No.CIR/CFD/14/2012 dated October 04, 2012 has introduced an additional mechanism for investors to submit Application forms in public issues using the stock broker (broker) network of Stock Exchanges, who may not be syndicate members in an issue with effect from January 01, 2013. The list of Broker Centre is available on the websites of BSE i.e. [www.bseindia.com](http://www.bseindia.com) and NSE i.e. [www.nseindia.com](http://www.nseindia.com). With a view to broadbase the reach of Investors by substantially enhancing the points for submission of applications, SEBI vide Circular No.CIR/CFD/POLICY CELL/11/2015 dated November 10, 2015 has permitted Registrar to the Issue and Share Transfer Agent and Depository Participants registered with SEBI to accept the Application forms in Public Issue with effect from January 01, 2016. The List of RTA and DPs centres for collecting the application shall be disclosed is available on the websites of BSE i.e. [www.bseindia.com](http://www.bseindia.com) and NSE i.e. [www.nseindia.com](http://www.nseindia.com).

#### **APPLICANT'S DEPOSITORY ACCOUNT AND BANK DETAILS**

Please note that, providing bank account details, PAN Nos, Client ID and DP ID in the space provided in the application form is mandatory and applications that do not contain such details are liable to be rejected.

Applicants should note that on the basis of name of the Applicants, Depository Participant's name, Depository Participant Identification number and Beneficiary Account Number provided by them in the Application Form as entered into the Stock Exchange online system, the Registrar to the Issue will obtain from the Depository the demographic details including address, Applicants bank account details, MICR code and occupation (hereinafter referred to as 'Demographic Details'). These Demographic Details would be used for all correspondence with the Applicants including mailing of the Allotment Advice. The Demographic Details given by Applicants in the Application Form would not be used for any other purpose by the Registrar to the Issue.

By signing the Application Form, the Applicant would be deemed to have authorized the depositories to provide, upon request, to the Registrar to the Issue, the required Demographic Details as available on its records.

#### **SUBMISSION OF APPLICATION FORM**

All Application Forms duly completed shall be submitted to the Application Collecting Intermediaries. The aforesaid intermediaries shall, at the time of receipt of application, give an acknowledgement to investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the application form, in physical or electronic mode, respectively.

## COMMUNICATIONS

All future communications in connection with Applications made in this Issue should be addressed to the Registrar to the Issue quoting the full name of the sole or First Applicant, Application Form number, Applicants Depository Account Details, number of Equity Shares applied for, date of Application form, name and address of the Application Collecting Intermediary where the Application was submitted thereof and a copy of the acknowledgement slip.

Investors can contact the Compliance Officer or the Registrar to the Issue in case of any pre Issue or post Issue related problems such as non-receipt of letters of allotment, credit of allotted shares in the respective beneficiary accounts, etc.

## DISPOSAL OF APPLICATIONS AND APPLICATION MONEYS AND INTEREST IN CASE OF DELAY

The Company shall ensure the dispatch of Allotment advice, and give benefit to the beneficiary account with Depository Participants and submit the documents pertaining to the Allotment to the Stock Exchange within two working days of date of Allotment of Equity Shares.

The Company shall use best efforts to ensure that all steps for completion of the necessary formalities for listing and commencement of trading at NSE-EMERGE where the Equity Shares are proposed to be listed are taken within 6 working days from Issue Closing Date. In accordance with the Companies Act, the requirements of the StockExchange and the SEBI Regulations, the

Company further undertakes that:

1. Allotment and Listing of Equity Shares shall be made within 6 (Six) days of the Issue Closing Date;
2. The Company will provide adequate funds required for dispatch of Allotment Advice to the Registrar to the Issue.

## IMPERSONATION

*Attention of the Applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:*

*“ Any person who—*

- a. makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or
- b. makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or
- c. otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, *shall be liable for action under Section 447.”*

## UNDERTAKINGS BY OUR COMPANY

The Company undertakes the following:

- 1) That the complaints received in respect of this Issue shall be attended to by us expeditiously and satisfactorily;
- 2) That all steps will be taken for the completion of the necessary formalities for listing and commencement of trading at the Stock Exchange where the Equity Shares are proposed to be listed within 6 (Six) working days of closure of the Issue;
- 3) That funds required for making refunds to unsuccessful applicants as per the mode(s) disclosed or dispatch of allotment advice by registered post or speed post shall be made available to the Registrar to the Issue by the Issuer;
- 4) That our Promoter's contribution in full has already been brought in;
- 5) That the letter of allotment/ unblocking of funds to the non resident Indians shall be dispatched within specified time;
- 6) That no further issue of Equity Shares shall be made till the Equity Shares offered through this Draft Prospectus are listed or until the Application monies are refunded on account of non listing, under subscription etc.
- 7) The Company shall not have recourse to the Issue proceeds until the approval for trading of the Equity Shares from the Stock Exchange where listing is sought has been received.

#### **UTILIZATION OF ISSUE PROCEEDS**

Our Board certifies that:

- 1) All monies received out of the Issue shall be credited/ transferred to a separate bank account other than the bank account referred to in sub section (3) of Section 40 of the Companies Act, 2013;
- 2) Details of all monies utilized out of the Issue shall be disclosed under an appropriate head in our balance sheet indicating the purpose for which such monies have been utilized;
- 3) Details of all unutilized monies out of the Issue, if any shall be disclosed under the appropriate head in the balance sheet indicating the form in which such unutilized monies have been invested and
- 4) Our Company shall comply with the requirements of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 in relation to the disclosure and monitoring of the utilization of the proceeds of the Issue.

Our Company shall not have recourse to the Issue Proceeds until the approval for listing and trading of the Equity Shares from the Stock Exchange where listing is sought has been received.

#### **EQUITY SHARES IN DEMATERIALISED FORM WITH NSDL OR CDSL**

To enable all shareholders of the Company to have their shareholding in electronic form, the Company is in the process of signing the following tripartite agreements with the Depositories and the Registrar and Share Transfer Agent:

- Agreement dated [●] among NSDL, the Company and the Registrar to the Issue;
- Agreement dated [●] among CDSL, the Company and the Registrar to the Issue;

The Company's shares bear ISIN no [●]



## GENERAL INFORMATION DOCUMENT FOR INVESTING IN PUBLIC ISSUES

*This General Information Document highlights the key rules, processes and procedures applicable to public issues in accordance with the provisions of the Companies Act, 2013 (to the extent notified and in effect), the Companies Act, 1956 (without reference to the provisions thereof that have ceased to have effect upon the notification of the Companies Act, 2013), the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957 and the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009. Applicants should not construe the contents of this General Information Document as legal advice and should consult their own legal counsel and other advisors in relation to the legal matters concerning the Issue. For taking an investment decision, the Applicants should rely on their own examination of the Issuer and the Issue, and should carefully read the Draft Prospectus/Prospectus before investing in the Issue*

### SECTION 1: PURPOSE OF THE GENERAL INFORMATION DOCUMENT (GID)

This document is applicable to the public issues undertaken *inter-alia* through Fixed Price Issues. The purpose of the –General Information Document for Investing in Public Issues is to provide general guidance to potential Applicants in IPOs, on the processes and procedures governing IPOs, undertaken in accordance with the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (“SEBI ICDR Regulations, 2009”).

Applicants should note that investment in equity and equity related securities involves risk and Applicant should not invest any funds in the Issue unless they can afford to take the risk of losing their investment. The specific terms relating to securities and/or for subscribing to securities in an Issue and the relevant information about the Issuer undertaking the Issue; are set out in the Prospectus filed by the Issuer with the Registrar of Companies (“ROC”). Applicants should carefully read the entire Prospectus and the Application Form and the Abridged Prospectus of the Issuer in which they are proposing to invest through the Issue. In case of any difference in interpretation or conflict and/or overlap between the disclosure included in this document and the Prospectus, the disclosures in the Prospectus shall prevail. The Prospectus of the Issuer is available on the websites of stock exchanges, on the website(s) of the LM(s) to the Issue and on the website of Securities and Exchange Board of India (“SEBI”) at [www.sebi.gov.in](http://www.sebi.gov.in)

For the definitions of capitalized terms and abbreviations used herein Applicants may refer to the section “Glossary and Abbreviations”.

### SECTION 2: BRIEF INTRODUCTION TO IPOs ON SME EXCHANGE

#### 2.1 INITIAL PUBLIC OFFER (IPO)

An IPO means an offer of specified securities by an unlisted Issuer to the public for subscription and may include an Offer for Sale of specified securities to the public by any existing holder of such securities in an unlisted Issuer.

For undertaking an IPO, an Issuer is *inter-alia* required to comply with the eligibility requirements of in terms of either Regulation 26(1) or Regulation 26(2) of the SEBI ICDR Regulations, 2009, if applicable. For details of compliance with the eligibility requirements by the Issuer, Applicants may refer to the Prospectus.

The Issuer may also undertake IPO under of chapter XB of the SEBI (ICDR) Regulations, wherein as per,

- Regulation 106M (1): An issuer whose post-issue face value capital does not exceed ten crore rupees shall issue its specified securities in accordance with provisions of this Chapter.
- Regulation 106M (2): An issuer, whose post issue face value capital, is more than ten crore rupees and upto twenty five crore rupees, may also issue specified securities in accordance with provisions of this Chapter.

The present Issue being made under Regulation 106M (1) of Chapter XB of SEBI (ICDR) Regulation.

## 2.2 OTHER ELIGIBILITY REQUIREMENTS

In addition to the eligibility requirements specified in paragraphs 2.1, an Issuer proposing to undertake an IPO is required to comply with various other requirements as specified in the SEBI ICDR Regulations, 2009, the Companies Act, 2013 (the “Companies Act”), The Securities Contracts (Regulation) Rules, 1957 (the “SCRR”), industry-specific regulations, if any, and other applicable laws for the time being in force. Following are the eligibility requirements for making an SME IPO under Regulation 106M (1) of Chapter XB of SEBI (ICDR) Regulation

- (a) In accordance with regulation 106(P) of the SEBI (ICDR) Regulations, Issue has to be 100% underwritten and the LM has to underwrite at least 15% of the total issue size.
- (b) In accordance with Regulation 106(R) of the SEBI (ICDR) Regulations, total number of proposed allottees in the Issue shall be greater than or equal to fifty, otherwise, the entire application money will be refunded forthwith. If such money is not repaid within eight days from the date the company becomes liable to repay it, than the Company and every officer in default shall, on and from expiry of eight days, be liable to repay such application money, with interest as prescribed under section 73 of the Companies Act, 1956.
- (c) In accordance with Regulation 106(O) the SEBI (ICDR) Regulations, Company is not required to file any Offer Document with SEBI nor has SEBI issued any observations on the Offer Document. The Lead Manager shall submit the copy of Prospectus along with a Due Diligence Certificate including additional confirmations as required to SEBI at the time of filing the Prospectus with Stock Exchange and the Registrar of Companies.
- (d) In accordance with Regulation 106(V) of the SEBI ICDR Regulations, the LM has to ensure compulsory market making for a minimum period of three years from the date of listing of Equity Shares offered in the Issue.
- (e) The Issuer shall have a track record of three years.
- (f) The Net worth (excluding revaluation reserves) of the Issuer shall be positive as per the latest audited financial results.
- (g) The Issuer should have positive cash accruals (earnings before depreciation and tax) from operations for at least 2 financial years.
- (h) The Post-issue paid up capital of the Issuer shall be less than Rs. 25 Crores.
- (i) The Issuer shall mandatorily facilitate trading in demat securities.
- (j) The Issuer should not be referred to Board for Industrial and Financial Reconstruction.
- (k) No petition for winding up is admitted by a court or a liquidator has not been appointed of competent jurisdiction against the Company.
- (l) No material regulatory or disciplinary action should have been taken by any stock exchange or regulatory authority in the past three years against the Issuer.
- (m) The Company should have a website.

Issuer shall also comply with all the other requirements as laid down for such an Issue under Chapter X-B of SEBI (ICDR) Regulations and subsequent circulars and guidelines issued by SEBI and the Stock Exchange.

As per Regulation 106(M) (3) of SEBI (ICDR) Regulations, 2009, the provisions of Regulations 6(1), 6(2), 6(3), Regulation 7, Regulation 8, Regulation 9, Regulation 10, Regulation 25, Regulation 26, Regulation 27 and Sub regulation (1) of Regulation 49 of SEBI (ICDR) Regulations, 2009 shall not apply to this Issue.

Thus Company is eligible for the Issue in accordance with regulation 106M (1) and other provisions of chapter XB of the SEBI (ICDR) Regulations as the post issue face value capital does not exceed Rs. 1,000 lacs. Company also complies with the eligibility conditions laid by the SME Platform of NSE for listing of our Equity Shares.

### 2.3 TYPES OF PUBLIC ISSUES - FIXED PRICE ISSUES AND BOOK BUILT ISSUES

In accordance with the provisions of the SEBI ICDR Regulations, 2009, an Issuer can either determine the Issue Price through the Book Building Process ("**Book Built Issue**") or undertake a Fixed Price Issue (**Fixed Price Issue**"). An Issuer may mention Floor Price or Price Band in the RHP (in case of a Book Built Issue) and a Price or Price Band in the Draft Prospectus (in case of a fixed price Issue) and determine the price at a later date before registering the Prospectus with the Registrar of Companies.

The cap on the Price Band should be less than or equal to 120% of the Floor Price. The Issuer shall announce the Price or the Floor Price or the Price Band through advertisement in all newspapers in which the pre-issue advertisement was given at least five Working Days before the Issue Opening Date, in case of an IPO and at least one Working Day before the Issue Opening Date, in case of an FPO.

The Floor Price or the Issue price cannot be lesser than the face value of the securities. Applicants should refer to the Prospectus or Issue advertisements to check whether the Issue is a Book Built Issue or a Fixed Price Issue.

### 2.4 ISSUE PERIOD

The Issue shall be kept open for a minimum of three Working Days (for all category of Applicants) and not more than ten Working Days. Applicants are advised to refer to the Application Form and Abridged Prospectus or Prospectus for details of the Issue Period. Details of Issue Period are also available on the website of Stock Exchange(s).

### 2.5 MIGRATION TO MAIN BOARD

SME Issuer may migrate to the Main Board of SE from the SME Exchange at a later date subject to the following:

(a) If the Paid up Capital of the Company is likely to increase above Rs. 25 crores by virtue of any further issue of capital by way of rights, preferential issue, bonus issue etc. (which has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the Promoter in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal and for which the company has obtained in-principal approval from the main board), the Company shall apply to SE for listing of its shares on its Main Board subject to the fulfillment of the eligibility criteria for listing of specified securities laid down by the Main Board.

OR

(b) If the Paid up Capital of the company is more than 10 crores but below Rs. 25 crores, the Company may still apply for migration to the main board if the same has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the Promoter in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal.

## 2.6 FLOWCHART OF TIMELINES

A flow chart of process flow in Fixed Price Issues is as follows:



## SECTION 3: CATEGORY OF INVESTORS ELIGIBLE TO PARTICIPATE IN AN ISSUE

***Each Applicant should check whether it is eligible to apply under applicable law.*** Furthermore, certain categories of Applicants, such as NRIs, FPIs and FVCIs may not be allowed to apply in the Issue or to hold Equity Shares, in excess of certain limits specified under applicable law. Applicants are requested to refer to the Prospectus for more details.

Subject to the above, an illustrative list of Applicants is as follows:

1. Indian nationals resident in India who are not incompetent to contract in single or joint names (not more than three) or in the names of minors as natural/legal guardian;
2. Hindu Undivided Families or HUFs, in the individual name of the Karta. The Applicant should specify that the application is being made in the name of the HUF in the Application Form as follows: Name of Sole or First applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta. Applications by HUFs would be considered at par with those from individuals;
3. Companies, Corporate Bodies and Societies registered under the applicable laws in India and authorized to invest in the Equity Shares under their respective constitutional and charter documents;
4. Mutual Funds registered with SEBI;
5. Eligible NRIs on a repatriation basis or on a non-repatriation basis, subject to applicable laws. NRIs other than Eligible NRIs are not eligible to participate in this Issue;
6. Indian Financial Institutions, scheduled commercial banks, regional rural banks, co-operative banks (subject to RBI permission, and the SEBI Regulations and other laws, as applicable);
7. FPIs other than Category III FDI; VCFs and FVCIs registered with SEBI
8. Limited Liability Partnerships (Lip's) registered in India and authorized to invest in equity shares;
9. State Industrial Development Corporations;
10. Trusts/societies registered under the Societies Registration Act, 1860, as amended, or under any other law relating to Trusts and who are authorized under their constitution to hold and invest in equity shares;
11. Scientific and/or Industrial Research Organizations authorized to invest in equity shares;
12. Insurance Companies registered with IRDA;
13. Provident Funds and Pension Funds with minimum corpus of Rs. 2,500 Lacs and who are authorized under their constitution to hold and invest in equity shares;
14. Multilateral and Bilateral Development Financial Institutions;
15. National Investment Fund set up by resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of Government of India published in the Gazette of India;
16. Insurance funds set up and managed by army, navy or air force of the Union of India or by Department of Posts, India;
17. Any other person eligible to apply in this Issue, under the laws, rules, regulations, guidelines and policies applicable to them and under Indian laws

As per the existing regulations, OCBs cannot participate in this Issue.

#### SECTION 4: APPLYING IN THE ISSUE

##### **Fixed Price Issue:**

Applicants should only use the specified Application Form either bearing the stamp of Application Collecting Intermediaries as available or downloaded from the websites of the Stock Exchanges. Application Forms are available with the Branches of Collection Banks or Designated Branches of the SCSBs, at the registered office of the Issuer and at the corporate office of LM. For further details regarding availability of Application Forms, Applicants may refer to the Prospectus. Applicants should ensure that they apply in the appropriate category.

The prescribed colour of the Application Form for various categories of Applicants is as follows:

Category	Colour of the Application
Resident Indian, Eligible NRIs applying on a non- repatriation basis	White
NRIs, FVCIs, FPIs, their Sub-Accounts (other than Sub-Accounts which are foreign corporate(s) or foreign individuals applying under the QIB), on a repatriation basis	Blue

Securities Issued in an IPO can only be in dematerialized form in compliance with Section 29 of the Companies Act, 2013. Applicants will not have the option of getting the allotment of specified securities in physical form. However, they may get the specified securities rematerialised subsequent to allotment.

#### **4.1 INSTRUCTIONS FOR FILING THE APPLICATION FORM (FIXED PRICE ISSUE)**

Applicants may note that forms not filled completely or correctly as per instructions provided in this GID, the Prospectus and the Application Form are liable to be rejected.

Instructions to fill each field of the Application Form can be found on the reverse side of the Application Form. Specific instructions for filling various fields of the Resident Application Form and Non-Resident Application Form and samples are provided below.

*The samples of the Application Form for resident Applicants and the Application Form for non-resident Applicants are reproduced below:*

<p><b>COMMON BID CUM APPLICATION FORM</b></p>	<p><b>XYZ LIMITED - INITIAL PUBLIC ISSUE - R</b></p> <p>Address : _____ Contact Details : _____ CIN No. _____</p>	<p><b>FOR RESIDENT INDIANS, INCLUDING RESIDENT QIBs AND ELIGIBLE NRIs APPLYING ON A NON-REPATRIATION BASIS</b></p>
<p>LOGO</p>	<p>TO, THE BOARD OF DIRECTORS, XYZ LIMITED</p>	<p><b>FIXED PRICE ONE ISSUE</b> <b>INE00000000000</b></p>
<p><b>SYNDICATE MEMBER'S STAMP &amp; CODE</b></p>		<p><b>BID CUM APPLICATION FORM No.</b></p>
<p><b>BROKER/SCSB/DP/RTA STAMP &amp; CODE</b></p>		<p><b>1. NAME &amp; CONTACT DETAILS OF SOLE / FIRST BIDDER</b></p>
<p><b>SUB-BROKER'S / SUB-AGENT'S STAMP &amp; CODE</b></p>		<p>Mr. / Ms. _____</p>
<p><b>UNKNOWN BRANCH/SCSB BRANCH STAMP &amp; CODE</b></p>		<p>Address _____</p>
<p><b>BANK BRANCH SERIAL NO.</b></p>		<p>Tel. No. (with STD code) / Mobile _____</p>
<p><b>SCSB SERIAL NO.</b></p>		<p><b>2. PAN OF SOLE / FIRST BIDDER</b></p>
<p><b>3. BIDDER'S DEPOSITORY ACCOUNT DETAILS</b> <input type="checkbox"/> NSDL <input type="checkbox"/> CDSL</p>		<p><b>4. CATEGORY</b></p>
<p>For NSDL, enter 8 digit DP ID followed by 8 digit Client ID / For CDSL, enter 16 digit Client ID</p>		<p><input type="checkbox"/> Retail Investor Bidder</p>
<p><b>4. BID OPTIONS (ONLY RETAIL INDIVIDUAL BIDDERS CAN BID AT "CUT-OFF")</b></p>		<p><input type="checkbox"/> Non-Institutional Bidder</p>
<p><b>Bid Options</b></p>	<p>No. of Equity Shares Bid (in Figures) (Bids must be in multiples of Bid Lot as advertised)</p>	<p><input type="checkbox"/> QIB</p>
<p>Option 1</p>	<p>Price per Equity Share (₹) "Cut-off" (Price in multiples of ₹ 2/- only) (in Figures)</p>	<p><small>* RUP should apply only through Karta. Application by RUP would be treated as per each individual.</small></p>
<p>Option 2</p>	<p>Bid Price Retail Discount Net Price "Cut-off" (₹)</p>	
<p>Option 3</p>		
<p><b>5. PAYMENT DETAILS</b></p>		<p><b>PAYMENT OPTION : FULL PAYMENT <input type="checkbox"/> PART PAYMENT <input type="checkbox"/></b></p>
<p>Amount paid (₹ in figures) _____ (₹ in words) _____</p>		
<p><b>ASBA</b></p>		
<p>Bank A/c No. _____</p>		
<p>Bank Name &amp; Branch _____</p>		
<p><small>ONE (1) BIDDER OF JOINT APPLICANTS, IF ANY, HEREBY CONFIRM THAT I/WE HAVE READ AND UNDERSTOOD THE TERMS AND CONDITIONS OF THIS BID CUM APPLICATION FORM AND THE APPLICABLE BROCHURE PROSPECTUS AND THE ORIGINAL INFORMATION DOCUMENT FOR INVESTING IN PUBLIC ISSUE (PDI) AND HEREBY AGREE AND CONFIRM THE "BIDDERS UNDERTAKING" AS GIVEN OVERLEAF. I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ THE INSTRUCTIONS FOR FILLING UP THE BID CUM APPLICATION FORM GIVEN OVERLEAF.</small></p>		
<p><b>6A. SIGNATURE OF SOLE / FIRST BIDDER</b></p>	<p><b>6B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(S)</b> (AS PER BANK RECORDS) <small>I/We authorize the SCSB to do all such as will be necessary to make this Application in the line.</small></p>	<p><b>BROKER / SCSB / DP / RTA STAMP</b> (Acknowledging receipt of Bid in Stock Exchange (if any))</p>
<p>Date : _____</p>	<p>1) _____ 2) _____ 3) _____</p>	
<p>TEAR HERE</p>		
<p>LOGO</p>	<p><b>XYZ LIMITED</b> <b>INITIAL PUBLIC ISSUE - R</b></p>	<p><b>Acknowledgement Slip for Broker/SCSB/DP/RTA</b></p>
<p>DPID / CLID</p>	<p>Amount paid (₹ in figures) _____ Bank &amp; Branch _____</p>	<p><b>Bid cum Application Form No.</b></p>
<p>ASBA Bank A/c No. _____</p>	<p>Received from Mr./Ms. _____</p>	<p><b>PAN of Sole / First Bidder</b></p>
<p>Telephone / Mobile _____</p>	<p>Email _____</p>	<p><b>Stamp &amp; Signature of SCSB Branch</b></p>
<p>TEAR HERE</p>		
<p><b>XYZ LIMITED - INITIAL PUBLIC ISSUE - R</b></p>	<p>Option 1 Option 2 Option 3</p>	<p><b>Name of Sole / First Bidder</b></p>
<p>No. of Equity Shares Bid Price</p>	<p>Amount Paid (₹)</p>	<p><b>Acknowledgement Slip for Bidder</b></p>
<p>ASBA Bank A/c No. _____</p>	<p>Bank &amp; Branch _____</p>	<p><b>Bid cum Application Form No.</b></p>



TEAR HERE

PLEASE FILL IN BLOCK LETTERS

TEAR HERE

<b>COMMON BID CUM APPLICATION FORM</b>		<b>XYZ LIMITED - INITIAL PUBLIC ISSUE - NR</b>		For Eligible NRI, FI, FVC, applying on Re-registration Basis	
Address : _____		Contact Details : _____		CIN No : _____	
LOGO		TO, THE BOARD OF DIRECTORS XYZ LIMITED		<div style="border: 1px solid black; padding: 2px;">FIXED PRICE GME ISSUE</div> <div style="border: 1px solid black; padding: 2px;">INE00000000000</div>	
				Bid cum Application Form No. _____	
SYNDICATE MEMBER'S STAMP & CODE		BROKER/SCSB/DP/RTA STAMP & CODE		1. NAME & CONTACT DETAILS OF SOLE / FIRST BIDDER	
				Mr. / Ms. _____ Address : _____ Email : _____ Tel. No (with STD code) / Mobile : _____	
MEMBER'S / SUB-AGENT'S STAMP & CODE		BANK BRANCH SERIAL NO.		SCSB SERIAL NO.	
BANK BRANCH SERIAL NO.		SCSB SERIAL NO.		2. PAN OF SOLE / FIRST BIDDER	
3. BIDDER'S DEPOSITORY ACCOUNT DETAILS <input type="checkbox"/> NDDL <input type="checkbox"/> CDSL					
For NDDL, enter 8 digits (1-9 followed by 8 digits) Client ID for CDSL, enter 6 digits (1-9 followed by 5 digits) Client ID					
4. BID OPTIONS (ONLY RETAIL INDIVIDUAL BIDDERS CAN BID AT "CUT-OFF")					
Bid Options	No. of Equity Shares Bid (In Figures) (Must be in multiples of Bid Lot as advertised)	Price per Equity Share (₹) "Cut-off" (Price in multiples of ₹ 1/- only) (In Figures)			5. CATEGORY
		Bid Price	Retail Discount	Net Price	
Option 1	0 1 2 3 4 5 6 7 8 9	0 1 2 3 4 5 6 7 8 9	0 1 2 3 4 5 6 7 8 9	0 1 2 3 4 5 6 7 8 9	<input type="checkbox"/> Retail Investor Bidder <input type="checkbox"/> Non-Institutional Bidder <input type="checkbox"/> QIB
OR Option 2					
OR Option 3					
7. PAYMENT DETAILS					
Amount paid (₹ in figures) _____ (₹ in words) _____					
ASBA Bank A/c No. _____ Bank Name & Branch : _____					
PAYMENT OPTION : FULL PAYMENT					
I/WE (OR BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ AND UNDERSTOOD THE TERMS AND CONDITIONS OF THIS BID CUM APPLICATION FORM AND THE ATTACHED ANNOUNCEMENT PROSPECTUS AND THE GENERAL INFORMATION DOCUMENT FOR INVESTING IN PUBLIC ISSUES ("GID") AND HEREBY AGREE AND CONFIRM THE "BIDDERS UNDERTAKING" AS GIVEN OVERLEAF. I/WE (OR BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ THE INSTRUCTIONS FOR FILING OF THE BID CUM APPLICATION FORM GIVEN OVERLEAF.					
8A. SIGNATURE OF SOLE / FIRST BIDDER		8B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(S) (AS PER BANK RECORDS)		BROKER / SCSB / DP / RTA STAMP (Acknowledging upload of Bid in Stock Exchange system)	
		I/We authorize the SCSB to do all acts as are necessary to make the Application in the line 1) _____ 2) _____			

TEAR HERE

<b>XYZ LIMITED</b>		<b>INITIAL PUBLIC ISSUE - NR</b>		Acknowledgement Slip for Broker/SCSB/DP/RTA	
LOGO				Bid cum Application Form No. _____	
PAN of Sole / First Bidder					
DPID / CUID : _____					
Amount paid (₹ in figures) _____ Bank & Branch : _____				Stamp & Signature of SCSB Branch	
ASBA Bank A/c No. _____					
Received from Mr./Ms. _____					
Telephone / Mobile : _____ Email : _____					
TEAR HERE					
AM LIMITED - INITIAL PUBLIC ISSUE - NR		Stamp & Signature of Broker / SCSB / DP / RTA		Name of Sole / First Bidder	
No. of Equity Shares _____ Bid Price _____ Amount Paid (₹) _____					
ASBA Bank A/c No. _____ Bank & Branch : _____				Acknowledgement Slip for Bidder Bid cum Application Form No. _____	

#### 4.1.1 FIELD NUMBER 1: NAME AND CONTACT DETAILS OF THE SOLE/ FIRST APPLICANT

Applicants should ensure that the name provided in this field is exactly the same as the name in which the Depository Account is held.

(a) **Mandatory Fields:** Applicants should note that the name and address fields are compulsory and email and/or telephone number/ mobile number fields are optional. Applicants should note that the contact details mentioned in the Application Form may be used to dispatch communications (including refund orders and letters notifying the unblocking of the bank accounts of ASBA Applicants) in case the communication sent to the address available with the Depositories are returned undelivered or are not available. The contact details provided in the Application Form may be used by the Issuer, the members of the Syndicate, the Registered Broker and the Registrar to the Issue only for correspondence(s) related to an Issue and for no other purposes.

(b) **Joint Applications:** In the case of Joint Applications, the Applications should be made in the name of the Applicant whose name appears first in the Depository account. The name so entered should be the same as it appears in the Depository records. The signature of only such first Applicant would be required in the Application Form and such first Applicant would be deemed to have signed on behalf of the joint holders. All payments may be made out in favour of the Applicant whose name appears in the Application Form or the Revision Form and all communications may be addressed to such Applicant and may be dispatched to his or her address as per the Demographic Details received from the Depositories.

(c) **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**

- *whomakes or abets making of an application in a fictitious name to a Company foracquiring, or subscribing for, its securities; or*
- *makes or abets making of multiple applications to a Company in different names or indifferent combinations of his name or surname for acquiring or subscribing for itssecurities;*
- *orotherwise induces directly or indirectly a Company to allot, or register any transfer ofsecurities to him, or to any other person in a fictitious name,*

*Shall be liable for action under section 447 of the said Act.”*

(d) **Nomination Facility to Applicant:** Nomination facility is available in accordance with the provisions of Section 109A of the Companies Act. In case of allotment of the Equity Shares in dematerialized form, there is no need to make a separate nomination as the nomination registered with the Depository may prevail. For changing nominations, the Applicants should inform their respective DP.

#### 4.1.2 FIELD NUMBER 2: PAN NUMBER OF SOLE /FIRST APPLICANT

(a) PAN (of the sole/ first Applicant) provided in the Application Form should be exactly the same as the PAN of the person(s) in whose name the relevant beneficiary account is held as per the Depositories' records.

(b) PAN is the sole identification number for participants transacting in the securities market irrespective of the amount of transaction except for Applications on behalf of the Central or State Government, Applications by officials appointed by the courts and Applications by Applicants residing in Sikkim (“PAN Exempted Applicants”). Consequently, all Applicants, other than the PAN Exempted Applicants, are required to disclose their PAN in the

Application Form, irrespective of the Application Amount. An Application Form without PAN, except in case of Exempted Applicants, is liable to be rejected. Applications by the Applicants whose PAN is not available as per the Demographic Details available in their Depository records, are liable to be rejected.

(c) The exemption for the PAN Exempted Applicants is subject to (a) the Demographic Details received from the respective Depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in “activestatus”; and (b) in the case of residents of Sikkim, the address as per the Demographic Detailsevidencing the same.

(d) Application Forms which provide the General Index Register Number instead of PAN may be rejected.

(e) Applications by Applicants whose demat accounts have been “suspended for credit” are liable to be rejected pursuant to the circular issued by SEBI on July 29, 2010, bearing number CIR/MRD/DP/22/2010. Such accounts are classified as “Inactive demat accounts” and demographic details are not provided by depositories.

#### **4.1.3 FIELD NUMBER 3: APPLICANTS DEPOSITORY ACCOUNT DETAILS**

(a) Applicants should ensure that DP ID and the Client ID are correctly filled in the Application Form. The DP ID and Client ID provided in the Application Form should match with the DP ID and Client ID available in the Depository database, **otherwise, the Application Form is liable to be rejected.**

(b) Applicants should ensure that the beneficiary account provided in the Application Form is active.

(c) Applicants should note that on the basis of DP ID and Client ID as provided in the Application Form, the Applicant may be deemed to have authorized the Depositories to provide to the Registrar to the Issue, any requested Demographic Details of the Applicant as available on the records of the depositories. These Demographic Details may be used, among other things, for sending allocation advice and for other correspondence(s) related to an Issue.

(d) Applicants are, advised to update any changes to their Demographic Details as available in the records of the Depository Participant to ensure accuracy of records. Any delay resulting from failure to update the Demographic Details would be at the Applicants’ sole risk.

#### **4.1.4 FIELD NUMBER 4: APPLICATION DETAILS**

(a) The Issuer may mention Price in the draft Prospectus. However a prospectus registered with ROC contains one price.

(b) Minimum and Maximum Application Size

##### **i. For Retail Individual Applicants**

The Application must be for a minimum of [●] Equity Shares. As the Application Price payable by the Retail Individual Applicants cannot exceed Rs. 2,00,000, they can make Application for only minimum Application size i.e. for [●] Equity Shares. Retail Individual Applicants can revise or withdraw their applications prior to issue closing date.

## ii. For Other Applicants (Non-Institutional Applicants and QIBs):

The Application must be for a minimum of such number of Equity Shares such that the Application Amount exceeds Rs. 2,00,000 and in multiples of [●] Equity Shares thereafter. An Application cannot be submitted for more than the Issue Size. However, the maximum Application by a QIB investor should not exceed the investment limits prescribed for them by applicable laws. Under existing SEBI Regulations, **a QIB and a Non Institutional Applicant cannot withdraw or lower the size of their Application at any stage and are required to pay entire application money amount upon submission of the Application.** In case of revision in Applications, the Non-Institutional Applicants, who are individuals, have to ensure that the Application Amount is greater than Rs. 2,00,000 for being considered for allocation in the Non- Institutional Portion. Applicants are advised to ensure that any single Application from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in the Prospectus.

(c) **Multiple Applications:** An Applicant should submit only one Application Form. Submission of a second Application Form to either the same or to Application Collecting Intermediary and duplicate copies of Application Forms bearing the same application number shall be treated as multiple applications and are liable to be rejected.

(d) Applicants are requested to note the following procedures may be followed by the Registrar to the Issue to detect multiple applications:

- i. All applications may be checked for common PAN as per the records of the Depository. For Applicants other than Mutual Funds and FPI sub-accounts, Applications bearing the same PAN may be treated as multiple applications by an Applicant and may be rejected.
- ii. For applications from Mutual Funds and FPI sub-accounts, submitted under the same PAN, as well as Applications on behalf of the PAN Exempted Applicants, the Application Forms may be checked for common DP ID and Client ID. In any such applications which have the same DP ID and Client ID, these may be treated as multiple applications and may be rejected.

(e) The following applications may not be treated as multiple Applications:

- i. Applications by Reserved Categories in their respective reservation portion as well as that made by them in the Net Issue portion in public category.
- ii. Separate applications by Mutual Funds in respect of more than one scheme of the Mutual Fund provided that the Applications clearly indicate the scheme for which the Application has been made.
- iii. Applications by Mutual Funds, and sub-accounts of FPIs (or FPIs and its sub-accounts) submitted with the same PAN but with different beneficiary account numbers, Client IDs and DP IDs.

### 4.1.5 FIELD NUMBER 5: CATEGORY OF APPLICANTS

- i. The categories of applicants identified as per the SEBI ICDR Regulations, 2009 for the purpose of Application, allocation and allotment in the Issue are RIIs, individual applicants other than RII's and other investors (including corporate bodies or institutions, irrespective of the number of specified securities applied for).
- ii. An Issuer can make reservation for certain categories of Applicants permitted under the SEBI ICDR Regulations, 2009. For details of any reservations made in the Issue, applicants may refer to the Prospectus.

- iii. The SEBI ICDR Regulations, 2009 specify the allocation or allotment that may be made to various categories of applicants in an Issue depending upon compliance with the eligibility conditions. For details pertaining to allocation and Issue specific details in relation to allocation, applicant may refer to the Prospectus.

#### **4.1.6 FIELD NUMBER 6: INVESTOR STATUS**

- (a) Each Applicant should check whether it is eligible to apply under applicable law and ensure that any prospective allotment to it in the Issue is in compliance with the investment restrictions under applicable law.
- (b) Certain categories of Applicants, such as NRIs, FPIs and FVCIs may not be allowed to apply in the Issue or hold Equity Shares exceeding certain limits specified under applicable law. Applicants are requested to refer to the Prospectus for more details.
- (c) Applicants should check whether they are eligible to apply on non-repatriation basis or repatriation basis and should accordingly provide the investor status. Details regarding investor status are different in the Resident Application Form and Non-Resident Application Form.
- (d) Applicants should ensure that their investor status is updated in the Depository records.

#### **4.1.7 FIELD 7: PAYMENT DETAILS**

- (a) Please note that, providing bank account details in the space provided in the Application Form is mandatory and Applications that do not contain such details are liable to be rejected.

##### **4.1.7.1 Payment instructions for Applicants**

- (a) Applicants may submit the Application Form in physical mode to the Application Collecting Intermediaries.
- (b) Applicants should specify the Bank Account number in the Application Form.
- (c) Applicants should ensure that the Application Form is also signed by the ASBA Account holder(s) if the Applicant is not the ASBA Account holder;
- (d) Applicants shall note that that for the purpose of blocking funds under ASBA facility clearly demarcated funds shall be available in the account.
- (e) From one Bank Account, a maximum of five Application Forms can be submitted.
- (f) 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.
- (g) Upon receipt of the Application Form, the Designated Branch of the SCSB may verify if sufficient funds equal to the Application Amount are available in the ASBA Account, as mentioned in the Application Form.
- (h) If sufficient funds are available in the ASBA Account, the SCSB may block an amount equivalent to the Application Amount mentioned in the Application Form and may upload the details on the Stock Exchange Platform.
- (i) If sufficient funds are not available in the ASBA Account, the Designated Branch of the SCSB may not upload such Applications on the Stock Exchange platform and such Applications are liable to be rejected.

(j) Upon submission of a completed Application Form each ASBA Applicant may be deemed to have agreed to block the entire Application Amount and authorized the Designated Branch of the SCSB to block the Application Amount specified in the Application Form in the ASBA Account maintained with the SCSBs.

(k) The Application Amount may remain blocked in the aforesaid ASBA Account until finalisation of the Basis of allotment and subsequent transfer of the Application Amount against the Allotted Equity Shares, if any, to the Public Issue Account, or until withdrawal or failure of the Issue, or until withdrawal or rejection of the Application, as the case may be.

(l) SCSBs applying in the Issue must apply through an ASBA Account maintained with any other SCSB; else their Applications are liable to be rejected.

#### **4.1.8 Unblocking of ASBA Account**

(a) Once the Basis of Allotment is approved by the Designated Stock Exchange, the Registrar to the Issue may provide the following details to the controlling branches of each SCSB, along with instructions to unblock the relevant bank accounts and for successful applications transfer the requisite money to the Public Issue Account designated for this purpose, within the specified timelines: (i) the number of Equity Shares to be Allotted against each Application, (ii) the amount to be transferred from the relevant bank account to the Public Issue Account, for each Application, (iii) the date by which funds referred to in (ii) above may be transferred to the Public Issue Account, and (iv) details of rejected/ partial/ non-allotment ASBA Applications, if any, along with reasons for rejection and details of withdrawn or unsuccessful Applications, if any, to enable the SCSBs to unblock the respective bank accounts.

(b) On the basis of instructions from the Registrar to the Issue, the SCSBs may transfer the requisite amount against each successful ASBA Application to the Public Issue Account and may unblock the excess amount, if any, in the ASBA Account.

(c) In the event of withdrawal or rejection of the Application Form and for unsuccessful Applications, the Registrar to the Issue may give instructions to the SCSB to unblock the Application Amount in the relevant ASBA Account within 12 Working Days of the Issue Closing Date.

##### **4.1.8.1 Discount (if applicable)**

(a) The Discount is stated in absolute rupee terms.

(b) RIIs, Employees and Retail Individual Shareholders are only eligible for discount. For Discounts offered in the Issue, applicants may refer to the Prospectus.

(c) The Applicants entitled to the applicable Discount in the Issue may make payment for an amount i.e. the Application Amount less Discount (if applicable).

##### **4.1.8.2 Additional Payment Instructions for NRIs**

The Non-Resident Indians who intend to block funds in their Non-Resident Ordinary (NRO) accounts shall use the form meant for Resident Indians (non-repatriation basis). In the case of applications by NRIs applying on a repatriation basis, payment shall not be accepted out of NRO Account.



#### **4.1.9 FIELD NUMBER 8: SIGNATURES AND OTHER AUTHORISATIONS**

(a) Only the First Applicant is required to sign the Application Form. Applicants should ensure that signatures are in one of the languages specified in the Eighth Schedule to the Constitution of India.

(b) If the ASBA Account is held by a person or persons other than the ASBA Applicant., then the Signature of the ASBA Account holder(s) is also required.

(c) In relation to the ASBA Applications, signature has to be correctly affixed in the authorization/undertaking box in the Application Form, or an authorisation has to be provided to the SCSB via the electronic mode, for blocking funds in the ASBA Account equivalent to the application amount mentioned in the Application Form.

(d) Applicants must note that Application Form without signature of Applicant and /or ASBA Account holder is liable to be rejected.

#### **4.1.10 ACKNOWLEDGEMENT AND FUTURE COMMUNICATION**

Applicants should ensure that they receive the acknowledgment duly signed and stamped by Application Collecting Intermediaries, as applicable, for submission of the Application Form.

(a) All communications in connection with Applications made in the Issue should be addressed as under:

- i. In case of queries related to Allotment, non-receipt of Allotment Advice, credit of allotted equity shares, refund orders, the Applicants should contact the Registrar to the Issue.
- ii. In case of ASBA applications submitted to the Designated Branches of the SCSBs, the Applicants should contact the relevant Designated Branch of the SCSB.
- iii. Applicant may contact the Company Secretary and Compliance Officer or LM(s) in case of any other complaints in relation to the Issue.

(b) The following details (as applicable) should be quoted while making any queries -

- i. full name of the sole or First Applicant, Application Form number, Applicants' DP ID, Client ID, PAN, number of Equity Shares applied for, amount blocked on application.
- ii. In case of Non-ASBA applications cheque or draft number and the name of the issuing bank thereof
- iii. In case of ASBA applications, ASBA Account number in which the amount equivalent to the application amount was blocked.

For further details, Applicant may refer to the Prospectus and the Application Form.

#### **4.2 INSTRUCTIONS FOR FILING THE REVISION FORM**

(a) During the Issue Period, any Applicant (other than QIBs and NIIs, who can only revise their application amount upwards) who has registered his or her interest in the Equity Shares for a particular number of shares is free to revise number of shares applied using revision forms available separately.



- (b) RII may revise their applications or withdraw their applications till closure of the Issue period.
- (c) Revisions can be made only in the desired number of Equity Shares by using the Revision Form.
- (d) The Applicant can make this revision any number of times during the Issue Period. However, for any revision(s) in the Application, the Applicants will have to use the services of the SCSB through which such Applicant had placed the original Application.

A sample Revision form is reproduced below:

COMMON BID REVISION FORM		XYZ LIMITED - INITIAL PUBLIC ISSUE - R		FOR RESIDENT INDIANS, INCLUDING RESIDENT QIBs, AND ELIGIBLE NRIs APPLYING ON A NON REPATRIATION BASIS	
Address : _____		Contact Details : _____		CIN No. _____	
<b>TO,</b> <b>THE BOARD OF DIRECTORS</b> <b>XYZ LIMITED</b>		<b>BOOK BUILT ISSUE</b> <b>ISIN : _____</b>		<b>Bid cum</b> <b>Application</b> <b>Form No.</b> _____	
<b>SYNDICATE MEMBER'S STAMP &amp; CODE</b> <b>BROKER/SCSB/DP/RTA STAMP &amp; CODE</b>		<b>1. NAME &amp; CONTACT DETAILS OF SOLE / FIRST BIDDER</b> Mr./Ms. _____ Address _____ Email _____ Tel. No (with STD code) / Mobile _____			
<b>SUB-BROKER'S / SUB-AGENT'S STAMP &amp; CODE</b> <b>ESCROW BANK/SCSB BRANCH STAMP &amp; CODE</b>		<b>2. PAN OF SOLE / FIRST BIDDER</b> _____			
<b>BANK BRANCH SERIAL NO.</b> <b>SCSB SERIAL NO.</b>		<b>3. BIDDER'S DEPOSITORY ACCOUNT DETAILS</b> <input type="checkbox"/> NSDL <input type="checkbox"/> CDSL <small>For NSDL, enter 8 digit DP ID followed by 8 digit Client ID / For CDSL, enter 16 digit Client ID.</small>			
<b>PLEASE CHANGE MY BID</b>					
<b>4. FROM (AS PER LAST BID OR REVISION)</b>					
<b>Bid Options:</b> No. of Equity Shares Bid <small>(Bid must be in multiples of Bid Lot as advertised)</small> (In Figures)		<b>Price per Equity Share (₹) / "Cut-off" (Price in multiples of ₹ 1/- only)</b> (In Figures)			
Option 1 _____ (OR) Option 2 _____ (OR) Option 3 _____		Bid Price _____ Retail Discount _____ Net Price _____ "Cut-off" (Please tick) <input type="checkbox"/>			
<b>5. TO (Revised Bid) (Only Retail Individual Bidders can Bid as "Cut-off")</b>					
<b>Bid Options:</b> No. of Equity Shares Bid <small>(Bid must be in multiples of Bid Lot as advertised)</small> (In Figures)		<b>Price per Equity Share (₹) / "Cut-off" (Price in multiples of ₹ 1/- only)</b> (In Figures)			
Option 1 _____ (OR) Option 2 _____ (OR) Option 3 _____		Bid Price _____ Retail Discount _____ Net Price _____ "Cut-off" (Please tick) <input type="checkbox"/>			
<b>6. PAYMENT DETAILS</b>					
Additional Amount Paid (₹ in figures) _____ (₹ in words) _____ ASBA Bank A/c No. _____ Bank Name & Branch _____		<b>PAYMENT OPTION : FULL PAYMENT <input type="checkbox"/> PART PAYMENT <input type="checkbox"/></b>			
<small>THE APPLICANT/ BIDDERS AND CANDIDATES HEREBY CONFIRM THAT THEY HAVE READ AND UNDERSTOOD THE TERMS AND CONDITIONS OF THE RETENTION FORM AND THE ATTACHED AGREEMENTS, PLAN AND THE GENERAL INFORMATION DOCUMENT FOR INVESTING IN PUBLIC ISSUES (GID) AND HEREBY AGREE AND CONSENT TO THE BIDDERS UNDERTAKING AND/OR OVERLAP, PRIOR TO THE START OF BIDDING, IF ANY BIDDERS CONFIRM THAT THEY HAVE READ THE INSTRUCTIONS AND FILLING UP OF THE BIDDING FORM GIVEN OTHERS.</small>					
<b>A. SIGNATURE OF SOLE / FIRST BIDDER</b> _____ (Date : _____)		<b>B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(S)</b> <small>(AS PER BANK RECORDS)</small> _____ (I/We authorize the SCSB to do all acts as are necessary to make the Application on my/our behalf)		<b>BROKER / SCSB / DP / RTA STAMP (Acknowledging receipt of Bid in Stock Exchange system)</b> _____	
<b>TEAR HERE</b>					
<b>XYZ LIMITED</b> <b>BID REVISION FORM - INITIAL PUBLIC ISSUE - R</b>		<b>Acknowledgement Slip</b> <b>for Broker/SCSB/DP/RTA</b>		<b>Bid cum</b> <b>Application</b> <b>Form No.</b> _____	
<b>EPID / CLID</b> _____		<b>PAN of Sole / First Bidder</b> _____			
Additional Amount Paid (₹) _____ Bank & Branch _____		Stamp & Signature of SCSB Branch _____			
ASBA Bank A/c No. _____ Received from Mr./Ms. _____ Telephone / Mobile _____ Email _____					
<b>TEAR HERE</b>					
<b>XYZ LIMITED - BID REVISION FORM - INITIAL PUBLIC ISSUE - R</b>		<b>Stamp &amp; Signature of Broker / SCSB / DP / RTA</b> _____		<b>Name of Sole / First Bidder</b> _____	
No. of Equity Shares _____ Bid Price _____ Additional Amount Paid (₹) _____ ASBA Bank A/c No. _____ Bank & Branch _____		<b>Acknowledgement Slip for Bidder</b> <b>Bid cum</b> <b>Application</b> <b>Form No.</b> _____			

*Other than instructions already highlighted at paragraph 4.1 above, point wise instructions regarding filling up various fields of the Revision Form are provided below:*

#### **4.2.1 FIELDS 1, 2 AND 3: NAME AND CONTACT DETAILS OF SOLE/FIRST APPLICANT, PAN OF SOLE/FIRST APPLICANT & DEPOSITORY ACCOUNT DETAILS OF THE APPLICANT**

Applicants should refer to instructions contained in paragraphs 4.1.1, 4.1.2 and 4.1.3.

#### **4.2.2 FIELD 4 & 5: APPLICATION REVISION “FROM” AND “TO”**

(a) Apart from mentioning the revised number of shares in the Revision Form, the Applicant must also mention the details of shares applied for given in his or her Application Form or earlier Revision Form.

(b) In case of revision of applications by RIIs, Employees and Retail Individual Shareholders, such Applicants should ensure that the application amount should exceed Rs. 2,00,000/- due to revision and the application may be considered, subject to eligibility, for allocation under the Non-Institutional Category

#### **4.2.3 FIELD 6: PAYMENT DETAILS**

Applicant may Issue instructions to block the revised amount in the ASBA Account, to Designated Branch through whom such Applicant had placed the original application to enable the relevant SCSB to block the additional application amount, if any.

#### **4.2.4 FIELDS 7: SIGNATURES AND ACKNOWLEDGEMENTS**

Applicants may refer to instructions contained at paragraphs 4.1.8 and 4.1.9 for this purpose.

#### **4.3 SUBMISSION OF REVISION FORM/ APPLICATION FORM**

**4.3.1 Applicants may submit completed application form / Revision Form in the following manner:-**

Mode of Application	Submission of application Form
All Investors Application	To the Application Collecting Intermediaries

### **SECTION 5: ISSUE PROCEDURE IN FIXED PRICE ISSUE**

#### **5.1 APPLICANTS MAY NOTE THAT THERE IS NO BID CUM APPLICATION FORM IN A FIXED PRICE ISSUE**

As the Issue Price is mentioned in the Fixed Price Issue therefore on filing of the Prospectus with the ROC, the Application so submitted is considered as the application form. Applicants may only use the specified Application Form for the purpose of making an Application in terms of the Prospectus which may be submitted through Application Collecting Intermediaries and apply only through ASBA facility.

ASBA Applicants may submit an Application Form either in physical/electronic form to the Application Collecting Intermediaries authorising blocking of funds that are available in the bank account specified in the Application Form only (“ASBA Account”). The Application Form is also made available on the websites of the Stock Exchanges at least one day prior to the Issue Opening Date.

In a fixed price Issue, allocation in the net offer to the public category is made as follows: minimum fifty per cent to Retail Individual Investors; and remaining to (i) individual investors other than Retail Individual Investors; and (ii) other Applicants including corporate bodies or institutions, irrespective of the number of specified securities applied for. The unsubscribed portion in either of the categories specified above may be allocated to the Applicants in the other category.

## 5.2 GROUNDS OF REJECTIONS

- Applicants are advised to note that Applications are liable to be rejected inter alia on the following technical grounds:
- Amount blocked does not tally with the amount payable for the Equity Shares applied for;
- In case of partnership firms, Equity Shares may be registered in the names of the individual partners and no firm as such shall be entitled to apply;
- Application by persons not competent to contract under the Indian Contract Act, 1872 including minors, insane persons;
- PAN not mentioned in the Application Form;
- GIR number furnished instead of PAN;
- Applications for lower number of Equity Shares than specified for that category of investors;
- Applications at a price other than the Fixed Price of the Issue;
- Applications for number of Equity Shares which are not in multiples of [●];
- Category not ticked;
- Multiple Applications as defined in the Prospectus;
- In case of Application under power of attorney or by limited companies, corporate, trust etc., where relevant documents are not submitted;
- Applications accompanied by Stock invest/ money order/ postal order/ cash/ cheque/ demand draft/ pay order;
- Signature of sole Applicant is missing;
- Application Forms are not delivered by the Applicant within the time prescribed as per the Application Forms, Issue Opening Date advertisement and the Prospectus and as per the instructions in the Prospectus and the Application Forms;
- In case no corresponding record is available with the Depositories that matches three parameters namely, names of the Applicants (including the order of names of joint holders), the Depository Participant's identity (DP ID) and the beneficiary's account number;

- Applications for amounts greater than the maximum permissible amounts prescribed by the regulations;
- Applications by OCBs;
- Applications by US persons other than in reliance on Regulation S or "qualified institutional buyers" as defined in Rule 144A under the Securities Act;
- Applications not duly signed by the sole/ first Applicant;
- Applications by any persons outside India if not in compliance with applicable foreign and Indian laws;
- Applications that do not comply with the securities laws of their respective jurisdictions are liable to be rejected;
- Applications by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority;
- Applications by persons who are not eligible to acquire Equity Shares of the Company in terms of all applicable laws, rules, regulations, guidelines, and approvals;
- Applications or revisions thereof by QIB Applicants, Non-Institutional Applicants where the Application Amount is in excess of Rs. 2,00,000, received after 3.00 pm on the Issue Closing Date , unless the extended time is permitted by NSE.
- Details of ASBA Account not provided in the Application form

For details of instructions in relation to the Application Form, Applicants may refer to the relevant section the GID.

**APPLICANTS SHOULD NOTE THAT IN CASE THE PAN, THE DP ID AND CLIENT ID MENTIONED IN THE APPLICATION FORM AND ENTERED INTO THE ELECTRONIC APPLICATION SYSTEM OF THE STOCK EXCHANGES BY THE APPLICATION COLLECTING INTERMEDIARIES DO NOT MATCH WITH PAN, THE DP ID AND CLIENT ID AVAILABLE IN THE DEPOSITORY DATABASE, THE APPLICATION FORM IS LIABLE TO BE REJECTED.**

## **SECTION 6: ISSUE PROCEDURE IN BOOK BUILT ISSUE**

This being Fixed Price Issue, this section is not applicable for this Issue.

## **SECTION 7: ALLOTMENT PROCEDURE AND BASIS OF ALLOTMENT**

### **7.1 BASIS OF ALLOTMENT**

Allotment will be made in consultation with NSE EMERGE (The Designated Stock Exchange). In the event of oversubscription, the allotment will be made on a proportionate basis in marketable lots as set forth here:

1. The total number of Shares to be allocated to each category as a whole shall be arrived at on a proportionate basis i.e. the total number of Shares applied for in that category multiplied by the inverse of the over subscription ratio (number of applicants in the category x number of Shares applied for).

2. The number of Shares to be allocated to the successful applicants will be arrived at on a proportionate basis in marketable lots (i.e. Total number of Shares applied for into the inverse of the over subscription ratio).

3. For applications where the proportionate allotment works out to less than [●] equity shares the allotment will be made as follows:

a) Each successful applicant shall be allotted [●] equity shares; and  
b) The successful applicants out of the total applicants for that category shall be determined by the drawal of lots in such a manner that the total number of Shares allotted in that category is equal to the number of Shares worked out as per (2) above.

4. If the proportionate allotment to an applicant works out to a number that is not a multiple of [●] equity shares, the number in excess of the multiple of [●] would be rounded off to the higher multiple of [●] if that number is [●] or higher. If that number is lower than [●], it would be rounded off to the lower multiple of [●]. All Applicant in such categories would be Allotted Equity Shares arrived at after such rounding off.

5. If the Shares allotted on a proportionate basis to any category is more than the Shares allotted to the applicants in that category, the balance available Shares for allocation shall be first adjusted against any category, where the allotted Shares are not sufficient for proportionate allotment to the successful applicants in that category, the balance Shares, if any, remaining after such adjustment will be added to the category comprising of applicants applying for the minimum number of Shares. If as a result of the process of rounding off to the lower nearest multiple of [●] equity shares, results in the actual allotment being higher than the shares offered, the final allotment may be higher at the sole discretion of the Board of Directors, up to 110% of the size of the offer specified under the Capital Structure mentioned in this Draft Prospectus.

6. The above proportionate allotment of shares in an Issue that is oversubscribed shall be subject to the reservation for small individual applicants as described below:

(a) A minimum of 50% of the net offer of shares to the Public shall initially be made available for allotment to retail individual investors as the case may be.

(b) The balance net offer of shares to the public shall be made available for allotment to a) individual applicants other than retails individual investors and b) other investors, including Corporate Bodies/ Institutions irrespective of number of shares applied for.

(c) The unsubscribed portion of the net offer to any one of the categories specified in (a) or (b) shall/may be made available for allocation to applicants in the other category, if so required.

(d) As per Regulation 43 (4) of SEBI (ICDR) Regulations, 2009 as amended, if the retail individual investor category is entitled to more than fifty per cent on proportionate basis, the retail individual investors shall be allocated that higher percentage.

'Retail Individual Investor' means an investor who applies for shares of value of not more than Rs. 2,00,000/- Investors may note that in case of over subscription allotment shall be on proportionate basis and will be finalized in consultation with NSE.

The Executive Director / Managing Director of NSE - the Designated Stock Exchange in addition to Lead Manager and Registrar to the Public Issue shall be responsible to ensure that the basis of allotment is finalized in a fair and proper manner in accordance with the SEBI (ICDR) Regulations, 2009.

## 7.2 DESIGNATED DATE AND ALLOTMENT OF EQUITY SHARES

(a) **Designated Date:** On the Designated Date, the SCSBs shall transfer the funds represented by allocation of Equity Shares into the Public Issue Account with the Bankers to the Issue.

(b) **Issuance of Allotment Advice:** Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar shall upload the same on its website. On the basis of the approved Basis of Allotment, the Issuer shall pass necessary corporate action to facilitate the Allotment and credit of Equity Shares. Applicants are advised to instruct their Depository Participant to accept the Equity Shares that may be allotted to them pursuant to the Issue.

Pursuant to confirmation of such corporate actions, the Registrar will dispatch Allotment Advice to the Applicants who have been Allotted Equity Shares in the Issue.

(c) The dispatch of Allotment Advice shall be deemed a valid, binding and irrevocable contract.

(d) Issuer will ensure that: (i) the Allotment of Equity Shares; and (ii) initiate corporate action for credit of shares to the successful Applicants Depository Account will be completed within 4 Working Days of the Issue Closing Date. The Issuer also ensures the credit of shares to the successful Applicant's depository account is completed within one Working Day from the date of Allotment, after the funds are transferred from the Escrow Account to the Public Issue Account on the Designated Date.

## SECTION 8: INTEREST AND REFUNDS

### 8.1 COMPLETION OF FORMALITIES FOR LISTING & COMMENCEMENT OF TRADING

The Issuer may ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges are taken within 6 Working Days of the Issue Closing Date. The Registrar to the Issue may give instructions for credit to Equity Shares the beneficiary account with DPs, and dispatch the Allotment Advice within 6 Working Days of the Issue Closing Date.

### 8.2 GROUNDS FOR REFUND

#### 8.2.1 NON RECEIPT OF LISTING PERMISSION

An Issuer makes an application to the Stock Exchange(s) for permission to deal in/list and for an official quotation of the Equity Shares. All the Stock Exchanges from where such permission is sought are disclosed in Prospectus. The Designated Stock Exchange may be as disclosed in the Prospectus with which the Basis of Allotment may be finalised. If the permissions to deal in and for an official quotation of the Equity Shares are not granted by any of the Stock Exchange(s), the Issuer may forthwith repay, without interest, all moneys received from the Applicants in pursuance of the Prospectus. If such money is not repaid within eight days after the Issuer becomes liable to repay it, then the Issuer and every director of the Issuer who is an officer in default may, on and from such expiry of eight days, be liable to repay the money, with interest at such rate, as prescribed under Section 73 of the Companies Act, and as disclosed in the Prospectus.

### 8.2.2 MINIMUM SUBSCRIPTION

This Issue is not restricted to any minimum subscription level. This Issue is 100% underwritten. As per Section 39 of the Companies Act, 2013, if the “stated minimum amount” has not been subscribed and the sum payable on application is not received within a period of 30 days from the date of the Prospectus, the application money has to be returned within such period as may be prescribed. If the Issuer does not receive the subscription of 100% of the Issue through this offer document including devolvement of Underwriters within sixty days from the date of closure of the Issue, the Issuer shall forthwith refund the entire subscription amount received. If there is a delay beyond eight days after the Issuer becomes liable to pay the amount, the Issuer shall pay interest prescribed under section 40 of the Companies Act, 2013.

### 8.2.3 MINIMUM NUMBER OF ALLOTTEES

The Issuer may ensure that the number of prospective Allottees to whom Equity Shares may be allotted may not be less than 50 failing which the entire application monies may be refunded forthwith.

### 8.3 MODE OF REFUND

Within 6 Working Days of the Issue Closing Date, the Registrar to the Issue may give instructions to SCSBs for unblocking the amount in ASBA Account on unsuccessful Application and also for any excess amount blocked on Application.

#### 8.3.1 Mode of making refunds for ASBA Applicants

In case of ASBA Applicants, the Registrar to the Issue may instruct the controlling branch of the SCSB to unblock the funds in the relevant ASBA Account for any withdrawn, rejected or unsuccessful ASBA applications or in the event of withdrawal or failure of the Issue.

### 8.4 INTEREST IN CASE OF DELAY IN ALLOTMENT OR REFUND

The Issuer may pay interest at the rate of 15% per annum /or demat credits are not made to Applicants or instructions for unblocking of funds in the ASBA Account are not dispatched within the 4 Working days of the Issue Closing Date. The Issuer may pay interest at 15% per annum for any delay beyond 15 days from the Issue Closing Date, if Allotment is not made.

## SECTION 9: GLOSSARY AND ABBREVIATIONS

*Unless the context otherwise indicates or implies, certain definitions and abbreviations used in this document may have the meaning as provided below. References to any legislation, act or regulation may be to such legislation, act or regulation as amended from time to time.*

Term	Description
Allotment/ Allot/ Allotted	The allotment of Equity Shares pursuant to the Issue to successful Applicants
Allottee	An Applicant to whom the Equity Shares are Allotted
Allotment Advice	Note or advice or intimation of Allotment sent to the Applicants who have been allotted Equity Shares after the Basis of Allotment has been approved by the designated Stock Exchanges
Application	An indication to make an offer during the Issue Period by a prospective pursuant to submission of Application Form or during the Anchor Investor Issue Period by



Term	Description
	the Anchor Investors, to subscribe for or purchase the Equity Shares of the Issuer at a price including all revisions and modifications thereto.
Application Form	The form in terms of which the Applicant should make an application for Allotment in case of issues other than Book Built Issues, includes Fixed Price Issue
Application Collecting Intermediaries	<ul style="list-style-type: none"> <li>(vi) an SCSB, with whom the bank account to be blocked, is maintained</li> <li>(vii) a syndicate member (or sub-syndicate member)</li> <li>(viii) a stock broker registered with a recognised stock exchange (and whose name is mentioned on the website of the stock exchange as eligible for this activity) ("broker")</li> <li>(ix) a depository participant ("DP") (whose name is mentioned on the website of the stock exchange as eligible for this activity)</li> <li>(x) a registrar to an issue and share transfer agent ("RTA") (whose name is mentioned on the website of the stock exchange as eligible for this activity)</li> </ul>
Application Supported by Blocked Amount/(ASBA)/ASBA	An application, whether physical or electronic, used by Applicants to make an application authorising an SCSB to block the Application Amount in the specified bank account maintained with such SCSB
ASBA Account	Account maintained with an SCSB which may be blocked by such SCSB to the extent of the Application Amount of the ASBA Applicant
ASBA Application	An Application made by an ASBA Applicant
Application Amount	The value indicated in Application Form and payable by the Applicant upon submission of the Application, less discounts (if applicable).
Banker(s) to the Issue/	The banks which are clearing members and registered with SEBI as Banker to the Issue with whom the Public Issue Account(s) may be opened, and as disclosed in the Prospectus and Application Form of the Issuer
Basis of Allotment	The basis on which the Equity Shares may be Allotted to successful Applicants under the Issue
Issue Closing Date	The date after which the SCSBs may not accept any Application for the Issue, which may be notified in an English national daily, a Hindi national daily and a regional language newspaper at the place where the registered office of the Issuer is situated, each with wide circulation Applicants may refer to the Prospectus for the Issue Closing Date
Issue Opening Date	The date on which the SCSBs may start accepting application for the Issue, which may be the date notified in an English national daily, a Hindi national daily and a regional language newspaper at the place where the registered office of the Issuer is situated, each with wide circulation. Applicants may refer to the Prospectus for the Issue Opening Date
Issue Period	The period between the Issue Opening Date and the Issue Closing Date inclusive of both days and during which prospective Applicants ( can submit their application inclusive of any revisions thereof. The Issuer may consider closing the Issue Period for QIBs one working day prior to the Issue Closing Date in accordance with the SEBI ICDR Regulations, 2009. Applicants may refer to the Prospectus for the Issue Period
Lead Manager(s)/Lead Manager/ LM	The Lead Manager to the Issue as disclosed in the Draft Prospectus/ Prospectus and the Application Form of the Issuer.
Business Day	Monday to Friday (except public holidays)
CAN/Confirmation of Allotment	The note or advice or intimation sent to each successful Applicant indicating the

Term	Description
Note	Equity Shares which may be Allotted, after approval of Basis of Allotment by the Designated Stock Exchange
Client ID	Client Identification Number maintained with one of the Depositories in relation to demat account
Companies Act	The Companies Act, 1956 and The Companies Act, 2013 (to the extent notified)
DP	Depository Participant
DP ID	Depository Participant's Identification Number
Depositories	National Securities Depository Limited and Central Depository Services (India) Limited
Demographic Details	Details of the Applicants including the Applicant's address, name of the Applicant's father/husband, investor status, occupation and bank account details
Designated Branches	Such branches of the SCSBs which may collect the Application Forms used by the ASBA Applicants applying through the ASBA and a list of which is available on <a href="http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries">http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries</a>
Designated Date	The date on which the amounts blocked by the SCSBs are transferred from the ASBA Accounts, as the case may be, to the Public Issue Account, as appropriate, after the Prospectus is filed with the RoC, following which the board of directors may Allot Equity Shares to successful Applicants in the Issue
Designated Stock Exchange	The designated stock exchange as disclosed in the Draft Prospectus/Prospectus of the Issuer
Discount	Discount to the Issue Price that may be provided to Applicants in accordance with the SEBI ICDR Regulations, 2009.
Draft Prospectus	The draft prospectus filed with the Designated stock exchange in case of Fixed Price Issues and which may mention a price or a Price Band
Employees	Employees of an Issuer as defined under SEBI ICDR Regulations, 2009 and including, in case of a new company, persons in the permanent and full time employment of the promoting companies excluding the promoter and immediate relatives of the promoter. For further details /Applicant may refer to the Prospectus
Equity Shares	Equity shares of the Issuer
FCNR Account	Foreign Currency Non-Resident Account
Applicant	The Applicant whose name appears first in the Application Form or Revision Form
FPI(s)	Foreign Portfolio Investor
Fixed Price Issue/ Fixed Price	The Fixed Price process as provided under SEBI ICDR Regulations, 2009, in terms

Term	Description
Process/Fixed Price Method	of which the Issue is being made
FPO	Further public offering
Foreign Venture Capital Investors or FVCIs	Foreign Venture Capital Investors as defined and registered with SEBI under the SEBI (Foreign Venture Capital Investors) Regulations, 2000
IPO	Initial public offering
Issue	Public Issue of Equity Shares of the Issuer including the Offer for Sale if applicable
Issuer/ Company	The Issuer proposing the initial public offering/further public offering as applicable
Issue Price	The final price, less discount (if applicable) at which the Equity Shares may be Allotted in terms of the Prospectus. The Issue Price may be decided by the Issuer in consultation with the Lead Manager(s)
Maximum RII Allottees	The maximum number of RIIs who can be allotted the minimum Application Lot. This is computed by dividing the total number of Equity Shares available for Allotment to RIIs by the minimum Application Lot.
MICR	Magnetic Ink Character Recognition - nine-digit code as appearing on a cheque leaf
Mutual Fund	A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996
NECS	National Electronic Clearing Service
NEFT	National Electronic Fund Transfer
NRE Account	Non-Resident External Account
NRI	NRIs from such jurisdictions outside India where it is not unlawful to make an offer or invitation under the Issue and in relation to whom the RHP/Prospectus constitutes an invitation to subscribe to or purchase the Equity Shares
NRO Account	Non-Resident Ordinary Account
Net Issue	The Issue less Market Maker Reservation Portion
Non-Institutional Investors or NIIs	All Applicants, including sub accounts of FPIs registered with SEBI which are foreign corporate or foreign individuals, that are not QIBs or RIBs and who have applied for Equity Shares for an amount of more than Rs. 2,00,000 (but not including NRIs other than Eligible NRIs)
Non Institutional Category	The portion of the Issue being such number of Equity Shares available for allocation to NIIs on a proportionate basis and as disclosed in the Prospectus and the Application Form

Term	Description
Non Resident	A person resident outside India, as defined under FEMA and includes Eligible NRIs, FPIs registered with SEBI and FVCIs registered with SEBI
OCB/Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date had taken benefits under the general permission granted to OCBs under FEM
Other Investors	Investors other than Retail Individual Investors in a Fixed Price Issue. These include individual applicants other than retail individual investors and other investors including corporate bodies or institutions irrespective of the number of specified securities applied for.
PAN	Permanent Account Number allotted under the Income Tax Act, 1961
Prospectus	The prospectus to be filed with the RoC in accordance with Section 60 of the Companies Act 1956 read with section 26 of Companies Act 2013, containing the Issue Price, the size of the Issue and certain other information
Public Issue Account	An account opened with the Banker to the Issue to receive monies from the ASBA Accounts on the Designated Date
QIB Category Qualified Institutional Buyers or QIBs	The portion of the Issue being such number of Equity Shares to be Allotted to QIBs on a proportionate basis As defined under SEBI ICDR Regulations, 2009
RTGS	Real Time Gross Settlement
Refunds through electronic transfer of funds	Refunds through ASBA
Registrar to the Issue/RTI	The Registrar to the Issue as disclosed in the Draft Prospectus / Prospectus and Application Form
Reserved Category/ Categories	Categories of persons eligible for making application under reservation portion
Reservation Portion	The portion of the Issue reserved for category of eligible Applicants as provided under the SEBI ICDR Regulations, 2009
Retail Individual Investors / RIIs	Investors who applies or for a value of not more than Rs. 2,00,000.
Retail Individual Shareholders	Shareholders of a listed Issuer who applies for a value of not more than Rs. 2,00,000.
Retail Category	The portion of the Issue being such number of Equity Shares available for allocation to RIIs which shall not be less than the minimum lot, subject to

Term	Description
	availability in RII category and the remaining shares to be allotted on proportionate basis.
Revision Form	The form used by the Applicant in an issue to modify the quantity of Equity Shares in an Application Forms or any previous Revision Form(s)
RoC	The Registrar of Companies
SEBI	The Securities and Exchange Board of India constituted under the Securities an Exchange Board of India Act, 1992
SEBI ICDR Regulations, 2009	The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009
Self Certified Syndicate Bank(s) or SCSB(s)	A bank registered with SEBI, which offers the facility of ASBA and a list of which is available on <a href="http://www.sebi.gov.in/cms/sebi_data/attachdocs/1316087201341.html">http://www.sebi.gov.in/cms/sebi_data/attachdocs/1316087201341.html</a>
SME IPO	Initial public offering as chapter XB of SEBI (ICDR) Regulation
SME Issuer	The Company making the Issue under chapter XB of SEBI (ICDR) Regulation
Stock Exchanges/SE	The stock exchanges as disclosed in the Draft Prospectus/ Prospectus of the Issuer where the Equity Shares Allotted pursuant to the Issue are proposed to be listed
Specified Locations	Refer to definition of Broker Centers
Underwriters	[•]
Underwriting Agreement	Underwriting Agreement entered between Company and Underwriters
Working Day	Working days shall be all trading days of stock exchanges excluding Sundays and bank holidays

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## SECTION VIII

### MAIN PROVISIONS OF THE ARTICLES OF ASSOCIATION

#### *Interpretation*

I. (1) In these regulations—

“**The Act**” means the Companies Act, 2013.

“**The seal**” means the common seal of the company.

The Company” or “this Company” means **WONDER FIBROMATS LIMITED**.

“**Annual General Meeting**” means a general meeting of the Members held in accordance with the provisions of Section 96 of the Act or any adjourned meeting thereof.

“**Auditors**” means and include those persons appointed as such for the time being by the Company or its Board,

“**Board**” or ‘**Board of Directors**’ or ‘**the Board**’ means the Board of Directors for the time being of the Company.

“**Board Meeting**” means meeting of the Directors or a committee thereof duly called and constituted, or as the case may be, the Directors assembled at the Meeting of the Board of Directors of the Company collectively.

“**Capital**” means the share capital for the time being raised or authorised to be raised, for the purpose of the Company.

“**Debenture**” includes debenture-stock.

“**Dividend**” includes interim dividend.

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\* Alteration of Articles of Association and insert the clause 8. Regarding Bonus issue has been approved by the shareholders of the Company in its Extra Ordinary General Meeting held on 30<sup>th</sup> July 2018.

“**Extraordinary General Meeting**”, means an extraordinary general meeting of the Members duly called and constituted and any adjourned meeting thereof.

“**Member**” means the duly registered holder from time to time of the shares of the Company and includes the subscribers of the Memorandum of Association of the Company.

“**Meeting**” or “**General Meeting**” means a meeting of members.

“**Month**” means a calendar month.

“**Office**” means the registered office for the time being of the Company.

A resolution shall be an ordinary resolution when at a general meeting of which the notice required under the Act has been duly given, the votes cast (whether on a show of hands, or on a poll as the case may be) in favour of the resolution (including the casting vote, if any, of the chairman) by members, who being entitled so to do, vote in person, or where proxies are allowed, by proxy, exceed the votes, if any, cast against the resolution by members so entitled and voting.

**“Paid-up”** includes credited as paid-up.

**“Persons”** includes corporations and firms as well as individuals.

**“Postal Ballot”** shall mean voting by post through ballot papers distributed amongst eligible voters and shall include voting by electronic mode.

**“Register of Members”** means the Register of Members to be kept pursuant to the Act.

**“Registrar”** means the Registrar of Companies of the State in which the Registered Office of the Company is for the time being situated.

**“Secretary”** means any individual possessing the qualification prescribed for the time being by or under the Act or any rules made thereunder and appointed to perform the duties, which may be performed by Secretary under the Act, and any other ministerial or administrative duties.

**“Share”** means share in the share capital of the Company and includes stock except where a distinction between stock and share is expressed or implied.

**“Small Shareholder”** means a shareholder holding shares of the nominal value of twenty thousand rupees or such other sum as may be prescribed.

A resolution shall be a special resolution when:-

- (a) the intention to propose the resolution as a special resolution has been duly specified in the notice convening the general meeting or other, intimation given to the members of the resolution.
- (b) the notice required under the Act has been duly given, and
- (c) the votes cast in favour of the resolution whether on a show of hands, or on a poll as the case may be by members, who being entitled so to do, vote in person, or where proxies are allowed, by proxy, are not less than three times the number of the votes, if any, cast against the resolution by members so entitled, and voting.

**“Written”** and **“In Writing”** include printing, lithography, computer modes and other modes of representing or reproducing words in a visible form.

**“Year”** means the calendar year and **“Financial Year”** shall have the meaning assigned thereto by Section 2(41) of the Act.

Words importing the singular number include, where the context admits or requires the plural number and vice versa. Words importing the masculine gender also include the feminine gender,



(2) The marginal notes used in these Articles shall not affect the construction or meaning of the subject.

(3) Unless the context otherwise requires, words or expressions contained in these regulations shall bear the same meaning as in the Act or any statutory modification thereof in force at the date at which these regulations become binding on the company.

### *Share capital and variation of rights*

- II. 1. Subject to the provisions of the Act and these Articles, the shares in the capital of the company shall be under the control of the Directors who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par and at such time as they may from time to time think fit.
2. (i) Every person whose name is entered as a member in the register of members shall be entitled to receive within two months after incorporation, in case of subscribers to the memorandum or after allotment or within one month after the application for the registration of transfer or transmission or within such other period as the conditions of issue shall be provided, —
  - (a) one certificate for all his shares without payment of any charges; or
  - (b) several certificates, each for one or more of his shares, upon payment of twenty rupees for each certificate after the first.
  - (ii) Every certificate shall be under the seal and shall specify the shares to which it relates and the amount paid-up thereon.
  - (iii) In respect of any share or shares held jointly by several persons, the company shall not be bound to issue more than one certificate, and delivery of a certificate for a share to one of several joint holders shall be sufficient delivery to all such holders.
3. (i) If any share certificate be worn out, defaced, mutilated or torn or if there be no further space on the back for endorsement of transfer, then upon production and surrender thereof to the company, a new certificate may be issued in lieu thereof, and if any certificate is lost or destroyed then upon proof thereof to the satisfaction of the company and on execution of such indemnity as the company deem adequate, a new certificate in lieu thereof shall be given. Every certificate under this Article shall be issued on payment of twenty rupees for each certificate.
  - (ii) The provisions of Articles (2) and (3) shall *mutatis mutandis* apply to debentures of the company.
4. Except as required by law, no person shall be recognised by the company as holding any share upon any trust, and the company shall not be bound by, or be compelled in anyway to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any share, or any interest in any fractional part of a share, or (except only as by these regulations or by law otherwise provided) any other rights in respect of any share except an absolute right to the entirety thereof in the registered holder.
5. (i) If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of section 48, and whether or not the company is being wound up, be varied with the consent in writing of the holders of three-fourths of the issued shares of that class, or with the sanction of a special resolution passed at a separate meeting of the holders of the shares of that class.

- (ii) To every such separate meeting, the provisions of these regulations relating to general meetings shall *mutatis mutandis* apply, but so that the necessary quorum shall be at least two persons holding at least one-third of the issued shares of the class in question.
6. The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking *pari passu* therewith.
7. Subject to the provisions of section 55, any preference shares may, with the sanction of an ordinary resolution, be issued on the terms that they are to be redeemed on such terms and in such manner as the company before the issue of the shares may, by special resolution, determine.
8. The Company in general meeting may decide to issue fully paid up bonus share to the member(s) if so recommended by the Board of Directors.

#### ***Underwriting And Brokerage***

- 9.(i) The company may exercise the powers of paying commissions conferred by section 40, provided that the rate per cent. or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by that section and rules made thereunder.
- (ii) The commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in the one way and partly in the other.
- (iii) The rate or amount of the commission shall not exceed in the case of shares, five per cent of the price at which the shares are issued and in the case of debentures, shall not exceed two and a half per cent of the price at which the debentures are issued. Such commission may be satisfied by payment of cash or by allotment of fully or partly paid shares or partly in one way and partly in the other.

#### ***Lien***

- 10.(i) The company shall have a first and paramount lien—
- (a) on every share (not being a fully paid share), for all monies (whether presently payable or not) called, or payable at a fixed time, in respect of that share; and
- (b) on all shares (not being fully paid shares) standing registered in the name of a single person, for all monies presently payable by him or his estate to the company:
- Provided that the Board of directors may at any time declare any share to be wholly or in part exempt from the provisions of this clause.
- (ii) The company's lien, if any, on a share shall extend to all dividends payable and bonuses declared from time to time in respect of such shares.
11. The company may sell, in such manner as the Board thinks fit, any shares on which the company has a lien: Provided that no sale shall be made—

(a) unless a sum in respect of which the lien exists is presently payable; or

(b) until the expiration of fourteen days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the share or the person entitled thereto by reason of his death or insolvency.

12.(i) To give effect to any such sale, the Board may authorise some person to transfer the shares sold to the purchaser thereof.

(ii) The purchaser shall be registered as the holder of the shares comprised in any such transfer.

(iii) The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.

13.(i) The proceeds of the sale shall be received by the company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable.

(ii) The residue, if any, shall, subject to a like lien for sums not presently payable as existed upon the shares before the sale, be paid to the person entitled to the shares at the date of the sale.

#### ***Calls on shares***

14.(i) The Board may, from time to time, make calls upon the members in respect of any monies unpaid on their shares (whether on account of the nominal value of the shares or by way of premium) and not by the conditions of allotment thereof made payable at fixed times. The Option or right to call of shares shall not be given to any person except with the sanction of the company in general meeting:

Provided that no call shall exceed one-fourth of the nominal value of the share or be payable at less than one month from the date fixed for the payment of the last preceding call.

(ii) Each member shall, subject to receiving at least fourteen days' notice specifying the time or times and place of payment, pay to the company, at the time or times and place so specified, the amount called on his shares.

(iii) A call may be revoked or postponed at the discretion of the Board.

15. A call shall be deemed to have been made at the time when the resolution of the Board authorising the call was passed and may be required to be paid by instalments.

16. The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.

17.(i) If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest thereon from the day appointed for payment thereof to the time of actual payment at ten per cent. per annum or at such lower rate, if any, as the Board may determine.

(ii) The Board shall be at liberty to waive payment of any such interest wholly or in part.

18.(i) Any sum which by the terms of issue of a share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium, shall, for the purposes of these regulations, be deemed to be a call duly made and payable on the date on which by the terms of issue such sum becomes payable.

(ii) In case of non-payment of such sum, all the relevant provisions of these regulations as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.

#### 19. The Board—

- (a) may, if it thinks fit, receive from any member willing to advance the same, all or any part of the monies uncalled and unpaid upon any shares held by him; and
- (b) upon all or any of the monies so advanced, may (until the same would, but for such advance, become presently payable) pay interest at such rate not exceeding, unless the company in general meeting shall otherwise direct, twelve per cent. per annum, as may be agreed upon between the Board and the member paying the sum in advance but shall not in respect thereof confer a right to dividend or to participate in profits.

#### *Transfer of shares*

20. (i) The instrument of transfer of any share in the company shall be executed by or on behalf of both the transferor and transferee.

(ii) A common form of for instruments of transfer which may from time to time be altered by the Directors

(iii) The transferor shall be deemed to remain a holder of the share until the name of the transferee is entered in the register of members in respect thereof.

(iv) The Board shall not refuse the registration of transfer 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.

21. The Board may, subject to the right of appeal conferred by section 58 decline to register—

- (a) the transfer of a share, not being a fully paid share, to a person of whom they do not approve; or
- (b) any transfer of shares on which the company has a lien.

22. The Board may decline to recognise any instrument of transfer unless—

- (a) the instrument of transfer is in the form as prescribed in rules made under sub-section (1) of section 56;
- (b) the instrument of transfer is accompanied by the certificate of the shares to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer; and
- (c) the instrument of transfer is in respect of only one class of shares.

23. On giving not less than seven days' previous notice in accordance with section 91 and rules made thereunder, the registration of transfers may be suspended at such times and for such periods as the Board may from time to time determine:

Provided that such registration shall not be suspended for more than thirty days at any one time or for more than forty-five days in the aggregate in any year.

24. a) No fee shall be charged for:

- i. Registration of transfer of the Company's shares, debentures and Detachable warrants;
- ii. Sub-division and consolidation of share certificates, debenture certificates and detachable warrants and for sub-division of letters of allotment and split, consideration, renewal and pukka transfer receipts into denomination corresponding to the market units of trading;
- iii sub-division of renounceable letters of right;
- iv issue of new certificates in replacement of those which are old, decrepit or worn out or where the pages on the reverse for recording transfer have been fully utilized;
- v registration of any power of attorney, probate, letters of administration or similar other documents.

a) Fees as agreed upon with the Stock Exchanges will be charged for :

- i. issue of new certificate in replacement of those that are torn, defaced, lost or destroyed;
- ii sub-division and consolidation of shares and debenture certificates and for sub-division of letters of allotment and split, consolidation renewal and pukka transfer receipts into denominations other than those fixed for the market unit of trading.

### ***Transmission of shares***

25. (i) On the death of a member, the survivor or survivors where the member was a joint holder, and his nominee or nominees or legal representatives where he was a soleholder, shall be the only persons recognised by the company as having any title to his interest in the shares.

(ii) Nothing in clause (i) shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons.

26. (i) Any person becoming entitled to a share in consequence of the death or insolvency of a member may, upon such evidence being produced as may from time to time properly be required by the Board and subject as hereinafter provided, elect, either—

- (a) to be registered himself as holder of the share; or
- (b) to make such transfer of the share as the deceased or insolvent member could have made.

(ii) The Board shall, in either case, have the same right to decline or suspend registration as it would have had, if the deceased or insolvent member had transferred the share before his death or insolvency.

27.(i) If the person so becoming entitled shall elect to be registered as holder of the share himself, he shall deliver or send to the company a notice in writing signed by him stating that he so elects.

(ii) If the person aforesaid shall elect to transfer the share, he shall testify his election by executing a transfer of the share.

(iii) All the limitations, restrictions and provisions of these regulations relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or insolvency of the member had not occurred and the notice or transfer were a transfer signed by that member.

28. A person becoming entitled to a share by reason of the death or insolvency of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share, except that he shall not, before being registered as a member in respect of the share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the company:

Provided that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the share, until the requirements of the notice have been complied with.

### ***Forfeiture of shares***

29. If a member fails to pay any call, or instalment of a call, on the day appointed for payment thereof, the Board may, at any time thereafter during such time as any part of the call or instalment remains unpaid, serve a notice on him requiring payment of so much of the call or instalment as is unpaid, together with any interest which may have accrued.

30. The notice aforesaid shall—

(a) name a further day (not being earlier than the expiry of fourteen days from the date of service of the notice) on or before which the payment required by the notice is to be made; and

(b) state that, in the event of non-payment on or before the day so named, the shares in respect of which the call was made shall be liable to be forfeited.

31. If the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may, at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect.

32.(i) A forfeited share may be sold or otherwise disposed of on such terms and in such manner as the Board thinks fit.

(ii) At any time before a sale or disposal as aforesaid, the Board may cancel the forfeiture on such terms as it thinks fit.

- 33.(i) A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares, but shall, notwithstanding the forfeiture, remain liable to pay to the company all monies which, at the date of forfeiture, were presently payable by him to the company in respect of the shares.
- (ii) The liability of such person shall cease if and when the company shall have received payment in full of all such monies in respect of the shares.
- 34.(i) A duly verified declaration in writing that the declarant is a director, the manager or the secretary, of the company, and that a share in the company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share;
- (ii) The company may receive the consideration, if any, given for the share on any sale or disposal thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed of;
- (iii) The transferee shall thereupon be registered as the holder of the share;
- (iv) The transferee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the share.
35. The provisions of these regulations as to forfeiture shall apply in the case of nonpayment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the nominal value of the share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.

#### *Alteration of capital*

36. The company may, from time to time, by ordinary resolution increase the share capital by such sum, to be divided into shares of such amount, as may be specified in the resolution.
37. Subject to the provisions of section 61, the company may, by ordinary resolution,—
- (a) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;
  - (b) convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination;
  - (c) sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the memorandum;
  - (d) cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person.
38. Where shares are converted into stock,—
- (a) the holders of stock may transfer the same or any part thereof in the same manner as, and subject to the same regulations under which, the shares from which the stock arose might before the conversion have been transferred, or as near thereto as circumstances admit;



Provided that the Board may, from time to time, fix the minimum amount of stock transferable, so, however, that such minimum shall not exceed the nominal amount of the shares from which the stock arose.

(b) the holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, voting at meetings of the company, and other matters, as if they held the shares from which the stock arose; but no such privilege or advantage (except participation in the dividends and profits of the company and in the assets on winding up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage.

(c) such of the regulations of the company as are applicable to paid-up shares shall apply to stock and the words "share" and "shareholder" in those regulations shall include "stock" and "stock-holder" respectively.

39. The company may, by special resolution, reduce in any manner and with, and subject to, any incident authorised and consent required by law,—

- (a) its share capital;
- (b) any capital redemption reserve account; or
- (c) any share premium account.

#### *Capitalisation of profits*

40. (i) 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 (ii) amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.

(ii) The sum aforesaid shall not be paid in cash but shall be applied, subject to the provision contained in clause (iii), either in or towards—

- (A) paying up any amounts for the time being unpaid on any shares held by such members respectively;
- (B) paying up in full, unissued shares of the company to be allotted and distributed, credited as fully paid-up, to and amongst such members in the proportions aforesaid;
- (C) partly in the way specified in sub-clause (A) and partly in that specified in sub-clause (B);
- (D) A securities premium account and a capital redemption reserve account may, for the purposes of this regulation, be applied in the paying up of unissued shares to be issued to members of the company as fully paid bonus shares;
- (E) The Board shall give effect to the resolution passed by the company in pursuance of this regulation.

41. (i) Whenever such a resolution as aforesaid shall have been passed, the Board shall—

- (a) make all appropriations and applications of the undivided profits resolved to be capitalised thereby, and all allotments and issues of fully paid shares if any; and
- (b) generally do all acts and things required to give effect thereto.
- (ii) The Board shall have power—
  - (a) to make such provisions, by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit, for the case of shares becoming distributable in fractions; and
  - (b) to authorise any person to enter, on behalf of all the members entitled thereto, into an agreement with the company providing for the allotment to them respectively, credited as fully paid-up, of any further shares to which they may be entitled upon such capitalisation, or as the case may require, for the payment by the company on their behalf, by the application thereto of their respective proportions of profits resolved to be capitalised, of the amount or any part of the amounts remaining unpaid on their existing shares;
- (iii) Any agreement made under such authority shall be effective and binding on such members.

#### ***Buy-back of shares***

42. Notwithstanding anything contained in these articles but subject to the provisions of sections 68 to 70 and any other applicable provision of the Act or any other law for the time being in force, the company may purchase its own shares or other specified securities.

#### ***General Meetings***

43. All general meetings other than annual general meeting shall be called extraordinary general meeting.

44. (i) The Board may, whenever it thinks fit, call an extraordinary general meeting.

(ii) If at any time directors capable of acting who are sufficient in number to form a quorum are not within India, any director or any two members of the company may call an extraordinary general meeting in the same manner, as nearly as possible, as that in which such a meeting may be called by the Board.

#### ***Proceedings at General Meetings***

45. (i) No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business.

(ii) Save as otherwise provided herein, the quorum for the general meetings shall be as provided in section 103.

46. The chairperson, if any, of the Board shall preside as Chairperson at every general meeting of the company.

47. If there is no such Chairperson, or if he is not present within fifteen minutes after the time appointed for holding the meeting, or is unwilling to act as chairperson of the meeting, the directors present shall elect one of their members to be Chairperson of the meeting.

48. If at any meeting no director is willing to act as Chairperson or if no director is present within fifteen minutes after the time appointed for holding the meeting, the members present shall choose one of their members to be Chairperson of the meeting.

#### *Adjournment of meeting*

49. (i) The Chairperson may, with the consent of any meeting at which a quorum is present, and shall, if so directed by the meeting, adjourn the meeting from time to time and from place to place.
- (ii) No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.
- (iii) When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting.
- (iv) Save as aforesaid, and as provided in section 103 of the Act, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

#### *Voting rights*

50. Subject to any rights or restrictions for the time being attached to any class or classes of shares, —
- (a) on a show of hands, every member present in person shall have one vote; and
- (b) on a poll, the voting rights of members shall be in proportion to his share in the paid-up equity share capital of the company.
51. A member may exercise his vote at a meeting by electronic means in accordance with section 108 and shall vote only once.
52. In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders.
- For this purpose, seniority shall be determined by the order in which the names stand in the register of members.
53. A member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee or other legal guardian, and any such committee or guardian may, on a poll, vote by proxy.
54. Any business other than that upon which a poll has been demanded may be proceeded with, pending the taking of the poll.
55. No member shall be entitled to vote at any general meeting unless all calls or other sums presently payable by him in respect of shares in the company have been paid.
56. (i) No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes.

(ii) Any such objection made in due time shall be referred to the Chairperson of the meeting, whose decision shall be final and conclusive.

### ***Proxy***

57. The instrument appointing a proxy and the power-of-attorney or other authority, if any, under which it is signed or a notarised copy of that power or authority, shall be deposited at the registered office of the company not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or, in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll; and in default the instrument of proxy shall not be treated as valid.

58. An instrument appointing a proxy shall be in the form as prescribed in the rules made under section 105.

59. A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death or insanity of the principal or the revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the shares in respect of which the proxy is given: Provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received by the company at its office before the commencement of the meeting or adjourned meeting at which the proxy is used.

### ***Board of Directors***

60. The Person named hereinafter are the First Director of the Company:

1. Mr. Yogesh Anand
2. Mr. Harsh Kumar Anand
3. Mr. Yogesh Sahni

Until otherwise determined by a General Meeting of the Company and subject to the provisions of Section 149 of the Act, the number of Directors (including Debenture and Alternate Directors) shall not be less than three and not more than fifteen. Provided that a company may appoint more than fifteen directors after passing a special resolution.

61. (i) The remuneration of the directors shall, in so far as it consists of a monthly payment, be deemed to accrue from day-to-day.

(ii) In addition to the remuneration payable to them in pursuance of the Act, the directors may be paid all travelling, hotel and other expenses properly incurred by them—

(a) in attending and returning from meetings of the Board of Directors or any committee thereof or general meetings of the company; or

(b) in connection with the business of the company.

62. The Board may pay all expenses incurred in getting up and registering the company.

63. The company may exercise the powers conferred on it by section 88 with regard to the keeping of a foreign register; and the Board may (subject to the provisions of that section) make and vary such regulations as it may think fit respecting the keeping of any such register.
64. All cheques, promissory notes, drafts, *hundis*, bills of exchange and other negotiable instruments, and all receipts for monies paid to the company, shall be signed, drawn, accepted, endorsed, or otherwise executed, as the case may be, by such person and in such manner as the Board shall from time to time by resolution determine.
65. Every director present at any meeting of the Board or of a committee thereof shall sign his name in a book to be kept for that purpose.
66. (i) Subject to the provisions of section 149, the Board shall have power at any time, and from time to time, to appoint a person as an additional director, provided the number of the directors and additional directors together shall not at any time exceed the maximum strength fixed for the Board by the articles.
- (ii) Such person shall hold office only up to the date of the next annual general meeting of the company but shall be eligible for appointment by the company as a director at that meeting subject to the provisions of the Act.

#### ***Proceedings of the Board***

67. (i) The Board of Directors may meet for the conduct of business, adjourn and otherwise regulate its meetings, as it thinks fit.
- (ii) A director may, and the manager or secretary on the requisition of a director shall, at any time, summon a meeting of the Board.
68. (i) Save as otherwise expressly provided in the Act, questions arising at any meeting of the Board shall be decided by a majority of votes.
- (ii) In case of an equality of votes, the Chairperson of the Board, if any, shall have a second or casting vote.
69. The continuing directors may act notwithstanding any vacancy in the Board; but, if and so long as their number is reduced below the quorum fixed by the Act for a meeting of the Board, the continuing directors or director may act for the purpose of increasing the number of directors to that fixed for the quorum, or of summoning a general meeting of the company, but for no other purpose.
70. (i) The Board may elect a Chairperson of its meetings and determine the period for which he is to hold office.
- (ii) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the directors present may choose one of their number to be Chairperson of the meeting.
71. (i) The Board may, subject to the provisions of the Act, delegate any of its powers to committees consisting of such member or members of its body as it thinks fit.
- (ii) Any committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may be imposed on it by the Board.

72.(i) A committee may elect a Chairperson of its meetings.

(ii) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the members present may choose one of their members to be Chairperson of the meeting.

73.(i) A committee may meet and adjourn as it thinks fit.

(ii) Questions arising at any meeting of a committee shall be determined by a majority of votes of the members present, and in case of an equality of votes, the Chairperson shall have a second or casting vote.

74. All acts done in any meeting of the Board or of a committee thereof or by any person acting as a director, shall, notwithstanding that it may be afterwards discovered that there was some defect in the appointment of any one or more of such directors or of any person acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such director or such person had been duly appointed and was qualified to be a director.

75. Save as otherwise expressly provided in the Act, a resolution in writing, signed by all the members of the Board or of a committee thereof, for the time being entitled to receive notice of a meeting of the Board or committee, shall be valid and effective as if it had been passed at a meeting of the Board or committee, duly convened and held.

76. In case of a One Person Company—

(i) where the company is having only one director, all the businesses to be transacted at the meeting of the Board shall be entered into minutes book maintained under section 118;

(ii) such minutes book shall be signed and dated by the director;

(iii) the resolution shall become effective from the date of signing such minutes by the director.

***Chief Executive Officer, Manager, Company Secretary or Chief Financial Officer***

77. Subject to the provisions of the Act,—

(i) A chief executive officer, manager, company secretary or chief financial officer may be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit; and any chief executive officer, manager, company secretary or chief financial officer so appointed may be removed by means of a resolution of the Board;

(ii) A director may be appointed as chief executive officer, manager, company secretary or chief financial officer.

78. A provision of the Act or these regulations requiring or authorising a thing to be done by or to a director and chief executive officer, manager, company secretary or chief financial officer shall not be satisfied by its being done by or to the same person acting both as director and as, or in place of, chief executive officer, manager, company secretary or chief financial officer.

***The Seal***

79.(i) The Board shall provide for the safe custody of the seal.

(ii) The seal of the company shall not be affixed to any instrument except by the authority of a resolution of the Board or of a committee of the Board authorised by it in that behalf, and except in the presence of at least two directors and of the secretary or such other person as the Board may appoint for the purpose; and those two directors and the secretary or other person aforesaid shall sign every instrument to which the seal of the company is so affixed in their presence.

### ***Dividends and Reserve***

80. The company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board.

81. Subject to the provisions of section 123, the Board may from time to time pay to the members such interim dividends as appear to it to be justified by the profits of the company.

82. (i) The Board may, before recommending any dividend, set aside out of the profits of the company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the company may be properly applied, including provision for meeting contingencies or for equalizing dividends; and pending such application, may, at the like discretion, either be employed in the business of the company or be invested in such investments (other than shares of the company) as the Board may, from time to time, think fit.

(ii) The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.

83. (i) Subject to the rights of persons, if any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid, but if and so long as nothing is paid upon any of the shares in the company, dividends may be declared and paid according to the amounts of the shares.

(ii) No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this regulation as paid on the share.

(iii) All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly.

84. The Board may deduct from any dividend payable to any member all sums of money, if any, presently payable by him to the company on account of calls or otherwise in relation to the shares of the company.

85. (i) Any dividend, interest or other monies payable in cash in respect of shares may be paid by cheque or warrant sent through the post directed to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who is first named on the register of members, or to such person and to such address as the holder or joint holders may in writing direct.

(ii) Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.



86. Any one of two or more joint holders of a share may give effective receipts for any dividends, bonuses or other monies payable in respect of such share.
87. Notice of any dividend that may have been declared shall be given to the persons entitled to share therein in the manner mentioned in the Act.
88. No dividend shall bear interest against the company.
89. The Company shall not forfeit any unpaid or unclaimed dividend and such dividends shall be dealt with according to the provisions of the Companies Act, 2013..

#### ***Accounts***

90. (i) The Board shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations, the accounts and books of the company, or any of them, shall be open to the inspection of members not being directors.
- (ii) No member (not being a director) shall have any right of inspecting any account or book or document of the company except as conferred by law or authorised by the Board or by the company in general meeting.

#### ***Dematerialisation Of Securities***

91. The provisions of this Article shall apply notwithstanding anything to the contrary contained in any other Articles.

For the purpose of this Article:

“**Beneficial Owner**” means a person or persons whose name is recorded as such with a depository,

“**SEBI**” means the Securities & Exchange Board of India; established under Section 3 of the Securities & Exchange Board of India Act, 1992 and

“**Depository**” means a company formed and registered under the Companies Act, and which has been granted a certificate of registration to act as depository under Securities & Exchange Board of India Act, 1992; and wherein the securities of the Company are dealt with in accordance with the provisions of the Depositories Act, 1996.

2. The Company shall be entitled to dematerialise its securities and to offer securities in a dematerialised form pursuant to the Depositories Act, 1996.

3. Every holder of or subscriber to securities of the Company shall have the option to receive certificates for such securities or to hold the securities with a Depository. Such a person who is the beneficial owner of the securities can at any time opt out of a depository, if permitted by law, in respect of any securities in the manner provided by the Depositories Act, 1996 and the Company shall, in the manner and within the time prescribed, issue to the beneficial owner the required certificates for the Securities.

If a person opts to hold his Securities with the depository, the Company shall intimate such depository the details of allotment of the Securities, and on receipt of the information, the depository shall enter in its record the name of the allottee as the beneficial owner of the Securities.

4. All securities held by a depository shall be dematerialised and be in fungible form. Nothing contained in Section 89 of the Act shall apply to a depository in respect of the securities held by it on behalf of the beneficial owners.

5.(a) Notwithstanding anything to the contrary contained in the Act or these Articles, a depository shall be deemed to be the registered owner for the purposes of effecting transfer of ownership of securities of the Company on behalf of the beneficial owner.

(b) Save as otherwise provided in (a) above, the depository as the registered owner of the securities shall not have any voting rights or any other rights in respect of the securities held by it.

(c) Every person holding securities of the Company and whose name is entered as the beneficial owner of securities in the record of the depository shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of the securities which are held by a depository and shall be deemed to be a Member of the Company.

6. Notwithstanding anything contained in the Act or these Articles to the contrary, where securities of the Company are held in a depository, the records of the beneficiary ownership may be served by such depository on the Company by means of electronic mode or by delivery of floppies or discs.

7. Nothing contained in Section 108 of the Act or these Articles, shall apply to a transfer of securities effected by a transferor and transferee both of whom are entered as beneficial owners in the records of a depository.

8. Notwithstanding anything contained 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.

9. Nothing contained in the Act or these Articles regarding the necessity of having distinctive numbers for securities issued by the Company shall apply to securities held with a depository.

10. The Register and Index of beneficial owners maintained by a depository under the Depositories Act, 1996 shall be deemed to be the Register and Index of Members and Security holders for the purposes of these Articles.

#### ***Audit***

92. Auditors shall be appointed and their rights and duties regulated in accordance with Sections 139 to 147 of the Act.

The First Auditor or Auditors of the Company shall be appointed by the Board within 30 days of the date of registration of the Company and the Auditor or Auditors so appointed shall hold office until the conclusion of the Sixth Annual General Meeting provided that the Company may, at a General Meeting, remove any such Auditor or all of such Auditors and appoint in his or their place by Special Resolution.

#### ***Copies Of Memorandum And Articles To Be Sent To Members***

93. Copies of the Memorandum and Articles of Association of the Company and other documents referred to in Section 17 of the Act shall be sent by the Board to every Member at his request within 7 days of the request on payment of prescribed fees for each copy.

(1) A document or notice may be served on a Company or any officer thereof by sending it to the Company or the Officer at the registered office of the Company sending it by registered post or by speed post or by courier service, or by leaving it at its registered office or by means of such electronic or other mode as may be prescribed.

(2) A Document may be Served upon the Registrar or any member by sending it to his office or address by post or registered post or speed post or courier service or by delivering at his office or address or by means of such electronic or other mode as may be prescribed. Provided that a member may request for delivery of any documents through a particular mode Now the Documents will have to be sent to a member to his address, in India or abroad.

(3) Documents or notices of every General Meeting shall be served or given in the same manner hereinbefore on or to (a) All the members, legal Representative of any deceased member or assignee of the insolvent member (b) Auditors and (c) the Directors of the Company, in writing or through Electronic mode.

(4) Any document or notice to be served or given by the Company may be signed by the Directors, Key Managerial Personnel or an Officer of the Company duly Authorised by the Board of Directors in this behalf and the signatures thereto may be written, printed or lithographed.

### ***Borrowing Powers***

95. The Board may, from time to time, at its discretion subject to the provisions of Section 179 of the Act, raise or borrow, and secure the payment of any sum or sums of money for the purpose of the Company; provided that the Board shall not without the sanction of the Company in General Meeting borrow any sum of money which together with money borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) exceed the aggregate for the time being of the paid up capital of the Company and its free reserves, that is to say, reserves not set aside for any specific purpose.

96. The Board may raise or secure the repayment of such sum or sums in such manner and upon such terms and conditions in all respects as it thinks fit and in particular, by the issue of bonds, perpetual or redeemable, debentures or debenture-stock, or any mortgage, or other security on the undertaking of the whole or any part of the property of the Company (both present and future), including its uncalled capital for the time being.

### ***Winding up***

97. Subject to the provisions of Chapter XX of the Act and rules made thereunder—

(i) If the company shall be wound up, the liquidator may, with the sanction of a special resolution of the company and any other sanction required by the Act, divide amongst the members, in specie or kind, the whole or any part of the assets of the company, whether they shall consist of property of the same kind or not.

(ii) For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members.

(iii) The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.

#### *Secrecy*

98. Subject to the provisions of these Articles and the Act no member, or other person (not being a Director) shall be entitled to enter the property of the Company or to inspect or examine the Company's premises or properties of the Company without the permission of the Directors or to require discovery of or any information respecting any detail of the Company's trading or any matter which is or may be in the nature of a trade secret, mystery of trade, or secret process or of any matter whatsoever which may relate to the conduct of the business of the Company and which in the opinion of the Directors it will be inexpedient in the interest of the Company to communicate.

#### *Indemnity*

99. Every officer of the company shall be indemnified out of the assets of the company against any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or in which relief is granted to him by the court or the Tribunal.

## SECTION IX: OTHER INFORMATION

### MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following contracts and agreements referred to (not being contracts entered into in the ordinary course of business carried on or intended to be carried on by the Company or contracts entered into more than two years before the date of filing of this Draft Prospectus), These contracts, copies of which will be attached to the copy of the Prospectus, to be delivered to the Registrar of Companies, Delhi for registration and also the documents for inspection referred to hereunder, may be inspected at the Registered Office of our Company at 45, Okhla Industrial Estate, Phase-III, New Delhi 110020 from 11.00 a.m. to 4.00 p.m. on working days from the date of the Draft Prospectus until the Issue Closing Date.

### MATERIAL CONTRACTS

- 1) Memorandum of Understanding dated 11<sup>th</sup> September, 2018 between our Company and the Lead Manager to the Issue.
- 2) Memorandum of Understanding dated 11<sup>th</sup> September, 2018 entered into with Karvy Computershare Private Limited to appointing them as the Registrar to the Issue.
- 3) Copy of tripartite agreement dated [●] between NSDL, our Company and Karvy Computershare Private Limited.
- 4) Copy of tripartite agreement dated [●] between CDSL, our Company and Karvy Computershare Private Limited.
- 5) Bankers to the Issue Agreement dated [●] between our Company, Lead Manager, Banker to the Issue and the Registrar to the issue.
- 6) Market Making Agreement dated [●] between our Company, Lead Manager and Market Maker.
- 7) Underwriting Agreement dated [●] between our Company and Underwriters.

### DOCUMENTS FOR INSPECTION

- 8) Memorandum and Articles of Association of our Company as amended from time to time.
- 9) Copy of the resolution passed at the meeting of the Board of Directors held on 6<sup>th</sup> August, 2018 approving the issue.
- 10) Copy of the resolution passed by the shareholders of our Company under Section 62(1)(c) of the Companies Act, 2013 at the Extra Ordinary General Meeting held on 31<sup>st</sup> August, 2018.
- 11) Copy of Shareholders resolution dated 30<sup>th</sup> July, 2018 appointing Mr. Harsh Kumar Anand as the Managing Director for a period of Five (5) years w.e.f. 30<sup>th</sup> July, 2018 and approving their remuneration and terms.
- 12) Copies of Annual Reports of the Company for the five (5) financial years ended on March 31, 2018, 2017, 2016, 2015 & 2014.

- 13) Consents of the Directors, Company Secretary/Compliance Officer, Chief Financial Officer, Statutory / Peer Review Auditors, Lead Manager to the Issue, Underwriters, Market Makers, Bankers to the Issue, Legal Advisors to the Issue, and Registrars to the Issue, to include their names in the Draft Prospectus to act their respective capacities.
- 14) Audit report and restated financial information issued by Peer Review Auditors i.e. M/s. Ramanand & Associates, Chartered Accountants, dated 10<sup>th</sup> September, 2018 included in the Draft Prospectus.
- 15) Letter dated 10<sup>th</sup> September, 2018 from the statutory Auditors of our Company, M/s AYK & Associates, Chartered Accountants, detailing the tax benefits.
- 16) Copy of certificate from the statutory Auditors of our Company, M/s AYK & Associates, Chartered Accountants, dated 10<sup>th</sup> September, 2018, regarding the sources and deployment of funds as on 31<sup>st</sup> August, 2018.
- 17) Board Resolution dated 14<sup>th</sup> September, 2018 for approval of Draft Prospectus.
- 18) Due Diligence Certificate dated [•] to be submitted to SEBI from Lead Manager viz. Navigant Corporate Advisors Limited along with the filing of the Prospectus.
- 19) Copy of approval from NSE vide letter dated [•] to use the name of NSE in this offer document for listing of Equity Shares NSE EMERGE.

Any of the contracts or documents mentioned in this Draft Prospectus may be amended or modified at any time, if so required, in the interest of our Company or if required by the other parties, without reference to the shareholders, subject to compliance of the provisions contained in the Companies Act and other relevant statutes.

## DECLARATION

We, the under signed, hereby certify and declare that, all relevant provisions of the Companies Act and the rules, regulations and guidelines issued by the Government of India or the regulations / guidelines issued by SEBI, as the case may be, have been complied with and no statement made in the Draft Prospectus is contrary to the provisions of the Companies Act, the Securities and Exchange Board of India Act, 1992 or rules made there under or regulations / guidelines issued, as the case may be. We further certify that all the disclosures and statements made in the Draft Prospectus are true and correct.

**Signed by all the Directors of Our Company**

NAME	DESIGNATION	DIN	ADDRESS	SIGNATURE
Mr. Harsh Kumar Anand	Managing Director	00312438	E-279 Greater Kailash-II South Delhi 110048	Sd/-
Mr. Yogesh Anand	Executive and Non Independent Director	00425775	C-62 Sector-44,Noida Gautam Budh Nagar 201301 UP	Sd/-
Mr. Yogesh Sahni	Executive and Non Independent Director	00811667	8, Sri Ram Road, Civil Lines, Delhi 110054	Sd/-
Mr. Rohit Anand	Executive and Non Independent Director	00317492	E-279 Greater Kailash Part-II South Delhi 110048	Sd/-
Mr. Karan Anand	Executive and Non Independent Director	05253410	E-279 Greater Kailash Part-II South Delhi 110048	Sd/-
Mr. Jatin Anand	Executive and Non Independent Director	07507727	C-62 Sector-44,Noida Gautam Budh Nagar 201301 UP	Sd/-
Mr. Siddhant Sahni	Executive and Non Independent Director	07508004	8 Shri Ram Road Civil Lines Delhi-110054	Sd/-
Mrs. Neerja Sahni	Executive and Non Independent Director	08180342	8 Shri Ram Road Civil Lines Delhi-110054	Sd/-
Mr. Praveen Chand Khanna	Independent Director	00535792	House No. 17, Alipur Road, Civil Lines, North Delhi 110054	Sd/-
Mr. Jugal Kishore Chugh	Independent Director	01254901	I-208, Plot No. E 8 B, Parsvnath Gardenia Sector-61, Gautam Buddha Nagar Noida 201301 UP	Sd/-
Mr. Sunil Malhotra	Independent Director	08183343	Flat No.-402,Tower C-6,The Legend, Sushant Lok 3 , Sector-57, Gurgaon 122011 HR	Sd/-
Mr. Amarbir Singh Bhatia	Independent Director	08183825	A-151,Defence Colony, Lajpat Nagar Delhi 110024	Sd/-

Signed by Chief Financial Officer and Company Secretary and Compliance officer of the Company.

Sd/-  
Mr. Yogesh Anand  
Chief Financial Officer

Sd/-  
Ms. Nikita  
Company Secretary and Compliance Officer

Place: New Delhi  
Date: 14.09.2018



**DISCLOSURE OF PRICE INFORMATION OF PAST ISSUES HANDLED BY NAVIGANT CORPORATE ADVISORS LIMITED**

**TABLE:1**

Sr. No.	Issue Name	Issue Size (Rs. Cr.)	Issue Price (Rs.)	Listing Date	Opening Price on Listing Date	+/- % change in closing price, [+/- % change in closing benchmark]- 30th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180th calendar days from listing
1	Prabhat Telecoms (India) Limited	11.22	51.00	03-08-2016	61.20	+43.14% (+3.01%)	+47.06% (+0.65%)	+54.90% (+0.55%)
2	KMS Medisurgi Limited	2.70	30.00	24-04-2017	30.00	+0% (+2.18%)	+2.17% (+8.00%)	+0.33% (+9.22%)
3	Pure Giftcarat Limited	7.45	13.00	08-05-2017	10.80	+0.77% (+4.49%)	+0% (+8.02%)	+8.85% (+12.56%)
4	Jalan Transolutions (India) Limited	17.71	46.00	31-05-2017	41.50	-21.74% (-0.72%)	-27.07% (+0.78%)	-12.28% (+8.28%)
5	G G Engineering Limited	2.23	20.00	17-07-2017	21.00	+9.50% (-0.87%)	+119.75% (+1.12%)	+155.00% (+7.85%)
6	Keerti Knowledge & Skills Limited	4.05	52.00	07-08-2017	51.05	-9.02% (-1.90%)	-27.12% (+4.37%)	+1.92% (+8.65%)
7	Ashok Masala Mart Limited	2.01	10.00	22-08-2017	12.00	-19.40% (+3.45%)	-6.50% (+7.65%)	-7.50% (+8.69%)
8	Manav Infra Projects Limited	5.51	30.00	18-09-2017	32.00	-32.50% (+0.50%)	-40.83% (+3.21%)	-48.33% (+3.89%)
9	Ajoooni Biotech Limited	6.59	30.00	02-01-2018	36.00	+51.33% (+6.19%)	+3.33% (-1.65%)	-20.00% (+4.77%)
10	Continental Seeds and Chemicals Limited	4.21	26.00	04-04-2018	27.30	-16.19% (+5.74%)	-26.92% (+7.15%)	N.A.
11	Power and Instrumentation (Gujarat) Limited	6.15	33.00	23-04-2018	35.00	-6.36% (+0.58%)	-48.48% (+5.94%)	N.A.
12	Dr Lalchandani Labs Limited	4.20	30.00	09-05-2018	29.95	-2.50% (+0.35%)	+3.17% (+6.64%)	N.A.
13	Sirca Paints India Limited	77.91	160.00	30-05-2018	162.00	-5.25% (+1.48%)	+49.38% (+10.93%)	N.A.
14	Rajnish Wellness Limited	11.98	95.00	09-07-2018	100.00	+18.05% (+5.43%)	N.A.	N.A.

*Note: The 30th, 90th, and 180th calendar days has been taken as listing date plus 29, 89, 179 calendar days respectively. Where the 30<sup>th</sup> day / 90<sup>th</sup> day / 180<sup>th</sup> day falls on BSE / NSE Trading holiday or falls on day when there is no trade in equity share of the respective company, preceding trading day has been considered. BSE SENSEX has been considered as the benchmark index. We have taken the Issue Price to calculate the % of change in closing price as on 30th, 90th, and 180th calendar day.*

**TABLE 2: SUMMARY STATEMENT OF DISCLOSURE OF PAST ISSUED HANDELED BY NAVIGANT CORPORATE ADVISORS LIMITED**

Financial Year	Total No. of IPOs	Total amount of funds raised (Rs. Cr.)	No. of IPOs trading at discount - 30th calendar days from listing			No. of IPOs trading at premium - 30th calendar days from listing			No. of IPOs trading at discount - 180th calendar days from listing			No. of IPOs trading at premium - 180th calendar days from listing		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
2018-2019	5	104.45	0	0	4	0	0	1	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
2017-2018	8	48.25	0	1	3	1	0	3	N.A.	1	3	1	N.A.	3
2016-2017	1	11.22	0	0	0	0	1	0	0	0	0	1	0	0